NORTHAM
PLATINUM HOLDINGS LIMITED

The new Northam: continuing to create value for all stakeholders

Annual financial statements 30 June 2021

smart platinum mining

CONTENT

Basis of preparation

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.

The disclosures regarding the Composite Transaction (as defined in the Transaction Documents) included in the various group publications, including the annual financial statements of the company and the group are made in accordance with the requirements included in International Accounting Standards 10 Events after the Reporting Period (IAS 10). IAS 10 paragraph 21 requires the disclosure of material non-adjusting events occurring after the reporting period when non-disclosure could influence the decisions of users of the annual financial statements made on the basis of those annual financial statements. The Composite Transaction constitutes such an event. The following disclosures are required in respect thereof: (a) the nature of the event; and (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

In line with the reporting requirements of International Financial Reporting Standards (IFRS) and following the guidance of IAS 10 as disclosed above, unless otherwise stated, all values and number of shares relating to the Composite Transaction have been disclosed based on calculations as at the Last Practicable Date prior to the finalisation of the Transaction Documents, being 30 April 2021, in accordance with the disclosures made in the Transaction Documents. Such disclosure is provided for illustrative purposes only, to provide an estimate of the financial effect of the Composite Transaction as required by IAS 10. The actual financial effect of the Composite Transaction may vary.

Users of the various group publications (which includes the annual financial statements) are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied in calculating the number of shares, as well as the values disclosed, in order to obtain a fully informed view of the nature and potential impact of the Composite Transaction.

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 included in both the annual integrated report as well as the summarised year-end results and Composite Transaction Glossary included in the summarised year-end results.

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

The directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 36 to 164 of this document, fairly present in all material respects the financial position, financial performance and cash flows of Northam and the group in terms of IFRS.
- 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 and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Northam and the group.
- 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 within the combined assurance model pursuant to principle 15 of the King IV Report on Governance for South Africa, 2016. Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

PA Dunne
Chief executive officer

AH Coetzee
Chief financial officer

Johannesburg
23 September 2021

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 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 23 September 2021 and are signed on its behalf by:

DH Brown
Chairman

PA Dunne
Chief executive officer

HH Hickey
Chairperson – audit and risk committee

Johannesburg
23 September 2021

COMPANY SECRETARY'S CONFIRMATION

I, PB Beale, in my capacity as company secretary of Northam, 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
23 September 2021

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 (JSE) Listings Requirements and other applicable regulatory requirements.

This report sets out how the audit and risk committee of Northam and/or Northam Holdings (as the case may be) (the committee) has satisfied its various statutory obligations during the year, as well as some of the 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
- Liquidity
- Fraud and theft
- Information Technology and cyber security
- Empowerment transaction
- Capital allocation

Related material issues addressed by the committee

- Maintaining our legislative and regulatory compliance, focussing on the Mineral and Petroleum Resources Development Act (MPRDA) and the Mining Charter
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Role and mandate

The committee's main role is to assist the board of directors (board) in fulfilling its 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.

As part of its mandate, the committee has the authority to investigate matters within the scope of its defined responsibility and to request information or explanations necessary for the performance of its functions.

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.

These responsibilities are in terms of the mandate of the committee as defined in section 94(7) of the Companies Act, JSE Listings Requirements and the audit and risk committee charter.

Refer to the audit and risk committee charter at www.northam.co.za/governance/policies-and-procedures.

Committee composition

The committee comprises four independent, non-executive directors, elected by shareholders on the recommendation of the nomination committee, and who all satisfy the requirements to serve as members of an audit committee, as defined by section 94(4) of the Companies Act. The committee meets at least four times a year.

Collectively, all members of the committee have finance, risk management, corporate governance, integrated reporting, information technology, legal and audit experience. Three of the four committee members are chartered accountants, with the other having a Master of Business Administration (MBA) in finance.

The board elects the chairperson of the committee, and the chairperson of the board is not eligible to be the chairperson or a member of the committee. In this regard, it is however noted that for the period between 22 June 2021 and the date of this report, the chairperson of the board was a member of the committee.

The chairperson of the committee reports to the board on the committee's activities and all matters discussed, highlighting key issues requiring action and recommendations for resolution.

Below is a summary of the committee members for the period under review:

Name	Initial appointment date	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	4/4
JJ Nel	1 June 2019	Independent non-executive director	4/4
Dr NY Jekwa	1 June 2019	Independent non-executive director	4/4

The board is satisfied that collectively the committee members have the appropriate mix of qualifications and experience, as required by King IV™, in order to fulfil their duties .The composition, mandate and charter of this committee will be reviewed and reassessed, together with the review of all sub committees of the board, in a structured manner led by the chairman of the board over the course of the next 12 months.

Changes to the committee during the year

There were no changes to the committee during the year under review.

DH Brown was appointed as independent chairman of the board on 22 June 2021 and therefore will not be available for re-election as a member of the committee at the upcoming annual general meeting (AGM) of Northam Holdings.

Invited attendees

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

Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate.

All directors have the right to attend the committee meetings.

The committee meets at least once a year with the external and internal auditors without the presence of management. For the year under review these meetings took place on 14 August 2020 and 8 March 2021.

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning, whilst ensuring that it does not assume the functions of management.

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

Areas of focus during the year – significant audit matters

<table>
<tr><th>Audit matter</th><th>Response</th><th>Associated risks</th></tr>
<tr><td>Inventory valuation</td><td>The committee noted the valuation of metal inventory as a key audit matter set out in the independent auditor’s report.

It deliberated on this matter and reviewed a detailed report from management on the process implemented to verify the quantity and valuation of inventory, ensuring that inventory is stated at the lower of cost and net realisable value (NRV).</td><td>• Fraud and theft</td></tr>
<tr><td>Significant accounting judgements and estimates, as disclosed in the annual financial statements</td><td>The committee considered the following accounting judgements, estimates and assumptions in relation to the annual financial statements for the year ended 30 June 2021:

• Assessment of the recoverable values of the various assets in the group in terms of IAS 36 Impairment of assets, ensuring that the recoverable values of cash generating units (CGUs) are higher than the carrying value, therefore no impairments are required
• Mineral Reserve and Mineral Resource estimates
• Evaluation of the capitalisation of borrowing costs in terms of IAS 23 Borrowing costs, relating to the qualifying assets of the group
• The consolidation of the Zambezi Preference Share liability
• 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 rehabilitation and decommissioning liabilities of the group
• Assessment of the valuation of Toro Employee Empowerment Trust in terms of IAS 19 Employee benefits
• Assessment of the utilisation of a deferred tax asset relating to various subsidiaries in the group in terms of IAS 12 Income taxes
• Disclosure of related party transactions
• Assessment of the liability raised in terms of an Employee Labour Court judgement
• Assessment of contingent assets or liabilities disclosed in the notes to the annual financial statements

The committee has deliberated on these matters and is comfortable that they have been appropriately accounted for in terms of the requirements of IFRS and are fairly represented in the annual financial statements.</td><td>• Liquidity
• Exchange rate and commodity price volatility
• Social licence to operate
• Environment</td></tr>
<tr><td>New accounting standards</td><td>Considered new accounting standards, interpretations and amendments to standards in issue, not yet adopted, but are likely to affect the financial reporting in future years, and the disclosure thereof in the annual financial statements.

Refer to the annual financial statements for the year ended 30 June 2021 for new accounting standards adopted and standards, interpretations and amendments issued, but not yet effective.</td><td>• Social license to operate</td></tr>
<tr><td>Free cash flow forecast</td><td>Deliberated and reviewed the cash generation profile of the group. This was done in the context of the group’s intention to maintain a prudent level of standby credit, in light of its significantly enlarged operational footprint and working capital requirements.</td><td>• Liquidity</td></tr>
</table>

Audit matter	Response	Associated risks
Transaction to accelerate the maturity of the Zambezi BEE Transaction and the extension of Historically Disadvantaged Person (HDP) ownership for a further 15 years	The committee considered the pro-forma financial information provided in the Northam circular, together with the work that was done by the reporting accountants, Ernst & Young Incorporated (EY) on the pro-forma financial effects. In addition, 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. *The committee is comfortable that the disclosures in the annual financial statements are reasonable taking into account the terms and conditions of the Composite Transaction.*	• Empowerment transaction

Ongoing impact of COVID-19 on the current year audit and committee focus areas

The continued impact of the COVID-19 pandemic resulted in the majority of the audit being performed off site, with the audit team given full access to Northam's Enterprise Resources Planning (ERP) system, SAP S4/Hana.

Continuous communication between external audit, management and those charged with governance ensured that the audit was appropriately planned and executed in the most effective way possible, under the circumstances. Below are specific considerations given to the financial reporting as a result of the ongoing impact of the COVID-19 pandemic:

Specific consideration	Response
Going concern assessment	The committee reviewed and considered various CGUs impairment assessments, which included consideration of the CGUs 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. It was confirmed that the financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The committee will continue to monitor factors impacting price forecasts, which inform detailed cash flow 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. It also confirms 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.*
Impairment considerations	The committee considered the group's impairment assessments for its interim and annual reporting periods based on the requirements of IAS 36 Impairment of assets. *It was noted that appropriate sensitivity assessments have been performed to ensure that the carrying value of all assets are lower than their recoverable value.*
Available borrowing facilities	The committee performed a detailed review of the borrowing facilities available to the group which include, a R4 billion revolving credit facility (RCF) and a R1 billion general banking facility (GBF), both provided by Nedbank Limited. The RCF matures on 5 September 2024 while the GBF has a 90-day notice period. Both these facilities are available in full as at 30 June 2021. Further financing is available through the Domestic Medium-Term Note (DMTN) Programme established in 2012. During the year under review, the committee reviewed updates to this Programme and recommended for approval to the board, an increase in the Programme amount from R10.0 billion to R15.0 billion. *It was confirmed that the group has adequate borrowing facilities available.*

Financial statements and integrated reporting process

- Monitored the continued impact of the COVID-19 pandemic and noted that the finance function continued to operate effectively throughout the year under review
- Reviewed and considered the trading statements issued
- Reviewed and debated the accounting treatment of significant accounting and auditing matters, including non-routine transactions
- Reviewed and assessed adjusted and unadjusted audit differences reported by the external auditors
- Reviewed the key audit matters communicated by the external auditors in their audit report, in terms of International Standard on Auditing (ISA) 701, and monitored the appropriateness of the management actions taken in addressing these matters
- Analysed financial information included in the interim and annual results announcements to ensure the accuracy and integrity of financial data disclosed externally
- Reviewed the representation letter signed by management
- Considered section 45 of the Companies Act in regard to the provision of financial assistance to subsidiaries
- Reviewed the CEO and the CFO responsibility statement in terms of paragraph 3.84(k) of the JSE Listings Requirements confirming that:
    - the annual financial statements, fairly represent in all material respects the financial position, financial performance and cash flows of Northam and the group in terms of IFRS
    - no facts have been omitted or untrue statements have been made that would make the annual financial statements false or misleading
    - internal financial controls are in place to ensure that material information relating to Northam and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Northam and the group
    - the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled the CEO and CFO role and function within the combined assurance model pursuant to principle 15 of King IV™. Where the CEO and CFO have not been satisfied, they have disclosed to the committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls, and/or any fraud that involves directors, and have taken the necessary remedial action. The committee notes that no such disclosures have been received
- Reviewed and assessed the audited annual financial statements, and found the controls and financial reporting processes underpinning its compilation to be appropriate and effective

The committee evaluated the consolidated and separate annual financial statements for the year ended 30 June 2021 and has concluded that these comply, in all material respects, with the requirements of the Companies Act, IFRS, and the JSE 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 2021 annual integrated report.

Internal controls and risk management

The committee is responsible for reviewing the adequacy and effectiveness of systems of internal control, financial reporting and risk management, as well as for considering the findings of any major internal investigations related to control weaknesses, fraud or misconduct, together with management's response thereto.

The committee delegates to management, the duty to continuously identify, assess, mitigate and manage risks within the existing and changing risk profile of the group's operating environment. Mitigating controls are formulated to address the risks identified and the board is kept abreast of progress on the group's risk management plan.

During the year under review, the committee considered the control issues identified from the various reports reviewed by the committee, in the context of the overall adequacy and effectiveness of the group's control environment. 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.

Internal control and risk management matters considered	Response	Associated risks
Corporate governance (including the maturity of the risk management process and continuous improvement of the internal control environment)	• Reviewed and approved risk management policies, standards and processes, and received reports incorporating the group's key strategic and operational risks • Monitored the progress of assessing the recommended practices underpinning the 16 principles of King IV™, ensuring that an ethical culture is fostered that supports the effective control of the company at all levels • Mandated the internal audit function to conduct a review of the group's combined assurance model, risk management and internal control processes. Reviewed the written assurance statement provided by the internal auditor, 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 • Considered feedback received regarding any significant litigation and assessed the possible impact thereof on the financial results *Refer to the notes to the annual financial statements for the year ended 30 June 2021 for disclosure regarding the employee labour court judgment* • Noted the work done by management to strengthen the internal control environment, ensuring that the necessary controls and processes are established, taking into account findings identified by both the external and internal auditors	• Fraud and theft • Information Technology and cyber security
Compliance with laws and regulations pertaining to the financial reporting	Considered and reviewed the group's compliance with applicable laws and regulations *There were no material regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the year under review*	• Social license to operate
Cyber security	Considered and reviewed the findings of a cyber vulnerability and penetration assessment, as well as a cyber-security review on the group's Information Technology (IT) systems. The assessment and review were performed by an external consultant and internal audit The committee will continue to assess the mitigating actions and responses implemented by management to address the findings identified from the assessment and review	• Information Technology and cyber security

Having considered, analysed, reviewed and discussed information provided by management, and other board committees, as well as the external and internal auditors, the committee is of the opinion that the internal controls of the group have been effective in all material respects, and that appropriate financial reporting procedures are in place and that these procedures and controls operated throughout the year under review.

This included consideration of all entities within the group's 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 company.

Internal audit

Internal audit features as part of the third line of assurance in the combined assurance model and provides independent assurance, over the first and second lines of assurance from operations and relevant oversight functions.

The internal audit function has been outsourced to KPMG Services Proprietary Limited (KPMG).

The responsibilities normally associated with that of a Chief Audit Executive (CAE) has been allocated to Thomas Gouws, as the partner in charge of the internal audit function.

The committee believes that Thomas Gouws, being a director of KPMG, has the necessary competence, gravitas and objectivity to fulfil these duties. He also has unrestricted access to the chairperson of the committee.

The CAE reports to the chair of the committee, with regards to the performance of its duties and functions. On other administrative matters, the CAE reports to the CFO.

The internal audit function meets with the audit committee at least once a year without management being present.

The following functions are performed by internal audit:

- Assessment of compliance with laws and regulations
- Evaluation of the adequacy and effectiveness of internal controls over financial reporting, risk management and internal controls in general
- Reporting findings to management and the committee, and monitor the remediation of all significant deficiencies reported
- Assessing the adequacy of assurance coverage in respect of the combined assurance model

The committee approves the internal audit plan encompassing the activities to be audited by internal audit. The internal audit function remains independent from the activities it audits and from the day-to-day management of the group. This maintains the functional and financial independence of the internal audit function.

During the year under review the committee:

- Evaluated the independence, effectiveness and performance of the internal audit function and compliance with its terms of reference
- Reviewed and approved the annual internal audit plan in consultation with the CAE, ensuring that material risk areas were included, and that the coverage of risks and business processes were acceptable
- Reviewed and discussed with the CAE the scope of work of the internal audit function, the issues identified as a result of its work, management's responsiveness to issues raised and agreed action plans
- Ensured coordination and cooperation between the internal audit, risk management and compliance functions

The committee has ensured that internal audit operated independently and monitored its effectiveness on an ongoing basis.

The committee also monitored the audit findings and identified risk areas, and where appropriate, challenged management on remedial actions taken.

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

Effectiveness of the CFO and the finance function

The committee annually reviews 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.

External auditors

The committee is responsible for the appointment, compensation and oversight of the external auditor for the group.

EY has been the group's external auditor for more than 37 years. The designated individual audit partner rotates every five years, with Ebrahim Dhorat being appointed as the current audit partner from the financial year ended 30 June 2018.

The audit for the year ended 30 June 2022 will be the last year that EY will perform the audit of the group, after which another audit firm will be appointed, in line with mandatory audit firm rotation requirements.

EY has a number of safeguards to ensure that all members of the audit team are independent. EY has also provided the committee with the information as detailed in section 3.84(g)(iii) as read with section 22.15(h) of the JSE Listings Requirements and section 7.3(g) of the JSE Debt Listings Requirements,.

During the year under review, the following information was considered and reviewed by the committee:

- The most recent Independent Regulatory Board for Auditors (IRBA) inspection report for EY's most recent International Statement on Quality Control (ISQC 1) review, which 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, which includes 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 which provides context and explanations of the findings for EY and engagement level reports of the IRBA
- A copy of the 2020 Transparency Report, which EY South Africa prepares 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 also published on EY's website
- A summary of EY's results of the monitoring of its system of quality control, in terms of paragraph 53 of ISQC 1
- A summary, including 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 a member, or regulator to whom they are accountable, including where the matter is 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 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 has considered the information provided, and after due assessment, is satisfied that the external auditor, EY, and the designated individual partner, Ebrahim Dhorat, are appropriately accredited and are suitable for reappointment at the upcoming AGM of Northam Holdings for the 2022 financial year.

Therefore, pursuant to paragraph 3.84(g)(iv) of the JSE Listings Requirements, the committee has ensured that the appointment of the auditor, EY, and the designated individual partner, Ebrahim Dhorat, has been presented and included as a resolution at the upcoming AGM pursuant to section 61(8) of the Companies Act.

Rotating audit firms

The board is committed to mandatory audit firm rotation, which becomes effective from 1 April 2023.

As a listed entity, we believe that the auditing services of an international "Big 4" auditing firm, with the necessary experience and expertise, should ensure that the consolidated and separate financial statements of the company as a whole, are free from material misstatement, whether due to fraud or error, and comply with IFRS. Furthermore, our growing business and the ever-changing accounting standards make it an imperative to appoint an auditing firm which has exposure to international best practice and knowledge.

It is acknowledged that EY has been the auditor of Northam Platinum Limited for an extended period of time. However, the other "Big 4" auditing firms have provided a range of services to the group over the last number of years, and therefore do not qualify to take up the audit of the group due to the stipulated five year cooling-off period, currently prescribed by the IRBA.

Management together with the committee will commence a process of appointing a new auditing firm to shadow EY during the upcoming financial year to ensure a smooth audit transition.

Should the cooling-off period be reduced from the current five-year period, the audit will be rotated at the earliest date possible to a suitable "Big 4" firm.

Non-audit services

A formal policy regarding the approval of all non-audit services is in place. The committee reviews all non-audit services to ensure that the various related fees are within the approved limits and that the external auditor's independence is not jeopardised as a result of non-audit services provided.

Audit and non-audit fees

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

	30 June 2021	**30 June 2020**
	R000	R000
Audit services | Northam Platinum Limited and group companies including overruns	7 696	6 392
Audit services | Zambezi Platinum (RF) Limited	640	590
Assurance: Sustainable development report	1 140	1 095
Audit services: ISRE 2410 review | Northam Platinum Limited and group companies	985	929
Audit services: ISRE 2410 review | Zambezi Platinum (RF) Limited	84	79
Non-audit fees	160	630
Assurance reports relating to the issue of commercial paper (Domestic Medium-Term Notes)	3 500	2 500
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	–
	21 035	12 215

The committee has received the necessary representation from the external auditors confirming the following:

- 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
- EY's independence was not prejudiced by any previous appointment as auditors' and
- 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.

Combined assurance

The committee is responsible for overseeing combined assurance activities and ensuring that these are adequate and effective in achieving its objectives.

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.

The group has developed a combined assurance model, integrating the following:

- Financial statement captions - income statement and balance sheet
- Operational management activities - traditional practices
- Shared/centralised management activities - incorporating organisational changes and responsibilities
- Risk management - group strategic risks
- Internal control validation and assurance - encompassing financial and non-financial controls

These activities form the basis of Northam's combined assurance model.

The Northam combined assurance model furthermore features four lines of assurance, used to distinguish the level of assurance, as well as the extent of assurance that is associated to the various aspects comprising the model. The four lines of assurance consist of:

- 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 board sub committees

The committee reviewed and approved the combined assurance model for the group and is of the opinion that adequate assurance is provided across the four lines of assurance.

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.

Institute of Directors in Southern Africa review

During the year under review, the Institute of Directors in Southern Africa (IoDSA) were appointed to facilitate a self-appraisal evaluation of the board and each sub committee of the board.

The evaluation report noted that while the IoDSA members were particularly impressed with the manner in which the committee was operating, there was a reflection that continuing professional development (CPD) should be considered for the future.

In order for the members of the committee to comply with the SAICA requirements for CPD points, Northam has committed to assist in facilitating the training that may be required.

Areas of focus for F2022

- 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 external 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 Listings Requirements and King IV™ during the year under review.

On behalf of the committee.

HH Hickey
Chairperson

Johannesburg
23 September 2021

INDEPENDENT AUDITOR’S REPORT FOR NORTHAM PLATINUM LIMITED

To the Shareholders of Northam Platinum Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Northam Platinum Limited and its subsidiaries (‘the Group’) and Company set out on pages 36 to 164, which comprise of the consolidated and separate statements of financial position as at 30 June 2021, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2021, 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 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 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 financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate 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 fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate 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 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 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">Quantities and measurement of Metal Inventory</td></tr>
<tr><td>
At year end, the value of metal inventory amounted to R6 110 million representing 16% of total assets.
The Group and Company accounts for the four main platinum group metals - being platinum, palladium, rhodium, and gold (“4E”) - as joint products.
We have identified the quantity and measurement of metal inventory to be a Key Audit Matter due to the significant judgements involved in determining the theoretical quantities of inventory and the magnitude of the balance as at 30 June 2021.
Metal inventory is held in a wide variety of forms during the mining and refinement process. The precise precious metal content can only be determined at the completion of this process.
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.
Surveying 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 in such material (prill splits); and
Inventory quantity is recorded at the lower of theoretical values or that surveyed.

Furthermore, during May of 2021, Furnace 1 at the Zondereinde Smelter was shut down and demolished, resulting in stockpiling of inventory that was yet to be refined.
The disclosures are set out in note 23 of the consolidated and separate financial statements.
</td><td>
Our procedures in relation to the quantity of metal inventory included, amongst others, the following:

Discussions with management, to obtain an understanding of the methods used to determine the quantity of metal inventory.
We further obtained an understanding of managements approach to determine equivalent ounces on hand at the different stages of the beneficiation process.
We involved our internal mining specialists to assist in:

Observing the physical inventory surveys performed by external management specialists (surveyors); and
Observing measurements taken at the concentrators, holding tanks and Base Metal Refinery.

We inquired about the processes followed by management’s experts during sampling and assaying they performed to assess head grades and prill splits.
We evaluated the competence, capabilities, and objectivity of management’s internal and external experts with reference to their qualifications, relevant industry experience and scope of work.
We compared deliveries/invoices of third-party material and concentrate to weighbridge slips.
We obtained external reports from management experts, including metallurgists and surveyors, and agreed the quantities reported at 30 June 2021 to the accounting records.
We evaluated reports obtained from the metallurgists for reasonableness by comparing these to the actual observation and survey results.
We recalculated the theoretical inventory quantity as well as the surveyed inventory volumes.
The following procedures were performed on unrefined metal inventory held at the third-party refiner:

Opening balance testing;
Performed procedures on inventory refined during the year; and
Subsequent testing post year end on the quantities recorded as at 30 June 2021.

We considered the related classification and disclosures to be appropriate.
</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 166 page document titled “Northam Platinum Limited Annual Financial Statements 30 June 2021”, 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 financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate 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 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 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated and separate 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 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 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 Limited for 37 years.

Ernst & Young Inc.

Director - Ebrahim Dhorat

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road, Sandton, 2146

23 September 2021

INDEPENDENT AUDITOR'S REPORT FOR NORTHAM PLATINUM HOLDINGS LIMITED

To the Shareholders of Northam Platinum Holdings Limited

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Northam Platinum Holdings Limited ('the company') set out on pages 36 to 164, which comprise the separate statement of financial position as at 30 June 2021, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the company as at 30 June 2021 and of its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Separate Financial Statements section of our report. We are independent of the 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 financial statements of the 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 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 judgment, were of most significance in the audit of the separate financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 166-page document titled "Northam Platinum Holdings Limited Annual Financial Statements 30 June 2021", which includes the Directors' Report, the Audit and Risk Committee Report and the Company Secretary's Confirmation as required by the Companies Act of South Africa. The other information does not include the separate financial statements and our auditor's reports thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 management and those charged with governance for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 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 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 separate 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 company to express an opinion on the separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 related safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate 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.

Ernst & Young Inc.

Director - Ebrahim Dhorat

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road, Sandton, 2146

23 September 2021

DIRECTORS' REPORT

The directors have pleasure in presenting the annual financial statements of Northam Platinum Limited (Northam) including Northam Platinum Holdings Limited (Northam Holdings) and the group for the year ended 30 June 2021. 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 (PGMs). Northam Holdings' shares are listed on the Johannesburg Securities Exchange, operated by the JSE Limited (JSE) under equity code NPH. Northam's debt instruments are listed 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. Following the year ended 30 June 2021, Northam Holdings acquired all of the issued Northam Shares (previously listed under share code: NHM) (excluding Treasury Shares) in exchange for Northam Holdings Shares (share code: NPH), on a one and one basis.

Simultaneously, Northam became a subsidiary of Northam Holdings, all Northam 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 2021.

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

Events subsequent to the reporting period, being 30 June 2021, with regards to 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 Shares in issue (excluding Treasury Shares) by way of a share for share transaction and Northam became a subsidiary of Northam Holdings.

The disclosures regarding the Composite Transaction (as defined in the Transaction Documents) included in the various group publications, including the annual financial statements of the company and the group are made in accordance with the requirements included in International Accounting Standards 10 Events after the Reporting Period (IAS 10). IAS 10 paragraph 21 requires the disclosure of material non-adjusting events occurring after the reporting period when non-disclosure could influence the decisions of users of the annual financial statements made on the basis of those annual financial statements. The Composite Transaction constitutes such an event. The following disclosures are required in respect thereof: (a) the nature of the event; and (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

In line with the reporting requirements of IFRS and following the guidance of IAS 10 as disclosed above, unless otherwise stated, all values and number of shares relating to the Composite Transaction have been disclosed based on calculations as at the Last Practicable Date prior to the finalisation of the Transaction Documents, being 30 April 2021, in accordance with the disclosures made in the Transaction Documents. Such disclosure is provided for illustrative purposes only, to provide an estimate of the financial effect of the Composite Transaction as required by IAS 10. The actual financial effect of the Composite Transaction may vary.

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied in calculating the number of shares and the values disclosed, 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 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.

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.

In terms of section 102 of the Mineral and Petroleum Resources Development Act, No. 28 of 2002, Northam has applied to consolidate the individual mining rights of the Eland mine. In addition, Northam has purchased mining rights from Barplats Proprietary Limited, a subsidiary of Eastern Platinum, relating to the Maroelabult mine. The section 102 application includes the consolidation of these mining rights.

Furthermore, Northam has applied for the renewal of the Booysendal South mining right (MP127MR).

In addition, in January 2019 Northam applied to exclude a small portion from the Zondereinde mining right (LP37MR). This application was granted subsequent to 30 June 2021 and executed on 19 August 2021. The portion has been transferred to Amandelbult mine as part of the previously reported "Tumela" transaction.

The Dwaalkop joint venture holds a new order prospecting right over the Dwaalkop prospect (LP352PR). An application for a new order mining right was submitted to the Department of Mineral Resources and Energy (DMRE) in 2009. This application was granted subsequent to 30 June 2021 and the execution of this grant is in process.

Northam further 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 some 1 000 000 hectares of the Northern Cape Province. A prospecting work program was suspended in 2019 and applications for closure of these rights have been submitted to the DMRE and are currently in process.

Mineral rights held and managed by Northam

Operation	Holder	DMRE Reference number	New Order Right	Status
Booysendal Mine	Booysendal Platinum Proprietary Limited	LP188MR	Mining Right	Valid until 12 July 2041
		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
		NW341MR	Mining Right	Valid until 01 July 2018 Renewal application submitted and in process
Zondereinde Mine	Northam Platinum Limited	LP37MR	Mining Right	Valid until 12 July 2041
Dwaalkop Prospect	Dwaalkop JV, managed by Sibanye-Stillwater Limited	LP870PR	Prospecting Right	An application for a new order mining right was submitted in 2009 and has been granted subsequent to 30 June 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

Subsidiary companies, associates and joint operations

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

Stated capital

There were no changes during the current financial year to the authorised or issued stated capital of Northam. The authorised stated capital of Northam as at 30 June 2021 amounted to 2 000 000 000 shares (30 June 2020: 2 000 000 000 shares) at no par value. The issued stated capital was unchanged at 509 781 212 shares as at 30 June 2021.

Subsequent to year-end, as part of the Composite Transaction, Northam repurchased certain Northam shares:

- held by Zambezi Platinum (RF) Limited to facilitate, *inter alia*, the settlement of the Zambezi Preference Share liability and the settlement of Zambezi Platinum (RF) Limited's tax obligations as a result of the disposal of shares to Northam as well as the distribution of shares to the Ordinary Shareholders of Zambezi Platinum (RF) Limited; and
- received by the Northam Employees' Trust pursuant to the distribution by Zambezi Platinum (RF) Limited of such shares to the Northam Employees' Trust, in order to settle dividends tax payable by the trust.

The remaining shares held by Zambezi Platinum (RF) Limited constitute Treasury Shares.

Below is a reconciliation of the Northam shares in issue as a result of the early maturity and wind-up of the Zambezi BEE Transaction and the Zambezi Preference Share Redemption.

	Number of shares[1]
Number of shares in issue as at 30 June 2021:	509 781 212
Zambezi Platinum (RF) Limited settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam shares held by Zambezi Platinum (RF) Limited, valued at R160 per Northam share	(94 992 488)
Northam repurchases 36 700 687 Northam shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi Platinum (RF) Limited tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued in order to facilitate the tax liability associated with the distribution of Northam shares to the Northam Employees' Trust pursuant to the Net Value Distribution (as defined in the Transaction Documents).	(36 700 687)
Remaining shares in issue after the Transaction (including the Zambezi Preference Share Redemption)	378 088 037

[1] All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Transaction Documents as at the LPD and may vary on implementation.

Below is a reconciliation of the Northam Shares held by Zambezi Platinum (RF) Limited that will be acquired by Northam as a result of the early maturity and wind-up of the Zambezi BEE Transaction and the Zambezi Preference Share Redemption.

	Number of shares[2]
Number of Northam Shares held by Zambezi Platinum (RF) Limited as at 30 June 2021, representing 31.4% of the shares in issue:	159 905 453
Zambezi Platinum (RF) Limited settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi Platinum (RF) Limited, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the distribution of Northam shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders pursuant to the Net Value Distribution	29 454 609

The Northam shares distributed pursuant to the Net Value Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust will continue to be treated as Treasury Shares. Below is a reconciliation of the Treasury Shares:

	Number of shares[2]
Number of Northam shares held by Zambezi Platinum (RF) Limited as at 30 June 2021, classified as Treasury Shares	159 905 453
Zambezi Platinum (RF) Limited settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi Platinum (RF) Limited, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the distribution of Northam shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders pursuant to the Net Value Distribution	29 454 609
The Net Value Distribution made to Zambezi Platinum (RF) Limited Ordinary Shareholders other than the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust, settled on the Net Value Distribution Date (as defined in the Transaction Documents) by Zambezi Platinum (RF) Limited making a pro rata distribution of the relevant portion of the Residual Northam Shares (as defined in the Transaction Documents) to such Zambezi Ordinary Shareholders in accordance with their respective shareholdings in Zambezi Platinum (RF) Limited.	(21 943 684)
Northam repurchases 1 242 331 Northam Shares from the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(1 242 331)
Remaining Northam Shares which will continue to be classified as Treasury Shares	6 268 594

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.

The authorised stated capital of Northam Holdings as at 30 June 2021 amounted to 2 000 000 000 shares at no par value. Subsequent to date of incorporation, before 30 June 2021, 1 share was issued for a cash consideration of R1 to Northam.

Subsequent to year-end, as part of the Composite Transaction, Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares) pursuant to the Northam Scheme by way of a share for share transaction. The share for share transaction was implemented on a one for one basis. Upon implementation of the Northam Scheme, Northam Holdings' issued stated capital amounted to 378 088 037[2].

Refer to note 26 and 46 for more detail on the stated capital and the Zambezi Platinum (RF) Limited structure.

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.

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

Details of all outstanding borrowings are included in the annual financial statements, refer to note 25, 33 and 36.

2 All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Transaction Documents as at the LPD and may vary on implementation.

Financial assistance

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.

Section 45 of the Companies Act applies to financial assistance provided by a company to any related or inter-related company or corporation, a member of a related or inter-related 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.

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.

Below is a non-exhaustive estimate of the financial assistance which is expected to be required to be provided by the group for the financial year ending 30 June 2022 (proposed F2022 financial assistance). Shareholders should, however, bear in mind that not all circumstances can be anticipated and that the financial assistance as noted below could be underestimated due to unforeseen circumstances, or that the terms and conditions associated with the financial assistance could be amended.

Northam had granted the following loan facilities to its subsidiaries for F2021 and envisages the following loan facilities to be granted to its subsidiaries and holding company for the financial year ending 30 June 2022 (F2022):

	Current facility	**Estimated changes in the coming year**	**Total estimated/ proposed loan facility**
	F2021	**F2022**	**F2022**
	R000	R000	R000
Northam Platinum Holdings Limited	–	2 500 000	2 500 000
Booysendal Platinum Proprietary Limited	1 500 000	–	1 500 000
Eland Platinum Proprietary Limited	1 500 000	–	1 500 000
Mining Technical Services Proprietary Limited*	150 000	(150 000)	–
Mvelaphanda Resources Proprietary Limited	150 000	–	150 000
Norplats Properties Proprietary Limited	150 000	–	150 000
Total loan facilities	3 450 000	2 350 000	5 800 000

**Mining Technical Services Proprietary Limited has been placed in member's voluntary liquidation in terms of the Companies Act. All assets and liabilities have been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962, as amended (Income Tax Act).*

	Current facility F2021	Estimated changes in the coming year F2022	Total estimated/ proposed loan facility F2022
	USD000	USD000	USD000
Northam Platinum Investments (US) Inc. and subsidiaries	50 000	–	50 000
Total loan facilities	50 000	–	50 000

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Below are the various guarantees in issue as at 30 June 2021, together with the additional guarantees which the group envisages to be required to be provided for the financial year ending 30 June 2022:

	Current guarantee F2021	Estimated changes to amount to be guaranteed in the coming year F2022	Total estimated guarantee F2022
	R000	R000	R000
Booysendal Platinum Proprietary Limited guarantees to providers of capital	14 000 000	6 000 000	20 000 000
Eland Platinum Proprietary Limited guarantees to providers of capital	4 000 000	1 000 000	5 000 000
Northam Platinum Limited subordination agreement to Mvelaphanda Resources Proprietary Limited	150 000	–	150 000
Total guarantee	18 150 000	7 000 000	25 150 000

Booysendal Platinum Proprietary Limited (Booysendal)

Northam currently has finance facilities available in the form of a revolving credit facility of R4.0 billion (RCF) and a general banking facility of R1.0 billion (GBF) with Nedbank Limited, and R7.8 billion of notes issued by it on the debt capital market in terms of the R15.0 billion domestic medium-term note (DMTN) Programme. Booysendal has guaranteed any amounts due but not paid by Northam in terms of both of these facilities and in respect of the notes issued under the DMTN Programme.

Any amendments to the RCF, the GBF or any notes issued under the DMTN Programme and any new notes that may be issued under the DMTN Programme will be required to be guaranteed by Booysendal.

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Eland Platinum Proprietary Limited (Eland)

Eland has guaranteed any amounts due but not paid by Northam in terms of the RCF and GBF.

Any amendments to the RCF or the GBF will be required to be guaranteed by Eland.

Due to the ongoing capital expenditure to be incurred during the financial year ending 30 June 2022 relating to the development of Eland, funding may be required by Eland from Northam.

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Northam Platinum Holdings Limited

With the listing of Northam Platinum Holdings Limited, Northam will fund all expenses incurred by Northam Holdings, including share purchases from the Strategic Partners, as published on SENS on 20 September 2021.

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Norplats Properties Proprietary Limited (Norplats)

Norplats is a company which holds and operates one of Zondereinde mine's employee home ownership projects (Mojuteng project) in the town of Northam, assisting Northam in its compliance with its homeowner strategy designed to meet legislative requirements. To facilitate home ownership, Northam provided the initial funding of these projects.

Mvelaphanda Resources Proprietary Limited (Mvelaphanda)

On 25 September 2014, Northam confirmed that it will ensure that Mvelaphanda would meet its financial obligations as and when they fall due as the company's liabilities exceeded its assets. The guarantee will remain in full force and effect as long as Mvelaphanda's liabilities (including contingent liabilities) exceed its assets, fairly valued, and will lapse forthwith upon the date on which its assets, so valued, exceed its liabilities.

Mvelaphanda currently has negative equity and this is forecasted to continue for the foreseeable future.

Mining Technical Services Proprietary Limited (MTS)

Northam previously provided a loan to MTS for the investment in SSG Holdings Proprietary Limited. Northam reserved the right to charge interest at prevailing market rates on any loan balance. Outstanding loans were repayable on demand.

As at 1 January 2021, MTS was placed in member's voluntary liquidation. The investment in SSG Holdings Proprietary Limited has been transferred to Northam by way of section 47 of the Income Tax Act.

US operations

The US operations, known as Northam Recovery Services, are involved in sourcing, processing and sampling salvaged catalytic converters, from a select group of suppliers with the platinum group metal (PGM) bearing material from these recycled convertors being processed at the Zondereinde metallurgical facility. Funding will be required by Northam Recovery Services from Northam to purchase material from third party customers. Any loan balance advanced will accrue interest at the South African prime interest rate, with no fixed terms of repayment.

Solvency and liquidity test

The proposed F2022 financial assistance to be provided by the group has been considered together with all reasonably foreseeable financial circumstances as at the date of such consideration and the board is satisfied that (i) immediately after providing the proposed F2022 financial assistance, Northam Holdings and its subsidiaries will satisfy the solvency and liquidity test (as contemplated in the Companies Act) and (ii) the terms under which the proposed F2022 financial assistance is proposed to be given are fair and reasonable to Northam and its subsidiaries.

Financial assistance to the Zambezi Platinum (RF) Limited Ordinary Shareholders

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements (as defined in the Transaction Documents), Northam 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 transaction cost to be covered by the Deemed Advance consists of the corporate advisor fees, attorney fees, Zambezi independent board fee and independent expert fee. The utilisation dates of the advances and Deemed Advances are each date that such advance is made.

The Zambezi Ordinary Shareholder loans:

- are secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrue interest daily at a nominal rate equal to the aggregate of the South African prime rate and 3.5%, compounded annually on 1 January; and
- will be fully repaid on (i) the Net Value Distribution Date if the transaction becomes unconditional; or (ii) 25 May 2025 if the transaction does 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 will be utilised to settle the Zambezi Ordinary Shareholder loan and unpaid accrued interest thereon.

Below is a summary of the loan advance provided to each of the Zambezi Ordinary Shareholders:

	% shareholding in Zambezi	**Loan advances**	**Transaction fee advance**
	%	R000	R000
Atisa Platinum (RF) Proprietary Limited*	12.80	64 000	1 472
Malundi Resources (RF) Proprietary Limited*	12.80	64 000	1 472
Mpilo Platinum (RF) Proprietary Limited*	29.80	149 000	3 427
Zambezi Platinum Women's SPV (RF) Proprietary Limited*	19.10	95 500	2 197
The Northam Employees' Trust	9.60	48 000	1 104
The Northam Booysendal Community Trust	7.95	39 750	914
The Northam Zondereinde Community Trust	7.95	39 750	914
Total Zambezi Ordinary Shareholders loans	100.00	500 000	11 500

**The Zambezi Ordinary Shareholders are not classified as related persons for purposes of section 45 of the Companies Act but have been included for noting.*

Subsequent to year-end these Deemed Advances were settled through the Net Value Distribution.

Shareholders of Northam Holdings will be requested through the passing of a special resolution at the upcoming Annual General Meeting (AGM) of Northam Holdings, to approve that the board is authorised in terms of and subject to the provisions of sections 44 and 45 of the Companies Act, to authorise the company to provide financial assistance in any form or amount to any company or corporation which is or becomes related or inter-related to the company (as defined in the Companies Act), according to the terms and conditions that the board may determine from time to time.

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 will hold 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.

Debt Officer

During the year under review in compliance with paragraph 6.39(a), read with paragraph 7.3(g) of the JSE Debt Listings Requirements, AH Coetzee, Northam's CFO, was 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 2021, the board comprised the following directors:

Director	Position	Nationality	Date first appointed	Standing for re-election or election	Elected or re-elected at the last AGM of Northam
DH Brown	Independent non-executive chairman	South African	7 November 2017		
PA Dunne	Chief executive officer	British	1 March 2014		
AH Coetzee	Chief financial officer	South African	15 November 2018		
GT Lewis	Independent non-executive director	British	1 December 2020		✓
HH Hickey	Independent non-executive director	South African	1 January 2016		
Dr NY Jekwa	Independent non-executive director	South African	8 November 2017	✓	
JJ Nel	Independent non-executive director	South African	6 November 2018	✓	
MH Jonas	Independent non-executive director	South African	6 November 2018	✓	
TE Kgosi	Non-executive director	South African	1 November 2004		
TI Mvusi	Independent non-executive director	South African	1 January 2016		✓
JG Smithies	Independent non-executive director	British	1 January 2017		

During the year under review, Mr R Havenstein retired after the annual general meeting (AGM) held on Friday, 27 November 2020, having served as a director for 17 years.

Mr GT Lewis replaced Mr R Havenstein. Mr Lewis, who holds a BSc Mining Engineering and an MBA, held the position of chief executive officer (CEO) of Northam from March 2005 until March 2014, when he retired from the company. He was previously general manager of the Zondereinde mine and the Tarkwa gold mine in Ghana, which he was instrumental in establishing.

Mr CK Chabedi retired from office as a director at the conclusion of the 2020 AGM.

Mr DH Brown, an independent non-executive director replaced Mr R Havenstein as the lead independent non-executive director. He took up this position with effect from 1 November 2020 in order to ensure a smooth transition.

Northam published an announcement on SENS on Friday, 27 November 2020, wherein Shareholders were advised that, as part of the planned winding up of the Zambezi BEE Transaction, Mr KB Mosehla would retire as chairman of the board of directors of Northam and as a director of Northam. Mr Mosehla’s planned retirement was communicated to be with effect from the earlier of (i) the date upon which all approvals have been obtained in respect of the proposed acceleration of the maturity of the Zambezi BEE Transaction; or (ii) 30 June 2021 (retirement date).

Following the orderly handover of Mr Mosehla’s duties and the pre-announced retirement date, Mr Mosehla resigned as chairman of the board with effect from 21 June 2021, but remained a director until 30 June 2021, whereupon his retirement as a director became effective.

Mr DH Brown, previously the lead independent director, was appointed as chairman of the board with effect from 22 June 2021. Mr Brown has served as a member of the board since 7 November 2017.

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 board became directors of the Northam Holdings board.

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

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

With effect from the implementation date of the Northam Scheme, being 20 September 2021, Northam Holdings appointed the same board committees and members that Northam had in place with substantially similar charters. The Northam 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.

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. Following such change, the audit and risk committee comprise the following members: Ms HH Hickey (chairperson), Dr NY Jekwa and Mr JJ Nel.

Mr Nel was appointed, and Mr Dunne stepped down, as a member of the social, ethics, human resources and transformation committee (SEHR&T committee). Following such changes, the SEHR&T committee comprise the following members: Ms TE Kgosi (chairperson), Dr Jekwa and Mr Nel.

Ms Hickey and Mr Brown were appointed as members of a newly established remuneration committee, with Ms Hickey being appointed as its chairperson. The role of the remuneration committee was previously fulfilled by Northam’s SEHR&T committee.

Mr Brown, Mr Mvusi and Mr JG 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. The health, safety and environmental committee now comprise: Mr Smithies (chairperson), Dr Jekwa, Mr Lewis and Mr Dunne.

Mr Smithies and Mr Mvusi were appointed as members of the investment committee. The investment committee now comprise the following members: Mr Brown (chairperson), Mr Nel, Mr Smithies and Mr Mvusi.

There were no changes to the office of the company secretary during the year under review. Ms PB Beale continues to be the company secretary of Northam and Northam Holdings.

Curriculum vitaes of the directors of Northam and Northam Holdings, including those standing for re-election, are included in the integrated annual report, available on the company's website, www.northam.co.za.

Remuneration of non-executive directors

In terms of sections 66(8) and (9) of the Companies Act, 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 Northam Holdings MOI does not prohibit the payment of such remuneration. The proposed remuneration set out below, if approved by Northam Holdings shareholders at the upcoming AGM of Northam Holdings, will only be paid to the non-executive directors of Northam Holdings, as they are not remunerated as employees, as is the case in respect of executive directors.

In light of the COVID-19 pandemic, the non-executive directors of Northam donated their 4% inflationary increase received for F2021 to the two Northam Community Trusts during the year under review.

All Northam Holdings non-executive directors' remuneration will be payable quarterly in arrears. The annual fees are calculated on the assumption that a certain number of board/committee meetings will be held in the financial year ending 30 June 2022 as set out above and shall be payable notwithstanding that fewer board/committee meetings may be held. If a non-executive director ceases 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 as set out above 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.

Below is a summary of the proposed fees:

	Proposed F2022 fees per annum for Northam Holdings non-executive directors	**F2021 fees per annum for Northam non-executive directors**	**% increase**
	R	R	
Board			
Board chairperson	537 500	488 600	10.0%
Lead independent director	458 100	416 400	10.0%
Board members	402 200	365 600	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.	61 500	55 900	10.0%
Audit and risk committee			
Committee chairperson	247 500	225 000	10.0%
Committee members	194 400	176 700	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.	24 050	21 840	10.1%
Health, safety and environmental committee			
Committee chairperson	174 500	158 600	10.0%
Committee members	131 700	119 700	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.	24 050	21 840	10.1%

	Proposed F2022 fees per annum for Northam Holdings non-executive directors	F2021 fees per annum for Northam non-executive directors	% increase
	R	R	
Social, ethics, human resources and transformation committee			
Committee chairperson	176 500	160 400	10.0%
Committee members	131 700	119 700	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.	24 050	21 840	10.1%
Remuneration committee			
Committee chairperson	176 500	–	100.0%
Committee members	131 700	–	100.0%
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.	24 050	–	100.0%
Nomination committee			
Committee chairperson	101 400	92 140	10.1%
Committee members	62 300	56 600	10.1%
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 no 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.	24 050	21 840	10.1%
Other board appointed committees			
Committee chairperson	147 100	133 700	10.0%
Committee members	108 000	98 100	10.1%
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.	24 050	21 840	10.1%
Ad hoc fees - per hour	4 810	4 370	10.1%

The proposed fees include a 4.5% inflationary increase as well as a proposed additional 5.5% increase on the fees approved for Northam non-executive directors for F2021, based on the outcome of an industry comparator group benchmarking exercise in 2021, indicating that Northam Holdings' non-executive directors' remuneration is well below the market norm.

Full particulars of all remuneration paid to Northam non-executive directors for their services are disclosed in the remuneration report, available on the company's website.

Shareholders will be requested through a special resolution at the forthcoming AGM, to approve the Northam Holdings non-executive directors fees for the year ending 30 June 2022.

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

**Amounts 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.

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 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' remuneration

The directors' remuneration for the year ended 30 June 2020 was 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	–	9 353	9 198	–	17 571	36 122
AH Coetzee	–	4 404	4 171	–	3 749	12 324
Non-executive						
KB Mosehla	618	–	–	–	–	618
R Havenstein	748	–	–	–	–	748
DH Brown	651	–	–	–	–	651
CK Chabedi	676	–	–	–	–	676
HH Hickey	568	–	–	–	–	568
NY Jekwa	713	–	–	–	–	713
MH Jonas	352	–	–	–	–	352
TE Kgosi	706	–	–	–	–	706
TI Mvusi	352	–	–	–	–	352
JJ Nel	584	–	–	–	–	584
JG Smithies	467	–	–	–	–	467
	6 435	13 757	13 369	–	21 320	54 881

An analysis of the non-executive fees in respect of the board and board committee services for the financial year ended 30 June 2020 was 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	470	–	–	94	–	54	–	618
R Havenstein	400	–	152	94	–	89	13	748
DH Brown	352	170	–	129	–	–	–	651
CK Chabedi	352	–	115	94	115	–	–	676
HH Hickey	352	216	–	–	–	–	–	568
NY Jekwa*	352	170	76	–	115	–	–	713
MH Jonas	352	–	–	–	–	–	–	352
TE Kgosi	352	–	–	–	154	54	146	706
TI Mvusi	352	–	–	–	–	–	–	352
JJ Nel**	352	170	–	62	–	–	–	584
JG Smithies	352	–	115	–	–	–	–	467
	4 038	726	458	473	384	197	159	6 435

**Dr NY Jekwa was appointed as a member of the health, safety and environmental committee with effect from 1 November 2019*
***Mr JJ Nel was appointed as a member of the investment committee with effect from 1 November 2019*

Directors' interest

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 families 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
CK Chabedi*	–	204 000	204 000
TE Kgosi*	–	635 000	635 000
NY Jekwa	175	–	175
GT Lewis	122	–	122
	41 347	5 955 974	5 997 321

**Pursuant to the Zambezi BEE Transaction, Mr Chabedi, 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.*

Subsequent to year-end 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 Atisa Platinum, 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.

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

Subsequent to year-end 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).

According to information available to Northam, after reasonable enquiry, the interests of the directors and their families in the shares of Northam at 30 June 2020 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
CK Chabedi*	–	204 000	204 000
TE Kgosi*	–	635 000	635 000
NY Jekwa	175	–	175
	41 225	5 955 974	5 997 199

**Pursuant to the Zambezi BEE Transaction, Mr Chabedi, 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 acquiring an effective interest in Northam Shares.*

The following directors held Zambezi preferences shares as at 30 June 2020, 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

Corporate Governance and King IV™ Compliance

At Northam, we believe that good corporate governance is fundamental to the success, sustainability and legitimacy of our group. We understand corporate governance as an organisation wide set of principles, frameworks and risk management practices that ensure we make choices which are aligned with our mission, vision, values and strategic objectives. These hold our directors and employees accountable for their actions and decisions, and ensures orderly devolution of responsibility.

Refer to our corporate governance report 2021 available on the company's website, 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 influences 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 of the global economic outlook and cyclical commodity price variance. 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 and 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 these 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.

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

Dividends and other means of returning value to Shareholders

There are a number of ways that value can be returned to Shareholders. This includes cash dividends, but also includes share buy-backs and, previously, the purchase of Zambezi Preference Shares.

The company's dividend policy is to consider an interim and final dividend at each reporting period. At its discretion, the board may consider a special dividend where appropriate and dependent on the perceived need to retain funds for expansion or operating purposes. The quantum of any dividend would ultimately be subject to expected future market and capital commitments at the time of consideration by the board.

Our Zambezi Preference Share acquisition strategy enabled the acceleration of the maturity and wind-up of the Zambezi BEE Transaction. The objective of accelerating the maturity and wind-up 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 and Zambezi Shareholders.

This has led to a meaningful return of value to Shareholders, in a planned and responsible manner, through a reduction of 28.9% of the Group's issued share capital.

Production growth across the Group and favourable rand denominated PGM prices are expected to positively impact free cash flow generation in the short to medium-term, which we are committed to return to Shareholders in the future.

Our strategy is unchanged. We remain single-minded in our commitment to creating sustainable value for all of our stakeholders and will continue to be bold, proactive and transparent in pursuing this.

In light of the substantial share repurchase, the board has resolved not to declare a final dividend for the year ended 30 June 2021 (30 June 2020: 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 2021

		Northam Platinum Limited Group		Northam Platinum Limited Company		Northam Platinum Holdings Limited Company
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021
	Note	R000	R000	R000	R000	R000
Sales revenue	3	32 626 918	17 811 971	32 152 515	17 395 605	–
Cost of sales		(16 519 625)	(12 510 983)	(23 450 956)	(14 341 311)	–
Operating costs	4	(14 484 980)	(9 931 934)	(7 805 673)	(5 828 951)	–
Concentrates purchased		(2 883 816)	(2 460 302)	(18 923 546)	(9 304 685)	–
Refining and other costs		(216 629)	(178 718)	(216 629)	(178 718)	–
Depreciation and write-offs	11 & 12	(844 446)	(626 152)	(194 137)	(187 490)	–
Change in metal inventory	23	1 910 246	686 123	3 689 029	1 158 533	–
Gross profit		16 107 293	5 300 988	8 701 559	3 054 294	–
Share of earnings from associate	13	6 180	16 358	–	–	–
Investment income	5	90 485	119 220	1 092 763	495 342	–
Finance charges excluding Zambezi Preference Share dividends	6	(705 444)	(602 595)	(689 377)	(685 272)	–
Net foreign exchange transaction (losses)/gains		(104 804)	84 765	(94 046)	79 178	–
Sundry income	7	134 107	238 903	1 091 221	321 518	–
Sundry expenditure	8	(331 905)	(243 787)	(270 352)	(173 783)	–
Profit before Zambezi Preference Share dividends		15 195 912	4 913 852	9 831 768	3 091 277	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	34	(16 390)	(16 390)	–	–	–
Zambezi Preference Share dividends	34	(378 678)	(1 133 172)	–	–	–
Loss on derecognition of Zambezi Preference Share liability	34	(1 068 558)	(130 628)	–	–	–
Profit before tax		13 732 286	3 633 662	9 831 768	3 091 277	–
Tax	9	(4 349 328)	(1 464 478)	(2 364 703)	(856 465)	–
Profit for the year		9 382 958	2 169 184	7 467 065	2 234 812	–
Other comprehensive income						
Items that will be subsequently reclassified to profit or loss		(17 954)	24 331	2 096 172	(8 201)	–
Fair value adjustment on the investment in Zambezi Preference Shares net of deferred tax	15	–	–	2 096 172	(8 201)	–
Exchange differences on translation of foreign operations		(17 954)	24 331	–	–	–
Total comprehensive income for the year		9 365 004	2 193 515	9 563 237	2 226 611	–

		Northam Platinum Limited Group	
		30 June 2021	30 June 2020
	Note		
Earnings per share (cents)	10	2 681.8	620.0
Fully diluted earnings per share (cents)	10	2 523.5	584.7

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

		Northam Platinum Limited Group		Northam Platinum Limited Company		Northam Platinum Holdings Limited Company
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021
	Note	R000	R000	R000	R000	R000
Assets						
Non-current assets		27 387 827	24 299 715	32 657 286	21 617 505	–
Property, plant and equipment	11	19 116 143	16 522 533	5 892 106	4 652 884	–
Mining properties and Mineral Resources	12	6 579 506	6 663 425	1 042 404	1 080 139	–
Investment held in escrow	20	–	–	–	–	–
Interest in associate	13	68 231	62 657	25 745	–	–
Investment in subsidiaries	14	–	–	12 353 207	12 353 207	–
Other investments	15	–	–	10 545 057	1 921 141	–
Land and township development	16	69 032	75 967	10 411	10 826	–
Long-term receivables	17	83 161	82 232	23 755	19 222	–
Investments held by Northam Platinum Restoration Trust Fund	18	136 030	128 732	68 015	64 366	–
Environmental guarantee investment	19	60 707	62 953	32 288	33 276	–
Buttonshope Conservancy Trust	20	16 067	15 850	–	–	–
Long-term prepayments	21	–	–	–	–	–
Long-term subsidiary loan	22	–	–	1 478 450	797 078	–
Other financial assets	36	23 182	23 084	23 182	23 084	–
Non-current inventories	23	1 195 863	662 282	1 162 666	662 282	–
Deferred tax asset	28	39 905	–	–	–	–
Current assets		10 563 033	6 367 790	12 255 800	6 512 518	–
Short-term subsidiary loan receivable	22	–	–	59 780	105 142	–
Inventories	23	5 144 590	3 744 313	7 203 299	4 014 805	–
Trade and other receivables	24	1 414 930	456 494	1 210 001	324 754	–
Cash and cash equivalents	25	3 877 208	2 160 956	3 782 720	2 067 817	–
Tax receivable		126 305	6 027	–	–	–
Total assets		37 950 860	30 667 505	44 913 086	28 130 023	–
Equity and liabilities						
Total equity		19 015 319	9 650 315	21 701 839	12 138 602	–
Stated capital	26	13 778 114	13 778 114	13 778 114	13 778 114	–
Treasury Shares	26	(6 556 123)	(6 556 123)	–	–	–
Retained earnings/(accumulated loss)		10 901 513	1 518 555	4 653 797	(2 813 268)	–
Other comprehensive income	15	–	–	2 096 172	–	–
Foreign currency translation reserve		17 367	35 321	–	–	–
Equity-settled share-based payment reserve	27	874 448	874 448	1 173 756	1 173 756	–
Non-current liabilities		10 371 631	16 639 103	7 290 082	11 442 622	–
Deferred tax liability	28	3 181 562	2 177 317	1 863 206	1 089 952	–
Long-term provisions	29	812 747	729 327	168 557	149 292	–
Zambezi Preference Share liability	34	1 669 867	8 291 117	–	–	–
Long-term loans	30	114 195	130 533	88 062	95 566	–
Lease liability	31	68 019	64 361	22 241	12 492	–
Long-term share-based payment liability	35	644 717	354 363	328 102	193 101	–
Financial guarantee liability	32	–	–	939 390	5 010 134	–
Domestic Medium-Term Notes	33	3 880 524	4 892 085	3 880 524	4 892 085	–
Revolving credit facility	36	–	–	–	–	–
Current liabilities		8 563 910	4 378 087	15 921 165	4 548 799	–
Short-term subsidiary loan payable	22	–	–	9 647 176	1 338 132	–
Current portion of long-term loans	30	33 804	28 472	24 970	18 526	–
Current portion of lease liability	31	13 228	16 261	2 012	3 062	–
Current portion of Domestic Medium-Term Notes	33	3 713 711	616 327	3 713 711	616 327	–
Short-term share-based payment liability	35	498 010	183 029	277 788	131 348	–
Tax payable		72 664	229 628	61 594	229 394	–
Trade and other payables	37	3 805 501	2 939 251	1 902 789	1 949 818	–
Provisional pricing derivatives	38	–	–	–	–	–
Short-term provisions	39	426 992	365 119	291 125	262 192	–
Total equity and liabilities		37 950 860	30 667 505	44 913 086	28 130 023	–

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2021

Northam Platinum Limited Group	Stated capital net of Treasury Shares	(Accumulated loss)/retained earnings	Equity-settled share-based payment reserve	Foreign currency translation reserve*	Total equity
	R000	R000	R000	R000	R000
Opening balance as at 1 July 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the year	–	2 169 184	–	24 331	2 193 515
Profit for the year	–	2 169 184	–	–	2 169 184
Other comprehensive income for the year	–	–	–	24 331	24 331
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315
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	874 448	17 367	19 015 319
Note	26		27		

**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)*

Northam Platinum Limited Company	Stated capital	(Accumulated loss)/retained earnings	Equity-settled share-based payment reserve	Fair value through other comprehensive income	Total equity
	R000	R000	R000	R000	R000
Opening balance as at 1 July 2019	13 778 114	(5 048 080)	1 173 756	8 201	9 911 991
Total comprehensive income for the year	–	2 234 812	–	(8 201)	2 226 611
Profit for the year	–	2 234 812	–	–	2 234 812
Other comprehensive income for the year	–	–	–	(8 201)	(8 201)
Balance as at 30 June 2020	13 778 114	(2 813 268)	1 173 756	–	12 138 602
Total comprehensive income for the year	–	7 467 065	–	2 096 172	9 563 237
Profit for the year	–	7 467 065	–	–	7 467 065
Other comprehensive income for the year	–	–	–	2 096 172	2 096 172
Balance as at 30 June 2021	13 778 114	4 653 797	1 173 756	2 096 172	21 701 839
Note	26		27		

Northam Platinum Holdings Limited Company	Stated capital	Retained earnings	Total equity
	R000	R000	R000
Incorporation of Northam Platinum Holdings Limited on 2 December 2020	–	–	–
Issue of 1 share for R1 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	*	–	–
Note	26		

**The stated capital amounts to R1, therefore less than R1 000, refer to note 26 for further details.*

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2021

		Northam Platinum Limited Group		Northam Platinum Limited Company		Northam Platinum Holdings Limited Company
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021
	Note	R000	R000	R000	R000	R000
Cash flows from operating activities		12 095 891	6 387 775	2 447 070	2 997 168	–
Cash generated from operations	41	17 414 496	6 261 607	9 054 773	3 498 966	–
Change in working capital	42	(1 748 930)	519 596	(4 314 718)	(100 747)	–
Movement relating to land and township development		6 935	(4 553)	415	5 774	–
Interest income received		82 182	103 847	68 243	86 500	–
Dividend income received		3 438	8 820	2 686	6 461	–
Tax paid	43	(3 662 230)	(501 542)	(2 364 329)	(499 786)	–
Cash flows utilised in investing activities		(3 221 828)	(2 400 824)	6 410 084	982 291	–
Property, plant and equipment, mining properties and Mineral Reserves						
Additions to maintain operations		(1 525 925)	(382 216)	(700 172)	(196 772)	–
Additions to expand operations		(1 693 123)	(2 007 177)	(615 608)	(461 976)	–
Disposal proceeds		2 489	4 681	21	4 459	–
Investment held in escrow		–	16 841	–	–	–
Amounts paid in respect of long-term prepayments	21	–	(759)	–	–	–
Repayments made by Norplats Properties Proprietary Limited loan		–	–	5 481	5 425	–
Repayments made by Booysendal Platinum Proprietary Limited		–	–	8 298 540	1 896 596	–
Advances provided to Eland Platinum Proprietary Limited		–	–	(607 964)	(253 365)	–
Repayments/(advances) to the US recycling operations		–	–	35 379	(1 511)	–
Advances made to the Zambezi Trusts with regards to the Composite Transaction		–	–	(2 932)	–	–
Refunds received relating to the Environmental guarantee investment		2 246	–	988	–	–
Increase in investments held by Environmental guarantee investment		–	(20 910)	–	(6 239)	–
Increase in investments held by Northam Platinum Restoration Trust Fund		(7 298)	(8 652)	(3 649)	(4 326)	–
Increase in investment held in Buttonshope Conservancy Trust		(217)	(2 632)	–	–	–
Cash flows from financing activities		(7 064 993)	(2 878 025)	(7 049 433)	(2 866 999)	–
Interest paid		(577 233)	(588 364)	(575 354)	(585 406)	–
Drawdown on revolving credit facility	36	3 750 000	4 800 000	3 750 000	4 800 000	–
Repayment of revolving credit facility	36	(3 750 000)	(6 950 000)	(3 750 000)	(6 950 000)	–
Issue of Domestic Medium-Term Notes	33	4 646 367	6 266 200	4 646 367	6 266 200	–
Repayment of Domestic Medium-Term Notes	33	(132 693)	(215 000)	(132 693)	(215 000)	–
Domestic Medium-Term Notes settled as part of notes switched	33	(2 400 400)	(2 235 451)	(2 400 400)	(2 235 451)	–
Repayment of long-term loans	30	–	–	–	–	–
Transaction fees paid on revolving credit facility and Domestic Medium-Term Notes		(108 215)	(182 467)	(108 215)	(182 467)	–
Repayment on the Mining Technical Services Proprietary Limited loan		–	–	–	(12 301)	–
Loan from Mvelaphanda Resources Proprietary Limited		–	–	–	6 600	–
Repayment of principal portion of lease liabilities	31	(16 421)	(16 736)	(2 740)	(2 967)	–
Strategic Partner Advances		(391 522)	–	(391 522)	–	–
Acquisition of Zambezi Preference Shares	15	(7 936 299)	(3 691 507)	(7 936 299)	(3 691 507)	–
Transaction fees paid on the acquisition of Zambezi Preference Shares	15	(148 577)	(64 700)	(148 577)	(64 700)	–
Increase in cash and cash equivalents		1 809 070	1 108 926	1 807 721	1 112 460	–
Net foreign exchange difference on cash and cash equivalents		(92 818)	101 715	(92 818)	101 715	–
Cash and cash equivalents at the beginning of the year		2 160 956	950 315	2 067 817	853 642	–
Cash and cash equivalents at the end of the year	25	3 877 208	2 160 956	3 782 720	2 067 817	–

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 exercises their judgement in the process of applying the company's group 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 following standards, amendments or interpretations applicable to the group which became effective for the year beginning 1 July 2020 were adopted in the group's year-end results:

- Definition of a Business – Amendments to IFRS 3
- Definition of Material – Amendments to IAS 1 and IAS 8
- The Conceptual Framework for Financial Reporting

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

The adoption of all other standards, amendments or interpretations, had no impact on the annual financial statements.

Definition of a Business – Amendments to IFRS 3

The International Accounting Standards Board (IASB) issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods.

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

Definition of Material – Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of material across the standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of material in IAS 1 and IAS 8.

The amendments must be applied prospectively. The amendment is effective for annual periods beginning on or after 1 January 2020.

Although the amendments to the definition of material did not have a significant impact on the group's financial statements, the introduction of the term obscuring information in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

The Conceptual Framework for Financial Reporting

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

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

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

This revision did not have a material impact on the group.

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 of 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 that are not yet effective and that would be expected to have a material impact on the entity 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 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 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 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. 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 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.

Any losses of equity-accounted investments are brought to account in the financial statements until the investment in such investments is written down to zero. Thereafter, losses are accounted for only insofar as the group is committed to providing financial support to such investees.

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 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.

Foreign currency prepayment

Prepayment relating to the manufacturing costs in terms of the aerial ropeway manufacturer agreement is currently incurred with a foreign supplier. The prepayment was initially accounted for at cost using the spot rate at transaction date. The construction of the ropeway will take place over a period of time. These prepayments will be capitalised to property, plant and equipment as and when construction of the aerial ropeway is completed.

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.

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.

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 definition of 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. 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 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 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.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the expected credit losses and the amount recognised less cumulative amortisation. Amortisation is based on the total value of underlying liability still outstanding, as this better reflects the pattern of how the company provides the guarantee.

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 or 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 purchase price 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 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 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.

In process and final inventories are carried at the lowest of average cost of normal production or purchase price and net realisable value.

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.

1.11 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 pollution control, 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 pollution control and 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 is restricted.

1.12 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.

1.13 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 revenue

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.

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

1.14 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.

1.15 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. Refer to note 35.

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 Limited contributes 4% of its company 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.

1.16 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 to make 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 asset is 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.

1.17 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.

Dividends 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 has four operating segments, 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 Limited (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 R132.1 million (30 June 2020: R152.8 million).

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 gains/(losses)	(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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Segmental statement of profit or loss and other comprehensive income

30 June 2020	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	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	–	–	17 811 971
Cost of sales	(14 341 311)	(3 798 068)	(849 620)	(112 827)	6 590 843	–	–	(12 510 983)
Operating costs	(5 828 951)	(3 301 103)	(784 356)	(17 524)	–	–	–	(9 931 934)
Mining operations	(4 008 126)	(2 350 782)	(498 136)	–	–	–	–	(6 857 044)
Concentrator operations	(398 591)	(604 720)	(263 527)	(17 524)	–	–	–	(1 284 362)
Smelting and base metal removal plant costs	(684 816)	–	–	–	–	–	–	(684 816)
Chrome processing	(6 238)	(22 365)	(19 265)	–	–	–	–	(47 868)
Selling and administration	(132 806)	(132 806)	–	–	–	–	–	(265 612)
Royalty charges	(197 372)	(30 845)	(157)	–	–	–	–	(228 374)
Carbon tax	(479)	–	–	–	–	–	–	(479)
Share-based payment expenses and profit share scheme	(401 689)	(148 599)	(6 365)	–	–	–	–	(556 653)
Rehabilitation	1 166	(10 986)	3 094	–	–	–	–	(6 726)
Concentrates purchased	(9 304 685)	(238 578)	(39 476)	(61 105)	7 183 542	–	–	(2 460 302)
Refining including sampling and handling charges	(178 718)	–	–	–	–	–	–	(178 718)
Depreciation and write-offs	(187 490)	(399 449)	(30 448)	(10 497)	1 732	–	–	(626 152)
Change in metal inventory	1 158 533	141 062	4 660	(23 701)	(594 431)	–	–	686 123
Operating profit/(loss)	3 054 294	2 692 581	161 257	(14 445)	(592 699)	–	–	5 300 988
Share of earnings from associate	–	–	–	–	–	–	16 358	16 358
Investment income	495 342	5 934	66	–	(394 871)	29	12 720	119 220
Finance charges excluding Preference Share dividends	(685 272)	(24 817)	(97 500)	(3 486)	66 335	–	142 145	(602 595)
Net foreign exchange transaction gains/(losses)	79 178	(444)	–	6 031	–	–	–	84 765
Sundry income	321 518	5 228	1 549	40	(9 321 173)	9 146 592	85 149	238 903
Sundry expenditure	(173 783)	(66 199)	(11 645)	–	86 500	(1)	(78 659)	(243 787)
Profit/(loss) before Zambezi Preference Share dividends	3 091 277	2 612 283	53 727	(11 860)	(10 155 908)	9 146 620	177 713	4 913 852
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(16 390)	–	–	(16 390)
Zambezi Preference Share dividends	–	–	–	–	299 678	(1 432 850)	–	(1 133 172)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(130 628)	–	–	(130 628)
Profit/(loss) before tax	3 091 277	2 612 283	53 727	(11 860)	(10 003 248)	7 713 770	177 713	3 633 662
Tax	(856 465)	(683 514)	207	–	2 168 774	(2 048 844)	(44 636)	(1 464 478)
Profit/(loss) for the year	2 234 812	1 928 769	53 934	(11 860)	(7 834 474)	5 664 926	133 077	2 169 184

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

Segmental statement of financial position

30 June 2020	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	21 617 505	16 192 929	1 438 142	147 723	(34 680 149)	18 581 014	1 002 551	24 299 715
Property, plant and equipment	4 652 884	9 651 268	1 420 280	147 723	(73 128)	–	723 506	16 522 533
Mining properties and mineral resources	1 080 139	6 398 637	3 000	–	(954 581)	–	136 230	6 663 425
Investment held in escrow	–	–	–	–	–	–	–	–
Interest in associates	–	–	–	–	–	–	62 657	62 657
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(18 581 014)	18 581 014	–	–
Other investments	1 921 141	–	–	–	(1 921 141)	–	–	–
Land and township development	10 826	57 263	–	–	–	–	7 878	75 967
Long-term receivables	19 222	5 779	801	–	–	–	56 430	82 232
Investments held by Northam Platinum Restoration Trust Fund	64 366	64 366	–	–	–	–	–	128 732
Environmental guarantee investment	33 276	15 616	14 061	–	–	–	–	62 953
Buttonshope Conservancy Trust	–	–	–	–	–	–	15 850	15 850
Long-term prepayments	–	–	–	–	–	–	–	–
Long- term subsidiary loans	797 078	–	–	–	(797 078)	–	–	–
Other financial assets	23 084	–	–	–	–	–	–	23 084
Non-current inventory	662 282	–	–	–	–	–	–	662 282
Deferred tax asset	–	–	–	–	–	–	–	–
Current assets	6 512 518	1 760 035	39 420	5 060	(2 049 811)	502	100 066	6 367 790
Short-term subsidiary loan	105 142	1 331 270	–	–	(1 436 634)	–	222	–
Inventories	4 014 805	320 556	19 607	2 522	(613 177)	–	–	3 744 313
Trade and other receivables	324 754	104 744	19 585	666	–	1	6 744	456 494
Cash and cash equivalents	2 067 817	391	228	1 872	–	501	90 147	2 160 956
Tax receivable	–	3 074	–	–	–	–	2 953	6 027
Total assets	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505
Equity and liabilities								
Total equity	12 138 602	13 987 107	22 328	117 603	(20 685 850)	3 295 723	774 802	9 650 315
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 147 408)	–	4 358	13 778 114
Treasury Shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(2 813 268)	2 809 420	(302 672)	(59 836)	(2 181 256)	3 295 723	770 444	1 518 555
Foreign currency translation reserve	–	–	–	35 321	–	–	–	35 321
Other comprehensive income	–	–	–	–	–	–	–	–
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	11 442 622	3 167 233	372 348	–	(13 810 398)	15 285 793	181 505	16 639 103
Deferred tax liability	1 089 952	2 704 110	–	–	(4 491 825)	2 693 575	181 505	2 177 317
Long-term provisions	149 292	220 656	366 717	–	(7 338)	–	–	729 327
Zambezi Preference Share liability	–	–	–	–	(4 301 101)	12 592 218	–	8 291 117
Long-term loans	95 566	34 967	–	–	–	–	–	130 533
Lease liability	12 492	51 869	–	–	–	–	–	64 361
Long-term share-based payment liability	193 101	155 631	5 631	–	–	–	–	354 363
Financial guarantee liability	5 010 134	–	–	–	(5 010 134)	–	–	–
Domestic Medium-Term Notes	4 892 085	–	–	–	–	–	–	4 892 085
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	4 548 799	798 624	1 082 886	35 180	(2 233 712)	–	146 310	4 378 087
Current portion of long-term loans	18 526	9 946	–	–	–	–	–	28 472
Current portion of lease liability	3 062	13 199	–	–	–	–	–	16 261
Current portion of Domestic Medium-Term Notes	616 327	–	–	–	–	–	–	616 327
Short-term share-based payment liability	131 348	51 681	–	–	–	–	–	183 029
Tax payable	229 394	–	61	–	–	–	173	229 628
Subsidiary loans payable	1 338 132	–	797 430	32 449	(2 233 712)	–	65 701	–
Trade and other payables	1 949 818	631 628	274 638	2 731	–	–	80 436	2 939 251
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	262 192	92 170	10 757	–	–	–	–	365 119
Total equity and liabilities	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505

3. Sales revenue

Sales revenue can be disaggregated into the following:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Revenue from contracts with customers	32 646 526	17 759 371	32 153 400	17 352 211
Revenue from fair value adjustments with regards to IFRS 9	(19 608)	52 600	(885)	43 394
Sales revenue	32 626 918	17 811 971	32 152 515	17 395 605

Sales revenue comprises revenue from the following metals:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Platinum	6 260 523	4 355 606	6 260 523	4 355 606
Palladium	7 413 220	5 185 373	7 413 220	5 185 373
Rhodium	16 004 640	5 792 822	16 004 640	5 792 822
Gold	234 094	214 412	234 094	214 412
Iridium	1 024 305	441 443	1 024 305	441 443
Ruthenium	452 095	237 893	452 095	237 893
Silver	7 411	4 063	7 411	4 063
Nickel	380 445	296 083	380 445	296 083
Copper	118 232	71 407	118 232	71 407
Cobalt	5 161	4 018	5 161	4 018
Chrome	726 792	599 767	252 389	183 401
UG2 ore	–	397 351	–	397 351
Toll treatment charges	–	211 733	–	211 733
	32 626 918	17 811 971	32 152 515	17 395 605

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	oz	oz	oz	oz
Platinum	391 788	336 020	391 788	336 020
Palladium	199 357	182 608	199 357	182 608
Rhodium	54 644	55 126	54 644	55 126
Gold	8 268	8 932	8 268	8 932
4E	654 057	582 686	654 057	582 686
Iridium	18 109	20 110	18 109	20 110
Ruthenium	88 771	67 127	88 771	67 127
6E	760 937	669 923	760 937	669 923
Silver	18 727	15 090	18 727	15 090

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	tonnes	tonnes	tonnes	tonnes
Nickel	1 520	1 337	1 520	1 337
Copper	998	833	998	833
Cobalt	9	8	9	8
Chrome	1 017 304	782 803	358 703	276 889

Sales revenue from external customers per metal and per operating segment

	Zondereinde (Northam Platinum Limited) operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Intercompany elimination 30 June 2021	Total 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
UG2 ore	–	–	–	–	–	–
Toll treatment charges	–	–	–	–	–	–
	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 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
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 from external customers per metal and per operating segment

	Zondereinde (Northam Platinum Limited) operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Intercompany eliminations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000	R000
Platinum	4 355 606	1 703 269	325 516	16 325	(2 045 110)	4 355 606
Palladium	5 185 373	1 833 018	196 518	63 988	(2 093 524)	5 185 373
Rhodium	5 792 822	2 184 801	389 837	18 069	(2 592 707)	5 792 822
Gold	214 412	57 199	1 387	–	(58 586)	214 412
Iridium	441 443	150 354	21 737	–	(172 091)	441 443
Ruthenium	237 893	120 326	10 573	–	(130 899)	237 893
Silver	4 063	–	–	–	–	4 063
Nickel	296 083	72 833	4 124	–	(76 957)	296 083
Copper	71 407	13 192	476	–	(13 668)	71 407
Cobalt	4 018	–	–	–	–	4 018
Chrome	183 401	355 657	60 709	–	–	599 767
UG2 ore	397 351	–	–	–	–	397 351
Toll treatment charges	211 733	–	–	–	–	211 733
	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	17 811 971

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 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000
Europe	6 691 980	–	–	–	6 691 980
Japan	3 802 269	–	–	–	3 802 269
Asia	183 401	355 657	60 709	–	599 767
North America	5 781 664	–	–	–	5 781 664
South Africa	936 291	–	–	–	936 291
	17 395 605	355 657	60 709	–	17 811 971

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Customer 1	123 577	196 237	123 577	196 237
Customer 2	6 346 607	3 662 465	6 346 607	3 662 465
Customer 3	–	739 583	–	739 583
Customer 4	3 801 955	934 446	3 801 955	934 446
Customer 5	3 328 174	4 327 746	3 328 174	4 327 746
Customer 6	8 399 850	4 946 545	8 399 850	4 946 545
Customer 7	726 792	599 767	252 389	183 401
Customer 8	1 967 573	1 289 482	1 967 573	1 289 482
Customer 9	6 625 854	–	6 625 854	–
Other	1 306 536	1 115 700	1 306 536	1 115 700
Total sales revenue	32 626 918	17 811 971	32 152 515	17 395 605

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	oz	oz	oz	oz
Customer 1	4 007	13 098	4 007	13 098
Customer 2	108 904	120 503	108 904	120 503
Customer 3	–	30 476	–	30 476
Customer 4	86 035	38 603	86 035	38 603
Customer 5	91 875	129 985	91 875	129 985
Customer 6	169 817	167 414	169 817	167 414
Customer 7*	–	–	–	–
Customer 8	51 968	52 570	51 968	52 570
Customer 9	116 601	–	116 601	–
Other	24 850	30 037	24 850	30 037
4E oz sold	654 057	582 686	654 057	582 686

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

4. Operating costs

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Employee costs	4 679 000	3 710 644	2 734 331	2 345 837
Stores	3 323 861	2 367 233	1 488 474	1 125 698
Utilities	–	1 121 301	–	764 262
Utilities: Electricity costs	1 380 197	–	929 922	–
Utilities: Water costs	48 281	–	26 529	–
Sundries	789 279	715 848	348 628	345 342
Royalty charges	1 473 258	228 374	698 227	197 372
Share-based payment expenses (refer note 35)	969 898	472 079	592 638	317 115
Toro Employee Empowerment Trust contribution	317 268	84 574	317 268	84 574
Employee profit share scheme	16 421	–	–	–
Ore material purchased from surface sources	406 455	489 002	4 394	100 611
Contractors	1 382 348	1 010 835	672 742	548 827
Carbon tax	1 391	479	1 391	479
Rehabilitation (refer note 29)	(7 346)	6 726	(8 871)	(1 166)
Development costs capitalised to property, plant and equipment	(295 331)	(275 161)	–	–
	14 484 980	9 931 934	7 805 673	5 828 951

The various components of operating costs as a percentage of the total operating costs:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	%	%	%	%
Employee costs	31.7	36.4	35.0	40.3
Stores	22.5	23.2	19.1	19.3
Utilities	–	11.0	–	13.1
Utilities: Electricity cost	9.3	–	11.9	–
Utilities: Water cost	0.3	–	0.3	–
Sundries	5.3	7.0	4.5	5.9
Royalty charges	10.0	2.2	8.9	3.4
Share-based payment expenses	6.6	4.6	7.6	5.4
Toro Employee Empowerment Trust contribution	2.1	0.8	4.1	1.5
Employee profit share scheme	0.1	–	–	–
Ore material purchased from surface sources	2.8	4.8	0.1	1.7
Contractors	9.3	9.9	8.6	9.4
Carbon tax	0.0	0.0	0.0	0.0
Rehabilitation	0.0	0.1	(0.1)	0.0
	100.0	100.0	100.0	100.0

Details of utilities are provided for improved disclosure:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Utilities: Electricity cost	1 380 197	1 075 557	929 922	738 268
Utilities: Water cost	48 281	45 744	26 529	25 994
Utilities	1 428 478	1 121 301	956 451	764 262

Operating costs per operating segment:

	Zondereinde (Northam Platinum Limited) 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

Percentage breakdown of operating costs per operating segment:

	Zondereinde (Northam Platinum Limited) 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 party note (refer to note 46).

Operating costs per operating segment:

	Zondereinde (Northam Platinum Limited) operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000
Employee costs	2 345 837	1 136 532	220 082	8 193	3 710 644
Stores	1 125 698	1 071 865	169 459	211	2 367 233
Utilities	764 262	244 346	112 121	572	1 121 301
Sundries	345 342	315 039	49 271	6 196	715 848
Royalty charges	197 372	30 845	157	–	228 374
Share-based payment expenses	317 115	148 599	6 365	–	472 079
Toro Employee Empowerment Trust contribution	84 574	–	–	–	84 574
Ore material purchased from surface sources	100 611	6 805	381 586	–	489 002
Contractors	548 827	336 086	123 570	2 352	1 010 835
Carbon tax	479	–	–	–	479
Rehabilitation	(1 166)	10 986	(3 094)	–	6 726
Development costs capitalised to property, plant and equipment	–	–	(275 161)	–	(275 161)
	5 828 951	3 301 103	784 356	17 524	9 931 934

Details of utilities are provided for improved disclosure:

	Zondereinde (Northam Platinum Limited) operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000
Utilities: Electricity cost	738 268	226 385	110 403	501	1 075 557
Utilities: Water cost	25 994	17 961	1 718	71	45 744
Utilities	764 262	244 346	112 121	572	1 121 301

Percentage breakdown of operating costs per operating segment

	Zondereinde (Northam Platinum Limited) operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	%	%	%	%	%
Employee costs	40.3	34.4	20.8	46.7	36.4
Stores	19.3	32.5	16.0	1.2	23.2
Utilities	13.1	7.4	10.6	3.3	11.0
Sundries	5.9	9.6	4.6	35.4	7.0
Royalty charges	3.4	0.9	0.0	0.0	2.2
Share-based payment expenses	5.4	4.5	0.6	0.0	4.6
Toro Employee Empowerment Trust contribution	1.5	0.0	0.0	0.0	0.8
Ore material purchased from surface sources	1.7	0.2	36.0	0.0	4.8
Contractors	9.4	10.2	11.7	13.4	9.9
Carbon tax	0.0	0.0	0.0	0.0	0.0
Rehabilitation	0.0	0.3	(0.3)	0.0	0.1
	100.0	100.0	100.0	100.0	100.0

5. Investment income

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Interest received on cash and cash equivalents	59 290	91 134	56 589	88 357
Dividend income received from short-term investments	3 438	8 820	2 686	6 461
Interest from subsidiaries (refer to note 46)	–	–	76 440	95 195
Interest received from suspensive sales agreements	4 196	6 500	–	–
Interest received relating to the Northam Platinum Restoration Trust Fund (refer note 18)	6 969	8 398	3 484	4 180
Interest received by the Buttonshope Conservancy Trust	740	1 342	–	–
Accrued dividends from Zambezi Preference Shares (refer note 15 and 34)	–	–	940 050	299 678
Deemed interest on the interest free home loans	5 065	1 425	3 048	879
Interest received from the SARS	189	1 025	12	592
Interest received on advances paid to Zambezi Ordinary Shareholders (refer note 46)	10 454	–	10 454	–
Other	144	576	–	–
	90 485	119 220	1 092 763	495 342

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Interest recognised on the effective interest rate method	87 047	110 400	150 027	189 203
Accrued dividends from Zambezi Preference Shares	–	–	940 050	299 678
Dividend income received from short-term investments	3 438	8 820	2 686	6 461
Total investment income	90 485	119 220	1 092 763	495 342

6. Finance charges excluding Zambezi Preference Share dividends

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer note 33)	(473 638)	(347 728)	(473 638)	(347 728)
Finance costs relating to the RCF (refer note 36)	(79 872)	(213 636)	(79 872)	(213 636)
Finance costs relating to the GBF (refer note 25)	(3 361)	(18 475)	(3 361)	(18 475)
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note11)	41 707	145 096	–	–
Commitment and utilisation fees on borrowing facilities (refer note 25)	(24 593)	(18 590)	(24 593)	(18 590)
Amortisation of the transaction costs relating to the DMTNs (refer note 33)	(75 120)	(32 545)	(75 120)	(32 545)
Amortisation of the transaction costs relating to the RCF (refer note 36)	(5 546)	(17 424)	(5 546)	(17 424)
Unwinding of rehabilitation liability (refer note 29)	(62 723)	(66 578)	(12 839)	(13 905)
Unwinding of the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 30)	(12 766)	(21 218)	(12 766)	(21 218)
Finance cost relating to lease liabilities (refer note 31)	(7 648)	(8 397)	(1 642)	(1 608)
Other financial liabilities	(1 884)	(3 100)	–	(143)
	(705 444)	(602 595)	(689 377)	(685 272)

7. Sundry income

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Insurance proceeds relating to a business interruption claim	–	192 210	–	192 210
Insurance proceeds relating to nickel theft	3 097	–	3 097	–
Rent received	1 915	1 731	1 833	1 619
Sale of scrap	10 610	8 245	4 734	3 364
Profit on sale of property, plant and equipment	149	4 276	17	4 225
Accommodation and housing income	2 048	10 292	957	7 470
Environmental guarantee investment income (refer note 19)	2 773	2 370	1 099	596
Management fees received from associate (refer note 46)	–	2 249	–	–
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 30)	–	13 782	–	13 782
COVID-19 Temporary Employee Relief Scheme refund (refer note 50)	102 664	–	102 664	–
Amortisation of financial guarantee liability and impact of guarantee on investment	–	–	968 482	94 900
Other income	10 851	3 748	8 338	3 352
	134 107	238 903	1 091 221	321 518

The amortisation of financial guarantee liability and impact of guarantee on investment amount is made up as follows:

Amortisation of financial guarantee liability (refer note 32)	–	–	4 070 744	2 525 810
Impact of guarantee on the valuation of the investment in Zambezi Preference Shares and fair value adjustment (refer note 15)	–	–	(3 102 262)	(2 430 910)
	–	–	968 482	94 900

8. Sundry expenditure

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Corporate action costs and once-off project costs*	(184 911)	(11 661)	(181 979)	(11 661)
COVID-19 related cost	(30 050)	–	(30 050)	–
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(8 186)	(7 049)	–	–
Accommodation and housing expenses	(5 500)	(12 312)	(1 035)	(8 763)
Black Economic Empowerment Trust operating costs (refer note 46)	(12 752)	(5 753)	–	–
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 46)	(874)	(1 387)	(874)	(1 387)
Standing time and transition costs	(6 412)	(153 975)	–	(111 730)
Environmental guarantee cost (refer note 19)	(4 901)	(3 754)	(1 970)	(1 425)
Donation to the Northam Employees' Trust	–	–	(1 000)	(1 000)
Impairment of property, plant and equipment (refer note 11)	(29 657)	(2 061)	(29 657)	(2 061)
Donations	(303)	(3 599)	(200)	(3 552)
COVID-19 donation to the Northam Zondereinde Community Trust	–	–	–	(1 000)
Contribution to the Northam Zondereinde Community Trust	–	–	(427)	–
Other expenditure	(48 359)	(42 236)	(23 160)	(31 204)
	(331 905)	(243 787)	(270 352)	(173 783)

**Includes cost associated with the Composite Transaction, approved by Northam Shareholders on 30 June 2021.*

In terms of the Trust Deed of the Northam Employees' Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the 10-year Lock-in period.

This payment will cease upon implementation of the early maturity of the Zambezi BEE Transaction on the Net Value Distribution Date.

9. Tax

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Income tax				
Current mining income tax charge	3 347 390	573 478	2 159 054	573 477
Current non-mining income tax charge	38 977	113 623	37 300	108 164
Adjustment in respect of current income tax of previous years	(1 529)	18 775	175	20 307
	3 384 838	705 876	2 196 529	701 948
Dividend withholding tax				
Current year withholding tax	150	201	–	–
Prior year withholding tax	–	(323)	–	–
	150	(122)	–	–
Deferred tax				
Current and prior year deferred tax charge	964 340	758 724	168 174	154 517
	964 340	758 724	168 174	154 517
Income tax expense reported in profit or loss	4 349 328	1 464 478	2 364 703	856 465

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	%	%	%	%
South African normal tax rate	28.0	28.0	28.0	28.0
Adjustment in respect of current income tax and deferred tax of previous year	(0.1)	0.5	–	–
Adjustment on opening balance of unredeemed capital expenditure	–	–	–	0.7
Exempt income received	–	(0.6)	(5.5)	(3.5)
Expenditure and contingencies incurred which are non-deductible	0.1	0.1	0.5	2.5
Unproductive interest incurred which is not tax deductible	0.7	–	1.1	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	0.0	0.1	–	–
Zambezi Preference Share dividends disallowed	0.8	8.7	–	–
Loss on derecognition of Zambezi Preference Share liability	2.2	1.0	–	–
Deferred tax asset not raised	–	2.5	–	–
Effective tax rate	31.7	40.3	24.1	27.7

The current rate of mining tax applicable to the company is 28%. Non-mining income is subject to a rate of 28%. Deferred tax is provided at the statutory rate of 28% for all temporary differences. Dividends withholding tax is levied at 20% for local shareholders, who are not companies.

Capital gains tax at an effective rate of 22.4% is payable on any gains realised on the disposal of investments or mining properties.

Tax rates have remained unchanged during the current year.

10. Reconciliation of headline earnings per share and dividend per share

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Profit for the year	9 382 958	2 169 184		
Profit on sale of property, plant and equipment	(149)	(4 276)		
Tax effect on profit on sale of property, plant and equipment	42	1 197		
Impairment of property, plant and equipment	29 657	2 061		
Tax effect on impairment of property, plant and equipment	(8 304)	(577)		
Headline earnings	9 404 204	2 167 589		
Reconciliation of the fully diluted number of shares in issue				
Weighted average number of shares in issue	349 875 759	349 875 759		
Adjusted for:				
Performance and retention share options including the lock-in and incentive mechanism share options	–	–		
Potential share issue as a result of the residual asset value in Zambezi to Strategic Partners*	21 943 684	21 126 841		
	371 819 443	371 002 600		

**For F2020, calculated as the net asset value of Zambezi relating to the Strategic Partners' 74.5% shareholding in Zambezi taking into account the share price at the end of the reporting period and impairment considerations with regards to Zambezi's investment in Northam.*

For F2021, 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.[3]

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
Earnings per share (cents)	2 681.8	620.0		
Fully diluted earnings per share (cents)	2 523.5	584.7		
Headline earnings per share (cents)	2 687.9	619.5		
Fully diluted headline earnings per share (cents)	2 529.2	584.3		
Dividends per share (cents)	–	–		
Weighted average number of shares in issue	349 875 759	349 875 759		
Fully diluted number of shares in issue	371 819 443	371 002 600		
Number of shares in issue	509 781 212	509 781 212		
Treasury Shares in issue	(159 905 453)	(159 905 453)		
Shares in issue adjusted for Treasury Shares	349 875 759	349 875 759		

The weighted average number of Northam 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 relating to the 31.4% shareholding held by Zambezi.

Earnings per share amounts are calculated by dividing the profit for the year attributable to Shareholders by the weighted average number of Northam Shares in issue during the year under review.

Headline earnings per share is based on the headline earnings and is reconciled to profit attributable to Shareholders as per the above.

Fully diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity Shareholders by the weighted average number of Northam Shares outstanding during the year under review plus the weighted average number of Northam Shares that would be issued on the conversion of all the dilutive potential Northam Shares into Northam Shares.

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

[3] All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Transaction Documents as at the LPD and may vary on implementation.

Impact of the Composite Transaction on the number of shares in issue as well as the diluted number of shares in issue

As part of the Composite Transaction, Northam will repurchase Northam Shares held by Zambezi in order to enable settlement of the Zambezi Preference Shares and to facilitate, amongst other things, the settlement of the Zambezi's tax liability arising from the Composite Transaction. Additionally Northam will repurchase Northam Shares received by the Northam Employees' Trust pursuant to the Net Value Distribution.

Below is a reconciliation of the Northam Shares that will be in issue following completion of the early maturity and wind-up of the Zambezi BEE Transaction and Zambezi Preference Share Redemption.

	Number of shares[4]
Number of Northam Shares in issue as at 30 June 2021:	509 781 212
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per Northam Share	(94 992 488)
Northam repurchases 36 700 687 Northam Shares in aggregate from (i) Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(36 700 687)
Remaining Northam Shares in issue after the Composite Transaction and the Zambezi Preference Share Redemption:	378 088 037

Below is a reconciliation of the Northam Shares held by Zambezi that will be repurchased by Northam as a result of the early maturity and wind-up of the Zambezi BEE Transaction and the Zambezi Preference Share Redemption.

	Number of shares
Number of Northam Shares held by Zambezi as at 30 June 2021, representing 31.4% of the shares in issue:	159 905 453
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution	(35 458 356)
Residual Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	29 454 609

The Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust will continue to be treated as Treasury Shares. Below is a reconciliation of the Treasury Shares:

	Number of shares
Number of Northam Shares held by Zambezi as at 30 June 2021, classified as Treasury Shares	159 905 453
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders pursuant to the Net Value Distribution	29 454 609
The Net Value Distribution made to Zambezi Platinum (RF) Limited Ordinary Shareholders other than the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust, settled on the Net Value Distribution Date (as defined in the Transaction Documents) by Zambezi Platinum (RF) Limited making a pro rata distribution of the relevant portion of the Residual Northam Shares (as defined in the Transaction Documents) to such Zambezi Ordinary Shareholders in accordance with their respective shareholdings in Zambezi Platinum (RF) Limited.	(21 943 684)
Northam repurchases 1 242 331 Northam Shares from the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution	(1 242 331)
Residual Northam Shares held by the Northam Employees' Trust and the two Community Trusts	6 268 594

[4] All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Transaction Documents as at the LPD and may vary on implementation.

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 2019	11 136 702	4 027 630	759 434	577 987	367 330	–	1 236 123	18 105 206
Impact of the adoption of IFRS 16 Leases	–	–	–	–	–	88 992	–	88 992
Reassessment of IFRS 16 Leases	–	–	–	–	–	(31)	–	(31)
Foreign currency translation movements	–	5 884	27 942	–	–	–	–	33 826
Amounts transferred from non-current prepayments (refer note 21)	–	–	–	–	–	–	1 322	1 322
Additions	–	–	25 041	–	–	–	2 341 540	2 366 581
Transfer from assets under construction	1 104 634	409 986	3 109	56 214	–	–	(1 573 943)	–
Disposals and write-offs	–	(123)	(837)	(178)	–	–	–	(1 138)
Impairments	(2 061)	–	–	–	–	–	–	(2 061)
Derecognition of decommissioning asset (refer note 29)	–	–	–	–	(23 436)	–	–	(23 436)
Borrowing costs capitalised	–	–	–	–	–	–	145 096	145 096
Closing cost as at 30 June 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 note 29)	–	–	–	–	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

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 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	–	–	(3 620 411)
Foreign currency translation movements	–	(1 492)	(3 586)	–	–	–	–	(5 078)
Depreciation	(364 031)	(124 599)	(23 558)	(39 761)	(833)	(14 286)	–	(567 068)
Disposals and write-offs	–	28	563	142	–	–	–	733
Accumulated depreciation balance as at 30 June 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)
Net book value as at 30 June 2020	9 472 980	3 520 612	573 690	400 663	329 775	74 675	2 150 138	16 522 533
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

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

Company	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 2019	3 783 711	1 767 536	452 705	407 688	–	–	18 884	6 430 524
Impact of adoption of IFRS 16 Leases	–	–	–	–	–	16 913	–	16 913
Additions	–	–	8 200	–	–	–	640 184	648 384
Transfer from assets under construction	112 654	129 020	3 109	5 469	–	–	(250 252)	–
Disposals and write-offs, including derecognition of amounts relating to decommissioning asset (refer to note 29)	(5 330)	–	(761)	(177)	–	–	–	(6 268)
Impairments	(2 061)	–	–	–	–	–	–	(2 061)
Closing cost as at 30 June 2020	3 888 974	1 896 556	463 253	412 980	–	16 913	408 816	7 087 492
Reassessment of IFRS 16 Leases	–	–	–	–	–	9 887	–	9 887
Additions	–	–	1 636	60 253	–	–	1 338 211	1 400 100
Transfer from assets under construction	122 939	184 861	41	17 784	–	–	(325 625)	–
Disposals and write-offs	(3 513)	–	(183)	(3 641)	–	–	–	(7 337)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer note 29)	–	–	–	–	15 297	–	–	15 297
Closing cost as at 30 June 2021	4 008 400	2 000 464	464 747	487 376	15 297	26 800	1 421 402	8 424 486

Company	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 2019	(1 474 484)	(474 434)	(191 013)	(138 475)	–	–	–	(2 278 406)
Depreciation	(69 255)	(47 802)	(11 733)	(25 445)	–	(2 671)	–	(156 906)
Disposals and write-offs	–	–	562	142	–	–	–	704
Accumulated depreciation balance as at 30 June 2020	(1 543 739)	(522 236)	(202 184)	(163 778)	–	(2 671)	–	(2 434 608)
Depreciation	(53 749)	(58 217)	(11 986)	(29 977)	(34)	(2 439)		(156 402)
Disposals and write-offs	3 513	–	183	3 638	–	–	–	7 334
Impairments	–	51 296	–	–	–	–	–	51 296
Accumulated depreciation balance as at 30 June 2021	(1 593 975)	(529 157)	(213 987)	(190 117)	(34)	(5 110)	–	(2 532 380)
Net book value as at 30 June 2020	2 345 235	1 374 320	261 069	249 202	–	14 242	408 816	4 652 884
Net book value as at 30 June 2021	2 414 425	1 471 307	250 760	297 259	15 263	21 690	1 421 402	5 892 106

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.

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 7.00% (30 June 2020: 11.38%).

An amount of R41.7 million was capitalised during the year under review both in the Eland Platinum Proprietary Limited statutory entity as well as on consolidation (30 June 2020: R145.1 million, R10.3 million in the Eland Platinum Proprietary Limited statutory entity and R134.8 million on consolidation relating to Booysendal Platinum Proprietary Limited). Refer to note 6.

Impact of COVID-19 on capitalisation of borrowing costs in terms of IAS 23 Borrowing costs

Per IAS 23 paragraph 20, an entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

IAS 23 does not specify how long an extended period of suspension of active development is.

The lockdown enacted in South Africa on 26 March 2020 and subsequent controlled restart of all mining operations was considered an extended period.

Capitalisation of borrowing costs was therefore suspended from the end of February 2020 to the end of the previous financial period being 30 June 2020. All capital projects have resumed and therefore the capitalisation of borrowing costs has resumed on Eland Platinum Proprietary Limited.

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 2019	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 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
Accumulated depreciation			
Opening balance as at 1 July 2019	(331 669)	–	(331 669)
Depreciation	(59 126)	–	(59 126)
Closing balance as at 30 June 2020	(390 795)	–	(390 795)
Depreciation	(83 919)	–	(83 919)
Closing balance as at 30 June 2021	(474 714)	–	(474 714)
Net book value as at 30 June 2020	1 635 369	5 028 056	6 663 425
Net book value as at 30 June 2021	1 551 450	5 028 056	6 579 506

Company	Current production Mineral Reserves and Mineral Resources R000	Project Mineral Reserves and Mineral Resources R000	Total R000
Cost			
Opening balance as at 30 June 2019	1 288 833	–	1 288 833
Additions	–	–	–
Closing balance as at 30 June 2020	1 288 833	–	1 288 833
Additions	–	–	–
Closing balance as at 30 June 2021	1 288 833	–	1 288 833
Accumulated depreciation			
Opening balance as at 1 July 2019	(178 110)	–	(178 110)
Depreciation	(30 584)	–	(30 584)
Closing balance as at 30 June 2020	(208 694)	–	(208 694)
Depreciation	(37 735)	–	(37 735)
Closing balance as at 30 June 2021	(246 429)	–	(246 429)
Net book value as at 30 June 2020	1 080 139	–	1 080 139
Net book value as at 30 June 2021	1 042 404	–	1 042 404

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 analysis of CGUs involves an assessment of a group of assets' ability to independently generate cash inflows and involves analysing the extent to which different products make use of the same assets. 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 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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
Long-term real platinum price	USD/oz	1 398	846	1 398	846
Long-term real palladium price	USD/oz	2 249	1 817	2 249	1 817
Long-term real rhodium price	USD/oz	17 991	7 267	17 991	7 267
Long-term real gold price	USD/oz	1 529	1 544	1 529	1 544
Long-term real ruthenium price	USD/oz	342	273	342	273
Long-term real iridium price	USD/oz	5 397	1 453	5 397	1 453
Long-term real nickel price	USD/t	16 192	9 027	16 192	9 027
Long-term real copper price	USD/t	7 646	4 373	7 646	4 373
Long-term real chrome price	USD/t	135	136	135	136
Long-term real exchange rate USD	ZAR/USD	R14.36	R15.47	R14.36	R15.47
Long-term real discount rate	%	10.00	12.00	10.00	12.00

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Impairments of property, plant and equipment (refer to notes 8 and 11)	29 657	2 061	29 657	2 061

The current year impairment relates to cost associated with Zondereinde furnace 1 which is currently being rebuilt which had to be written off in full.

Impact of COVID-19 on impairment of assets and assessment of cash generating units

During the second half of F2020, COVID-19 resulted in production losses due to work stoppages followed by a phased restart of operations. By the end of F2020, operations at Booysendal and Eland had normalised, but only 80% of mining crews had been returned to production at Zondereinde.

These production losses negatively impacted our sales pipeline in the first quarter of the financial year, particularly in respect of rhodium. This resulted in reduced cash flow and a lower basket price achieved than that indicated by production during the first half of the financial year. The sales volume impact normalised during the remainder of the financial year, whilst metal price appreciation throughout the year resulted in a positive revenue impact.

In light of the economic uncertainty related to the COVID-19 pandemic, management had developed and enacted a decisive, detailed and immediate action plan to protect the company and its employees. The action plan was focussed on cash preservation and a structured, steady return to normal operations. It included reducing and curtailing capital expenditure through the suspension or slowing down of a number of growth projects, including; the Booysendal South Merensky module, portions of number 3 shaft project at Zondereinde, as well as stoping ramp-up at Eland.

Due to the ongoing phased restart of Zondereinde, we expected to only achieve full production in the second half of this financial year.

By the end of December 2020, we had still not returned all employees to work at Zondereinde, having 90% of stoping crews active. All stoping crews only became active in March 2021. Despite this, we achieved production levels ahead of our trimmed targets due to significant improvements in crew productivity during the first half of the 2021 calendar year. Similar productivity gains were realised at Booysendal, both at the North mine, as well as in ramp-up of production from the South mine. Metal production from Eland mine has again been limited to that derived from processing of surface sources. Reduced availability of surface sources led to a negative impact on production at Eland.

Given greater certainty in metal markets, together with generally strong operational performance, we reinitiated all suspended or slowed growth capital projects in September 2020.

Looking forward and in light of the current third wave of COVID-19 infections, we maintain a cautious production outlook for the coming financial year. This is despite our solid operational performance. We have, accordingly, strengthened our debt position and retained our capacity to limit capital outflows related to our growth project pipeline should the need arise.

Appropriate sensitivity analysis has been performed and all key assumptions have been updated to take into account the ongoing impacts of the COVID-19 pandemic.

Despite the temporary pull back on growth capital expenditure, our growth strategy of developing low-cost, long-life operations remains firmly in place. This will benefit the group by improving our relative position on the sector cost curve.

Incorporating updated assumptions into the impairment assessment indicates that the recoverable value of all CGUs are still significantly higher than their carrying values and therefore no impairment is required.

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 platinum exploration companies relative to their resources base. Below is the value that has been attributable to the recoverable value of Mineral Resources:

		Group		**Company**	
		30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
4E *in situ* available ounce value	USD/oz	11.93	4.33	11.93	4.33

As a result of increased market confidence, the market capitalisation of platinum exploration companies relative to their resources base has increased, resulting in an increased 4E in-situ available ounce valuation. Based on the impairment assessment performed by management, the recoverable values of all CGU's are higher than the carrying value and therefore no impairment required.

Impact of COVID-19 on the recoverable amount of Mineral Resources (based on the *in situ* 4E available ounces) outside the approved mine plans

As part of the impairment assessment of the recoverable value of Mineral Resources, the impact of the COVID-19 pandemic was included in determining the valuation, as market information was used to evaluate the 4E in-situ ounce valuation.

Based on the valuation, taking into account market inputs, the recoverable value of all Mineral Resources was in excess of the carrying value and therefore there was no requirement for impairment.

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 Reserves and Mineral Resources, based on information compiled by appropriately-qualified persons, relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgements to interpret the data. The estimation of recoverable Mineral Reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the orebody. Changes in the Mineral Reserves estimates may impact upon 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 (SAMREC 2016).

Factors impacting the determination of Mineral Reserves and Mineral Resources estimates, include:

- the grade of Mineral Reserves, which may vary between estimations made and actual grade achieved
- commodity price estimations, which will be different to those actually achieved
- changes in discount rates and foreign exchange rate assumptions; and
- unforeseen changes in operating, mining, processing and refining costs.

Cognisance is also given to the mining licence tenure of the operations when the life of mine calculation is performed.

Refer to the Northam Holdings website, www.northam.co.za, for the detailed Mineral Resources and Mineral Reserves statement as at 30 June 2021.

Impact of COVID-19 on Mineral Reserve and Mineral Resource estimates (life of mine)

The impact of the COVID-19 pandemic does not affect the geological data informing the Mineral Reserves and Mineral Resources estimates.

Geological data takes into account the size, depth and shape of the ore body, and requires complex geological interpretation judgements, none of which are impacted by the COVID-19 pandemic.

The estimation of the recoverability of the Mineral Reserves takes into account market factors such as foreign exchange rates, commodity prices, future capital requirements, and production costs along with the geological assumptions and judgements discussed above.

These market related inputs take into consideration the impact of the COVID-19 pandemic on market valuation and hence the impact on assumptions used to value Mineral Reserves and Mineral Resources.

Based on the valuation performed the recoverable value of all Mineral Reserves and Mineral Resources are in excess of the carrying value and therefore no impairment is required as a result of the impact of the COVID-19 pandemic on market inputs.

13. Interest in associate

Interest in associate comprise a 33.7% interest (30 June 2020: 33.7% interest) in SSG Holdings Proprietary Limited, a company registered in the Republic of South Africa. Northam Platinum Limited owns 3 000 shares of the total of 8 900 issued shares of SSG Holdings Proprietary Limited.

The investment in SSG Holdings Proprietary Limited is accounted for as an associate.

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
SSG Holdings Proprietary Limited	68 231	62 657	25 745	–
	68 231	62 657	25 745	–

During the year under review the subsidiary holding the investment in SSG Holdings Proprietary Limited, Mining Technical Services Proprietary Limited, was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have therefore been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited from January 2021.

The investment in associate is considered significant.

Below is a reconciliation of the interest in associate:

	Interest in SSG Holdings Proprietary Limited
	R000
Opening balance as at 1 July 2019	46 299
Share of profits from associate	16 358
Closing balance as at 30 June 2020	62 657
Share of profits from associate	6 180
Dividends received	(606)
Closing balance as at 30 June 2021	68 231

Below is a reconciliation of the value in the investment in associate based on the equity method to the carrying value of the investment:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Net asset value of SSG Holdings Proprietary Limited	101 963	85 429	N/A	N/A
Northam Platinum Limited's 33.7% share of net asset value	34 370	28 796		
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% shares in SSG Holdings Proprietary Limited, increasing the investment from 30% to 33.7%	12 144	12 144		
Value of investment in associate based on the equity method of accounting	68 231	62 657		

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

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 2021 R000	SSG Holdings Proprietary Limited 30 June 2020 R000
Revenue	891 595	877 645
Cost of sales	(55 186)	(105 925)
Gross profit	836 409	771 720
Other income	4 331	7 985
Operating expense	(817 684)	(714 709)
Operating profit	23 056	64 996
Investment revenue	43	557
Finance costs	(6 774)	(9 607)
Profit before taxation	16 325	55 946
Taxation	2 009	(4 464)
Total comprehensive income for the year	18 334	51 482

Statement of financial position of SSG Holdings Proprietary Limited

	SSG Holdings Proprietary Limited 30 June 2021 R000	SSG Holdings Proprietary Limited 30 June 2020 R000
Non-current assets	88 552	90 830
Property, plant and equipment	70 763	78 052
Goodwill	2 500	3 000
Deferred tax asset	15 289	9 778
Current assets	210 252	199 023
Inventory	10 961	6 186
Trade and other receivables	186 531	178 315
Current tax receivable	4 382	1 711
Cash and cash equivalents	8 378	12 811
Total assets	298 804	289 853
Equity	101 963	85 429
Non-current liabilities	41 345	62 591
Finance lease liabilities	22 026	34 625
Other financial liabilities	19 217	27 966
Deferred tax	102	–
Current liabilities	155 496	141 833
Trade and other payables	92 615	64 172
Finance lease liabilities	24 346	26 224
Current tax payable	118	866
Bank overdraft	38 417	50 571
Total equity and liabilities	298 804	289 853

14. Investment in subsidiaries

Below is a list of the various subsidiaries included in the Northam Platinum Limited group of companies:

	Company	
	30 June 2021	**30 June 2020**
	R000	R000
Booysendal Platinum Proprietary Limited	11 886 088	11 886 088
Eland Platinum Proprietary Limited	325 000	325 000
Northam Platinum Investments (US) Incorporated	142 119	142 119
Mining Technical Services Proprietary Limited	–	*
Mvelaphanda Resources Proprietary Limited	–	–
Norplats Properties Proprietary Limited	*	*
Zambezi Platinum (RF) Limited	*	*
Northam Platinum Holdings Limited	*	–
	12 353 207	12 353 207

**Represents an investment of less than R1 000*

All companies, except for the investment in Zambezi Platinum (RF) Limited, are wholly-owned. All companies, except for the investment in Northam Platinum Investment (US) Incorporated, are incorporated in South Africa. Northam Platinum Investments (US) Incorporated is incorporated in Delaware in the United States of America.

The following investments are held by Northam Platinum Limited

284 (30 June 2020: 284) ordinary shares are held in Booysendal Platinum Proprietary Limited representing a 100% equity interest.

6 150 (30 June 2020: 6 150) ordinary shares are held in Eland Platinum Proprietary Limited representing a 100% equity interest to the value of R325.0 million (30 June 2020: R325.0 million).

Northam Platinum Limited holds 10 (30 June 2020: 10) shares in Northam Platinum Investments (US) Incorporated with a value of USD1.00 per share.

During the year under review the subsidiary holding the investment in SSG Holdings Proprietary Limited, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

The previous investment of 120 ordinary shares which were held in Mining Technical Services Proprietary Limited representing a 100% equity interest was therefore cancelled during the year under review. Northam Platinum Limited holds 217 881 101 (30 June 2020: 217 881 101) ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited. The investment was fully impaired during previous financial years and is valued at R Nil.

100 (30 June 2020: 100) ordinary shares are held in Norplats Properties Proprietary Limited and was acquired for R100, and therefore less than R1 000.

Investment in Zambezi Platinum (RF) Limited

Northam previously held a single N Share in Zambezi Platinum (RF) Limited (Zambezi) as a protective right. This N Share was issued to Northam, which granted Northam the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements.

Zambezi was created and designed for the sole purpose of providing Northam Platinum Limited with BEE credentials and as a structure to hold the listed Zambezi Preference Shares.

Northam was able to direct the strategic direction of Zambezi and as per the Subscription and Relationship Agreement between the two companies, Zambezi's Memorandum of Incorporation (MOI) may not be amended or replaced without Northam's prior written consent.

Northam assumed full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provided a guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares.

Subsequent to year-end, as part of the early maturity and wind-up of the Zambezi BEE Transaction, certain amendments have been made, including to the terms of the N Share. These amendments 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.

With the Zambezi N Share Term Amendments, Northam will, in its capacity as the Zambezi N Shareholder, assume voting and economic control of Zambezi and Zambezi will become a Subsidiary of Northam. Therefore even though Northam does not have the majority of the voting rights in Zambezi, Northam still effectively controls the entity. With the Zambezi N Share Term Amendments, Northam has, in its capacity as the Zambezi N Shareholder, assumed voting and economic control of Zambezi and Zambezi has become a subsidiary of Northam subsequent to year-end.

Details of the subsidiaries are included in the related party note 46, which forms part of these notes.

Investment in Northam Platinum Holdings Limited

As at 30 June 2021, Northam held 1 share acquired for R1 in Northam Platinum Holdings Limited.

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.

The authorised stated capital of Northam Holdings as at 30 June 2021 amounted to 2 000 000 000 shares at no par value. Subsequent to date of incorporation, before 30 June 2021, 1 share was issued for a cash consideration of R1 to Northam.

Subsequent to year-end, as part of the Composite Transaction, Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares) pursuant to the Northam Scheme by way of a share for share transaction. The share for share transaction was implemented on a one for one basis. Upon implementation of the Northam Scheme, Northam Holdings' issued stated capital amounted to 378 088 037[5].

5 All values and number of shares disclosed are based on the base case *pro forma* financial information of Zambezi as set out in the Transaction Documents as at the LPD and may vary on implementation.

15. Other investments

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Investment in Zambezi Preference Shares opening balance	–	–	1 921 141	306 734
Zambezi Preference Shares acquired during the year at cost	–	–	8 084 876	3 756 207
Accrued dividends from Zambezi Preference Shares (refer to note 5)	–	–	940 050	299 678
Mark to market fair value adjustment	–	–	2 701 252	(10 568)
Elimination of the Northam Guarantee included in the market value of the Zambezi Preference Share valuation	–	–	(3 102 262)	(2 430 910)
	–	–	10 545 057	1 921 141

At year-end Northam Platinum Limited held 139 972 496 (30 June 2020: 53 595 254) Zambezi Preference Shares which were purchased in the open market. These shares are classified as fair value through other comprehensive income and revalued to the closing market value with movements accounted for in other comprehensive income or profit or loss (if it relates to an impairment). Accrued dividends are accounted for in profit or loss.

The fair value has been determined with reference to the closing trading price of the Zambezi Preference Shares as at the year-end, taking into account the impact of the Northam Guarantee included in the market value of the Zambezi Preference Share valuation.

Below is the closing market value of the Zambezi Preference Shares as at 30 June as well as the number of shares held:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Number of Zambezi Preference Shares held at year-end	–	–	139 972 496	53 595 254
Closing market value of Zambezi Preference Shares	–	–	R97.50	R81.00
Investment in Zambezi Preference Shares at fair value	–	–	13 647 319	4 341 216

The amounts recognised in other comprehensive income has been made up as follows:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Fair value adjustment accounted through other comprehensive income	–	–	2 701 252	(10 568)
Deferred tax calculated at the capital gains tax rate	–	–	(605 080)	2 367
Amounts recognised in other comprehensive income	–	–	2 096 172	(8 201)

Subsequent to year-end, with the early maturity and wind-up of the Zambezi BEE Transaction, certain amendments were made with regards to the Zambezi Preference Shares issued by Zambezi Platinum (RF) Limited.

Zambezi Scheme

On the Zambezi Scheme Implementation Date, Northam acquired all of the Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration. 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 pursuant to the Zambezi Scheme will remain in issue and will be held by Northam 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.

Revised Accumulated Dividends Settlement

Following implementation of the Zambezi Scheme noted above, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by transferring Northam Shares to Northam.

Further details of the Revised Accumulated Dividends Settlement are set out below:

Following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a transfer by Zambezi to Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of 54 016 716[6] Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), equal in value to the amount of the aggregate Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments). Such transfer of Northam Shares by Zambezi was implemented by way of a repurchase of Northam Shares by Northam.

	Subsequent events as per the LPD
	R000
Opening balance as at 1 July 2020	12 592 218
Accrued dividends for the period	630 253
Closing balance as at 31 December 2020 – balance used for purposes of the pro forma financial information	13 222 471
Accrued dividends for the period to the LPD	456 448
Premium Amount	1 519 880
Settlement of the Revised Accumulated Dividends	(8 642 675)
Remaining investment held in Zambezi Preference Shares subsequent to the Zambezi Scheme	6 556 124

The disclosures included in the annual financial statements regarding the Composite Transaction are in accordance with the requirements included in IAS 10 Events after the Reporting Period (IAS10).

IAS 10 paragraph 21 requires the disclosure of material non-adjusting events occurring after the reporting period when non-disclosure could influence the decisions of users of the financial statements made on the basis of those financial statements. The Composite Transaction constitutes such an event. The following disclosures are therefore required: (a) the nature of the event; and (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

In line with the reporting requirements of IFRS and following the guidance of IAS 10 as disclosed above, all values and number of shares relating to the Composite Transaction have been disclosed based on calculations as at the Last Practicable Date (LPD) in accordance with the disclosures made in the Transaction Documents.

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied in calculating the number of shares, as well as the values disclosed, in order to obtain a fully informed view of the nature and impact of the Composite Transaction.

[6] All values and number of shares disclosed are based on the base case *pro forma* financial information of Zambezi as set out in the Transaction Documents as at the LPD and may vary on implementation.

16. Land and township development

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Balance at the beginning of the year	75 967	71 414	10 826	16 600
Acquisitions				
Costs incurred with regards to Norplats Properties Proprietary Limited	–	1 442	–	–
Disposals				
Portion 22 of the farm Leeukopje, Northam extension 10	(501)	(6 770)	(501)	(6 770)
Phelobontle, Mogwase units	(488)	(1 483)	(488)	(1 483)
Norplats Properties Proprietary Limited units	(959)	(2 042)	–	–
Lydenburg units	(6 453)	(1 319)	–	–
Development				
Construction of 69 units on portion 22 of the farm Leeukopje, Northam extension 10	(141)	393	(141)	393
Town planning portion 4 & 9 of the farm Koedoesdoorns	711	2 055	711	2 055
Refurbishments of Phelobontle Mogwase	4	31	4	31
Construction at extension 78 & 79 Lydenburg	892	12 246	–	–
Balance at the end of the year	69 032	75 967	10 411	10 826

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

17. Long-term receivables

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	53 027	61 573	–	–
Interest free home loans	45 461	36 327	28 653	26 756
Total long-term receivables	98 488	97 900	28 653	26 756
Current portion of suspensive sale agreements (refer note 24)	(5 761)	(5 415)	–	–
Current portion of interest free home loans (refer note 24)	(9 566)	(10 253)	(4 898)	(7 534)
Long-term portion of long-term receivables	83 161	82 232	23 755	19 222

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 between 1 and 10 years. Furthermore, these loans are secured by a second bond over the residential properties.

As at 30 June 2021 there was R3.5 million (30 June 2020: R2.7 million) 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Current portion	15 327	15 668	4 898	7 534
Due within 1 – 5 years	47 109	42 098	7 308	5 069
Due within 5 – 10 years	22 797	29 669	7 032	5 647
More than 10 years	13 255	10 465	9 415	8 506
	98 488	97 900	28 653	26 756

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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Neither in default nor impaired	53 027	61 573	–	–
	53 027	61 573	–	–

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

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 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 are provided for.

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.

Impact of COVID-19 on long-term receivables and the Expected Credit Losses (ECL)

The volatility of prevailing interest rates due to the COVID-19 pandemic, and the corresponding impact on the recoverability of long-term receivables should be considered as part of the determination of ECL.

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

For suspensive sale agreements, the legal title for those properties remain with the group until full and final settlement occurs and therefore serves as security for these receivables until full payment has been received.

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.

When considering the impact of the COVID-19 pandemic, the probability of the recoverability of these assets remains high.

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. Therefore, consideration to the impact of the COVID-19 pandemic has been taken into account in the ECL model assessment, with additional anticipated losses due to the COVID-19 pandemic being provided for in line with the 3-stage assessment approach.

The impact of the COVID-19 pandemic has therefore been included in the assessment of all outstanding balances, however the impact has been assessed as negligible.

18. 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Balance at the beginning of the year	128 732	120 080	64 366	60 040
Income earned during the year (refer to note 5)	7 298	8 652	3 649	4 326
Balance at the end of the year	136 030	128 732	68 015	64 366

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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Stanlib Balanced Fund R	2 277	1 952	1 139	976
Stanlib Income Fund B2	92 529	85 556	46 264	42 778
Stanlib Institutional Money Market Fund B3	41 224	41 224	20 612	20 612
Balance at the end of the year	136 030	128 732	68 015	64 366

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.

Contributions relating to rehabilitation will no longer be limited to contributions to the Northam Platinum Restoration Trust Fund. The group may make use of approved financial vehicles in terms of regulations and legislation, also see note 19.

For details with regards to the rehabilitation and decommissioning liability provision, refer to note 29.

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 24).

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund accounted for in Trade and other receivables (refer to note 24)	1 294	1 623	647	812
	1 294	1 623	647	812

19. 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Balance at the beginning of the year	62 953	42 043	33 276	27 037
Cancellation of previous policy	(32 482)	–	(4 705)	–
Contributions made during the year	32 482	23 562	4 705	8 325
Income earned during the year (net of fees) (refer note 7)	2 773	2 370	1 099	596
Guarantee fees (refer note 8)	(4 901)	(3 754)	(1 970)	(1 425)
Other	(118)	(1 268)	(117)	(1 257)
Balance at the end of the year	60 707	62 953	32 288	33 276

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.

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde)				
GR/G/20396/0312/0031	31 000	31 000	31 000	31 000
GR/G/20396/0314/0165	18 000	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543	11 543	11 543
CQ/G/30381/0920/010	36 305	–	36 305	–
CQ/G/30381/1020/011	46 260	–	46 260	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	224 915	142 350	224 915	142 350
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	–	–	–
GR/G/20396/0421/0791	61 065	–	–	–
Total guarantees relating to Booysendal Platinum Proprietary Limited	223 536	98 427	–	–
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	–	–
Total guarantees relating to Eland Platinum Proprietary Limited	170 061	170 061	–	–
Total environmental guarantees in issue	618 512	410 838	224 915	142 350

20. Buttonshope Conservancy Trust

The balance of the fund comprises:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Balance at the beginning of the year	15 850	13 218	–	–
Contributions received from Booysendal Platinum Proprietary Limited	525	500	–	–
Interest received during the year (with a portion included in amounts held in escrow)	670	1 393	–	–
Accrued interest received	10	532	–	–
Fair value adjustments	70	(51)	–	–
Less expenditure paid during the year	(1 058)	(115)	–	–
Insurance claim proceeds	–	373	–	–
Balance at the end of the year	16 067	15 850	–	–

The trust was established as a conservancy trust by Northam Platinum Limited, 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 Limited. An initial contribution of R10.0 million was made by Booysendal Platinum Proprietary Limited in terms of the trust agreement.

Funds of R0.4 million (30 June 2020: R3.0 million) are invested with Standard Bank Limited in a call account and R15.7 million (30 June 2020: R12.8 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.

Booysendal Platinum Proprietary Limited will donate 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 an amount of R525 000 was donated (30 June 2020: R500 000).

Below is a reconciliation of the amount held in escrow:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Opening balance of amounts held in escrow	–	16 841	–	–
Amounts transferred to property, plant and equipment	–	(16 841)	–	–
	–	–	–	–

Booysendal Platinum Proprietary Limited donated R16.7 million to purchase Portion 3 of Sterkfontein 52 JT, remaining extent and portion 2 of the De Berg 71 JT and Triangle 72 JT for biodiversity offset purposes.

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

Other properties held by the Buttonshope Conservancy Trust includes Portion 1 of Sheeprun 50, property measuring 256.9596 hectares held under Title deed T4813/2017 as well as portion 1 of the Farm Buttonshope 51, Registration Division JT, Mpumalanga Province.

21. Long-term prepayments

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Opening balance	–	563	–	–
Amounts paid to Doppelmayr Transport Technology GmbH	–	759	–	–
Amounts transferred to property, plant and equipment (refer note 11)	–	(1 322)	–	–
	–	–	–	–

All prepayments in terms of the agreement have come to an end, and the contracts have been concluded and completed.

22. Subsidiary loans

	Company	
	30 June 2021	**30 June 2020**
	R000	R000
Long-term subsidiary loans receivable		
Eland Platinum Proprietary Limited	1 478 450	797 078
Total long-term subsidiary loans	1 478 450	797 078
Short-term subsidiary loans receivable		
Norplats Properties Proprietary Limited	46 242	51 723
Mining Technical Services Proprietary Limited	–	20 970
Northam Platinum Investments (US) Incorporated	434	405
Northam Recovery Services LLC	–	24 643
Northam Property Company LLC	10 063	7 401
The Northam Employees' Trust	1 145	–
The Northam Booysendal Community Trust	948	–
The Northam Zondereinde Community Trust	948	–
Total short-term subsidiary loans receivable	59 780	105 142
Short-term subsidiary loans payable		
Booysendal Platinum Proprietary Limited	(9 630 072)	(1 331 532)
Mvelaphanda Resources Proprietary Limited	(6 600)	(6 600)
Northam Recovery Services LLC	(10 504)	–
Total short-term subsidiary loans payable	(9 647 176)	(1 338 132)
Total subsidiary loans	(8 108 946)	(435 912)

Northam Platinum Limited reserves the right to charge interest at prevailing market rates on any loan balance.

Any outstanding loan will be repayable on demand.

During the year under review the subsidiary holding the investment in SSG Holdings Proprietary Limited, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

All amounts advanced to Eland Platinum Proprietary Limited (Eland) is classified as long-term, as the Eland mine is currently being developed and will not generate sufficient free cash flow to repay the subsidiary loan in the foreseeable future. No Expected Credit Losses have been recognised on amounts advanced to Eland as Northam Platinum Limited purchases all of Eland's PGM concentrate which could be offset against amounts advanced and Eland's assets fairly valued exceeds its liabilities.

Zambezi Ordinary Shareholders Advances including The Northam Employees' Trust, The Northam Booysendal Community Trust and The Northam Zondereinde Community Trust

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam 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 will:

- be secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrue interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- be fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction does 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 will be utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

Subsequent to year-end these Deemed Advances were settled through the Net Value Distribution.

Details of the subsidiaries are set out in the related party note (note 46), which forms part of these notes.

23. Inventories

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Metals on hand and in transit				
Platinum	979 466	937 160	1 150 502	1 011 726
Palladium	1 346 094	1 356 869	1 546 012	1 437 059
Rhodium	3 756 999	1 872 656	5 578 375	2 134 524
Gold	27 618	35 273	36 861	39 412
Total metal inventory at the lower of cost and net realisable value	6 110 177	4 201 958	8 311 750	4 622 721
Less non-current metal inventories	(1 195 863)	(662 282)	(1 162 666)	(662 282)
Current metal inventory at the lower of cost and net realisable value	4 914 314	3 539 676	7 149 084	3 960 439
Consumable at the lower of cost and net realisable value	230 276	204 637	54 215	54 366
Total current inventory at the lower of cost and net realisable value	5 144 590	3 744 313	7 203 299	4 014 805

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

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 2020 R000	Purchased material 30 June 2020 R000	Total metal inventories 30 June 2020 R000	Non-current metal inventories 30 June 2020 R000	Current metal inventories 30 June 2020 R000
Platinum	800 417	136 743	937 160	(96 707)	840 453
Palladium	919 447	437 422	1 356 869	(383 268)	973 601
Rhodium	1 606 966	265 690	1 872 656	(177 620)	1 695 036
Gold	32 197	3 076	35 273	(4 687)	30 586
Total metal inventory	3 359 027	842 931	4 201 958	(662 282)	3 539 676

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 and loss relates to foreign exchange movements for inventory held by the US recycling operations.*

Group	Own production 30 June 2020 R000	Purchased material 30 June 2020 R000	Total metal inventories 30 June 2020 R000
Change in metal inventory for the year	(74 104)	760 227	686 123

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

Company	Own production 30 June 2021 R000	Purchased material from group companies 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	387 179	669 118	94 205	1 150 502	(197 599)	952 903
Palladium	450 223	720 867	374 922	1 546 012	(463 887)	1 082 125
Rhodium	1 580 238	3 704 806	293 331	5 578 375	(495 378)	5 082 997
Gold	20 193	16 641	27	36 861	(5 802)	31 059
Total metal inventory	2 437 833	5 111 432	762 485	8 311 750	(1 162 666)	7 149 084

Company	Own production 30 June 2020 R000	Purchased material from group companies 30 June 2020 R000	Purchased material 30 June 2020 R000	Total metal inventories 30 June 2020 R000	Non-current metal inventories 30 June 2020 R000	Current metal inventories 30 June 2020 R000
Platinum	507 557	367 142	137 027	1 011 726	(96 707)	915 019
Palladium	626 544	367 235	443 280	1 437 059	(383 268)	1 053 791
Rhodium	942 877	923 448	268 199	2 134 524	(177 620)	1 956 904
Gold	21 669	14 667	3 076	39 412	(4 687)	34 725
Total metal inventory	2 098 647	1 672 492	851 582	4 622 721	(662 282)	3 960 439

Company	Own production 30 June 2021 R000	Purchased material from group companies 30 June 2021 R000	Purchased material 30 June 2021 R000	Total metal inventories 30 June 2021 R000
Change in metal inventory for the year	339 186	3 438 940	(89 097)	3 689 029

Company	Own production 30 June 2020 R000	Purchased material from group companies 30 June 2020 R000	Purchased material 30 June 2020 R000	Total metal inventories 30 June 2020 R000
Change in metal inventory for the year	(1 009 219)	1 316 170	851 582	1 158 533

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

	Own production 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
Group	oz	oz	oz	oz	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

	Own production 30 June 2020	Purchased material 30 June 2020	Total metal inventories 30 June 2020	Non-current metal inventories 30 June 2020	Current metal inventories 30 June 2020
Group	oz	oz	oz	oz	oz
Platinum	112 015	11 315	123 330	(13 772)	109 558
Palladium	54 016	14 430	68 446	(15 772)	52 674
Rhodium	22 818	2 520	25 338	(3 859)	21 479
Gold	2 955	103	3 058	(966)	2 092
4E	191 804	28 368	220 172	(34 369)	185 803

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

	Own production 30 June 2021	Purchased material from group companies 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
Company	oz	oz	oz	oz	oz	oz
Platinum	89 834	44 049	8 166	142 049	(21 045)	121 004
Palladium	43 393	19 559	12 225	75 177	(18 271)	56 906
Rhodium	19 509	12 906	2 082	34 497	(5 200)	29 297
Gold	3 086	666	1	3 753	(1 048)	2 705
4E	155 822	77 180	22 474	255 476	(45 564)	209 912

	Own production 30 June 2020	Purchased material from group companies 30 June 2020	Purchased material 30 June 2020	Total metal inventories 30 June 2020	Non-current metal inventories 30 June 2020	Current metal inventories 30 June 2020
Company	oz	oz	oz	oz	oz	oz
Platinum	74 156	28 074	11 258	113 488	(13 772)	99 716
Palladium	37 462	11 715	14 381	63 558	(15 772)	47 786
Rhodium	14 619	6 611	2 516	23 746	(3 859)	19 887
Gold	2 239	550	103	2 892	(966)	1 926
4E	128 476	46 950	28 258	203 684	(34 369)	169 315

Metal inventory quantities on hand is allocated as follows:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	oz	oz	oz	oz
Non-current inventory	48 803	34 369	45 564	34 369
Ore stockpile inventory	17 170	14 112	1 522	414
Concentrate in process	40 822	4 121	2 656	1 441
Concentrate and other surface sources before the smelter	70 303	32 123	70 303	32 123
Recycling material	3 943	110	3 861	–
Smelter inventory	60 033	67 613	60 033	67 613
Base metal removal plant inventory	9 585	8 463	9 585	8 463
Precious metal refinery inventory	60 151	59 144	60 151	59 144
Finished product inventory on hand	1 801	117	1 801	117
4E	312 611	220 172	255 476	203 684

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 group cost of sales is cost to the value of R137.6 million (company: R818.5 million) relating to purchased material (group and company: 30 June 2020: R14.6 million relating to own production) that were written down to net realisable value. Inventory to the value of R373.0 million (company: R4.2 billion) relating to purchased material (group and company: 30 June 2020: R474.1 million relating to own production) is disclosed at net realisable value.

All inventory over and above pipeline material is considered excess inventory.

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 constantly monitored 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 2021	30 June 2020	30 June 2021	30 June 2020
Platinum price	USD/oz	1 077	813	1 077	813
Palladium price	USD/oz	2 623	1 894	2 623	1 894
Rhodium price	USD/oz	20 275	8 145	20 275	8 145
Gold price	USD/oz	1 776	1 752	1 776	1 752
Closing exchange rate at year-end	ZAR/USD	R14.28	R17.33	R14.28	R17.33

Impact of COVID-19 on the valuation of inventory

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.

The initial lockdown in the previous financial year resulted in periods of limited to no production, with fixed overhead costs still being incurred which should not be allocated to the cost of inventories. The valuation of inventory does not include these abnormal fixed overheads as a consequence of low production volumes. Concentrates purchased continue to be valued at the cost of acquisition.

Inventory is further 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 are performed on a monthly basis and 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 net realisable value adjustments have been disclosed.

24. Trade and other receivables

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Trade receivables	44 618	17 248	27 023	10 512
Provisional pricing receivables	166 111	181 090	103 881	76 755
Accrued dividends and interest on cash and cash equivalents	17 862	12 997	16 736	11 392
Prepayments	2 522	26 560	1 141	21 837
Deposits	9 195	4 733	4 812	430
South African Revenue Service – Value Added Tax	677 059	189 067	628 914	189 067
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	71 326	371	12 960	–
Current portion of suspensive sale agreements (refer note 17)	5 761	5 415	–	–
Current portion of interest free home loans to employees (refer note 17)	9 566	10 253	4 898	7 534
Strategic Partner Advances (refer related party note 46)	391 522	–	391 522	–
Other	19 388	8 760	18 114	7 227
	1 414 930	456 494	1 210 001	324 754

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60-day terms except for PGM debtors who have payment terms of between 2 to 5 days. Trade and other receivables to the value of R Nil was provided for or impaired during the current financial year (30 June 2020: R Nil).

Prepayments relates to amounts prepaid on insurance as well as machinery and equipment.

The carrying value of trade and other receivables approximate the fair value, due to their short-term nature.

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

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Platinum group metal receivables	12 701	3 241	12 701	3 241
Chrome receivables	31 917	14 007	14 322	7 271
Total trade receivables	44 618	17 248	27 023	10 512

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Nickel provisional receivable	65 945	44 943	65 945	44 943
Chrome provisional receivable	100 166	136 147	37 936	31 812
Total provisional pricing receivables	166 111	181 090	103 881	76 755

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 30 June was as follows:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
US dollars (USD000)	952	225	890	187
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Trade and other receivables denominated in USD (R000)	13 588	3 907	12 701	3 241

Rounded to the nearest cent

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

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Current portion	447 379	302 298	392 743	229 564
30 to 60 days	442 728	86 239	370 963	33 976
60 to 90 days	402 082	29 669	391 709	23 073
More than 90 days*	122 741	38 288	54 586	38 141
	1 414 930	456 494	1 210 001	324 754

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

Trade receivables and advances by country are as follows:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
South Africa	1 401 342	452 587	1 197 300	321 513
United Kingdom	–	–	–	–
Germany	12 701	3 241	12 701	3 241
France	–	–	–	–
Japan	–	–	–	–
United States of America	887	666	–	–
	1 414 930	456 494	1 210 001	324 754

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 note 37 and 38).

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

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.

PGM 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 of 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.

The Strategic Partner Advances were advanced pursuant to the Zambezi Ordinary Shareholder Loan Agreements. These amounts were secured by each relevant Pledge and Cession Agreement and were settled on the Net Value Distribution Date (refer related party note 46). As a result, there is no ECL relating to the Strategic Partner Advances.

Impact of COVID-19 on Trade receivables and ECL

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 groups' 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.

Sales are only made to customers with an appropriate credit history. PGM, base metal and chrome debtors 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.

25. Cash and cash equivalents

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Cash at bank and on hand	1 418 859	627 335	1 411 149	625 264
Restricted cash	96 031	103 767	23 000	23 000
Short-term deposits	2 362 318	1 429 854	2 348 571	1 419 553
Cash and cash equivalents as per the statement of cash flows	3 877 208	2 160 956	3 782 720	2 067 817

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 4.23% (30 June 2020: 6.5%) and these deposits are all immediately available.

Restricted cash includes a deposit held of R23.0 million (30 June 2020: R23.0 million) relating to an electricity supply agreement between Northam Platinum Limited and Eskom Holdings SOC Limited. Restricted cash also includes money ring-fenced for the benefit of the Northam Employees' Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi Platinum (RF) Limited which may only be spent in terms of the various Trust Deeds and the Zambezi Platinum (RF) Limited Memorandum of Incorporation (MOI).

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance as the group did not utilise the general banking facility at year-end (30 June 2020: R Nil).

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

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
US dollars (USD000)	95 969	34 842	95 447	34 734
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Cash and cash equivalents denominated in USD (R000)	1 369 962	603 671	1 362 513	601 798

**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 which was increased from R500.0 million to R1.0 billion on 30 June 2021, with all terms and conditions on this facility unchanged. The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2020: 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 2020: 0.55%) on the unutilised portion of the facility.

Below is a summary of the available GBF.

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Available facility at year-end	1 000 000	500 000	1 000 000	500 000

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 30 June 2021	Utilised amount 30 June 2021	Available facility 30 June 2021	Interest rate 30 June 2021	Repayment date 30 June 2021
	R000	R000	R000		
Domestic Medium-Term Notes* (refer note 33)	15 000 000	(7 754 023)	7 245 977	Various	Various
Revolving credit facility (refer note 36)	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*

Below are the group's utilised and available facilities as at 30 June 2020:

	Total facility 30 June 2020	Utilised amount 30 June 2020	Available facility 30 June 2020	Interest rate 30 June 2020	Repayment date 30 June 2020
	R000	R000	R000		
Domestic Medium-Term Notes* (refer note 33)	10 000 000	(5 640 749)	4 359 251	Various	Various
Revolving credit facility (refer note 36)	3 500 000	–	3 500 000	JIBAR plus 2.2% - 2.6%	September 2024
General banking facility	500 000	–	500 000	Prime less 1.75%	90-day notice
	14 000 000	(5 640 749)	8 359 251		

**Uncommitted but approved by the board of directors*

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

Domestic Medium-Term Note Programme

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

During the year under review Northam updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booysendal Platinum Proprietary Limited as guarantor.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020, a copy of which is available on Northam's website (https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020). The Amended and Restated Programme Memorandum was approved by and registered with the JSE Limited.

The board of Northam approved an increase in the Programme Amount in terms of the provisions of the DMTN Programme from R10.0 billion 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.

Refer to note 33 for more details on the issued DMTNs.

Revolving credit facility (RCF)

Northam Platinum Limited has a R4.0 billion (30 June 2020: R3.5 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. None of the various covenant requirements have been breached or are close to breaching.

The RCF was undrawn at year-end.

Refer to note 36 for details on the RCF, together with all utilisations and repayments during the year under review.

General banking facility (GBF)

Northam Platinum Limited also has a GBF, i.e. an overdraft facility, of R1.0 billion (30 June 2020: R500.0 million). The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2020: South African prime interest rate less 1.75%), and is payable on demand with a 90-day notice period.

The GBF was undrawn at year-end.

26. Stated capital

	Northam Platinum Limited Group		Northam Platinum Limited Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	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	509 781 212	509 781 212	509 781 212	509 781 212
Treasury Shares	(159 905 453)	(159 905 453)	–	–
	349 875 759	349 875 759	509 781 212	509 781 212

	Northam Platinum Limited Group		Northam Platinum Limited Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Issued stated capital	13 778 114	13 778 114	13 778 114	13 778 114
Treasury Shares	(6 556 123)	(6 556 123)	–	–
	7 221 991	7 221 991	13 778 114	13 778 114

There were no changes during the current financial year to the authorised or issued stated capital of Northam. The authorised stated capital of Northam as at 30 June 2021 amounted to 2 000 000 000 shares (30 June 2020: 2 000 000 000 shares) at no par value. The issued stated capital amounted to 509 781 212 shares as at 30 June 2021.

Treasury Shares relates to the shares owned by Zambezi Platinum (RF) Limited, who held 159 905 453 (30 June 2020: 159 905 453) shares in total representing a 31.4% (30 June 2020: 31.4%) investment in Northam Platinum Limited as at 30 June 2021.

However subsequent to year-end, as part of the Composite Transaction, Northam acquired Northam Shares *inter alia* held by Zambezi Platinum (RF) Limited in settlement of a portion of the Zambezi Preference Share liability, together with shares acquired to facilitate settlement of Zambezi Platinum (RF) Limited's tax obligations arising from the Composite Transaction. This resulted in the number of shares in issue reducing.

	Northam Platinum Holdings Limited	
	30 June 2021	30 June 2020
	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	1	–
Treasury Shares	–	–
	1	–

	Northam Platinum Holdings Limited	
	30 June 2021	30 June 2020
	R000	R000
Issued stated capital	*	*
Treasury Shares	–	–
	*	*

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

Below is a reconciliation of the Northam Shares in issue as a result of the early maturity of the Zambezi BEE Transaction.

	Number of shares[7]
Number of shares in issue as at 30 June 2021:	509 781 212
Zambezi Platinum (RF) Limited settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi Platinum (RF) Limited, valued at R160 per Northam share	(94 992 488)
Northam repurchases 36 700 687 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of the Zambezi Platinum (RF) Limited tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Share Distribution.	(36 700 687)
Remaining shares in issue after the Composite Transaction	378 088 037

Below is a reconciliation of the Northam Shares held by Zambezi Platinum (RF) Limited that will be acquired by Northam as a result of the early maturity of the Zambezi BEE Transaction.

	Number of shares[1]
Number of Northam Shares held by Zambezi Platinum (RF) Limited as at 30 June 2021, representing 31.4% of the shares in issue:	159 905 453
Zambezi Platinum (RF) Limited settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi Platinum (RF) Limited, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Share Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders through the Net Value Share Distribution	29 454 609

The Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust will continue to be treated as Treasury Shares. Below is a reconciliation of the Treasury Shares:

	Number of shares
Number of Northam Shares held by Zambezi as at 30 June 2021, classified as Treasury Shares	159 905 453
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders pursuant to the Net Value Distribution	29 454 609
The Net Value Distribution made to Zambezi Platinum (RF) Limited Ordinary Shareholders other than the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust, settled on the Net Value Distribution Date (as defined in the Transaction Documents) by Zambezi Platinum (RF) Limited making a pro rata distribution of the relevant portion of the Residual Northam Shares (as defined in the Transaction Documents) to such Zambezi Ordinary Shareholders in accordance with their respective shareholdings in Zambezi Platinum (RF) Limited.	(21 943 684)
Northam repurchases 1 242 331 Northam Shares from the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(1 242 331)
Residual Northam Shares held by the Northam Employees' Trust and two Community Trusts	6 268 594

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.

The authorised stated capital of Northam Holdings as at 30 June 2021 amounted to 2 000 000 000 shares at no par value. The issued stated capital of Northam Holdings amounted to 378 088 037[7] shares at the date of listing.

[7] All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Transaction Documents as at the LPD and may vary on implementation.

27. Equity-settled share-based payment reserve

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Equity-settled share-based payment reserve	874 448	874 448	1 173 756	1 173 756
	874 448	874 448	1 173 756	1 173 756

The Zambezi BEE Transaction constituted a share-based payment as defined which is 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 are no vesting conditions attached to the BEE equity that are 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 and therefore no changes to the above reserve.

Subsequent to year-end, with the early maturity and wind-up of the Zambezi BEE Transaction the R874.4 million equity-settled share based payment reserve recognised in 2015 pursuant to the Zambezi BEE Transaction, will be transferred to retained earnings.

Impact of the Composite Transaction: Equity-settled share-based payment reserve and issued share capital

Subsequent to year-end, as part of the Composite Transaction, Northam acquired Northam Shares held by Zambezi Platinum (RF) Limited in settlement of, *inter alia*, a portion of the Zambezi Preference Share liability, together with shares acquired to facilitate settlement of Zambezi Platinum (RF) Limited's tax obligations arising from the Composite Transaction. Northam also acquired Northam Shares held by the Northam Employees' Trust pursuant to the ESOP Repurchase. As issued on SENS on Monday, 20 September 2021, Northam Holdings further acquired 14 571 063 shares from the Strategic Partners, reducing the total number of shares in issue by 28.9%.

28. Deferred tax asset and liability

The principal components of the deferred tax asset and liability are as follows:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Deferred tax assets				
Employee benefits relating to leave pay and bonus	331 538	190 656	258 989	152 502
Decommissioning and environmental restoration provisions	227 569	101 531	47 196	41 802
Share-based payment liability	319 964	148 893	169 649	90 846
Metal inventory	905 788	171 689	–	–
Deferred income	15 494	22 151	5 703	9 575
Lease liability	22 749	22 574	6 791	4 355
Other	2 100	2 056	–	–
	1 825 202	659 550	488 328	299 080
Deferred tax liabilities				
Property, plant and equipment	(4 872 383)	(2 772 096)	(1 698 200)	(1 345 871)
Depreciation component included in metals on hand and in transit	(53 367)	(25 139)	(29 210)	(25 139)
Restoration Trust Fund	(38 088)	(36 044)	(19 044)	(18 022)
Items accounted for directly through other comprehensive income	–	–	(605 080)	–
Section 24C allowances in respect of long-term receivables	(3 021)	(3 588)	–	–
	(4 966 859)	(2 836 867)	(2 351 534)	(1 389 032)
Net deferred tax liability	(3 141 657)	(2 177 317)	(1 863 206)	(1 089 952)

The charge in the deferred tax balance is reconciled as follows:

Net deferred tax liability at the beginning of the year	(2 177 317)	(1 418 593)	(1 089 952)	(937 802)
Items accounted for directly through other comprehensive income (refer note 15)	–	–	(605 080)	2 367
Charge for the year (refer note 9)	(964 340)	(758 724)	(168 174)	(154 517)
Employee benefits	140 882	34 116	106 487	22 556
Decommissioning and environmental restoration provisions	126 038	10 283	5 394	2 075
Share-based payment liabilities	171 071	79 750	78 803	50 633
Metal inventory	734 099	171 689	–	–
Deferred income	(6 657)	(6 377)	(3 872)	(3 676)
Lease liability	175	22 574	2 436	4 355
Other	44	2 056	–	–
Calculated capital and tax losses	–	(874)	–	–
Property, plant and equipment	(2 100 287)	(1 058 314)	(352 329)	(221 534)
Depreciation component included in metals on hand and in transit	(28 228)	(11 626)	(4 071)	(7 715)
Restoration Trust Fund	(2 044)	(2 422)	(1 022)	(1 211)
Section 24C allowance in respect of long-term receivables	567	421	–	–
Net deferred tax liability	(3 141 657)	(2 177 317)	(1 863 206)	(1 089 952)

The net deferred tax liability is made up as follows:

Deferred tax asset	39 905	–	–	–
Deferred tax liability	(3 181 562)	(2 177 317)	(1 863 206)	(1 089 952)
Net deferred tax liability	(3 141 657)	(2 177 317)	(1 863 206)	(1 089 952)

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.

Based on the updated approved mineplan and board approved budget, it is believed that Eland Platinum Proprietary Limited's financial performance will generate sufficient taxable profits to utilise against a deferred tax asset.

Accordingly, a deferred tax asset of R39.9 million was raised during the current year.

In the prior year, no deferred tax asset was raised on deductible temporary tax differences amounting to R321.2 million relating to Eland Platinum Proprietary Limited.

This position will be assessed continuously.

29. Long-term provisions

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Balance at the beginning of the year	729 327	679 459	149 292	141 883
Change in estimate relating to the decommissioning costs (refer to note 11)	28 043	(23 436)	15 297	(5 330)
Change in estimate relating to restoration costs (refer to note 4)	(7 346)	6 726	(8 871)	(1 166)
Unwinding of discount (refer to note 6)	62 723	66 578	12 839	13 905
Total rehabilitation and decommissioning liability provision	812 747	729 327	168 557	149 292
Below is a breakdown of the long-term provision:				
Provision for decommissioning costs				
Balance at the beginning of the year	509 325	485 219	93 732	90 220
Change in estimate relating to the decommissioning costs (refer to note 11)	28 043	(23 436)	15 297	(5 330)
Unwinding of discount (refer to note 6)	43 802	47 542	8 061	8 842
Total provision for decommissioning costs	581 170	509 325	117 090	93 732
Provision for restoration costs				
Balance at the beginning of the year	220 002	194 240	55 560	51 663
Change in estimate relating to restoration costs (refer to note 4)	(7 346)	6 726	(8 871)	(1 166)
Unwinding of discount (refer to note 6)	18 921	19 036	4 778	5 063
Total provision for restoration costs	231 577	220 002	51 467	55 560
Total rehabilitation and decommissioning liability provision	812 747	729 327	168 557	149 292
The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:				
Northam Platinum Limited (Zondereinde operation)	168 557	149 292	168 557	149 292
Booysendal Platinum Proprietary Limited (Booysendal operation)	236 545	213 318	–	–
Eland Platinum Proprietary Limited (Eland operation)	407 645	366 717	–	–
Total rehabilitation and decommissioning liability provision	812 747	729 327	168 557	149 292

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.

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

	Zondereinde (Northam Platinum Limited) 30 June 2021	Booysendal Platinum Proprietary Limited 30 June 2021	Eland Platinum Proprietary Limited 30 June 2021	Total 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

	Zondereinde (Northam Platinum Limited) 30 June 2020	Booysendal Platinum Proprietary Limited 30 June 2020	Eland Platinum Proprietary Limited 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	90 220	109 740	285 259	485 219
Change in estimate relating to the decommissioning costs	(5 330)	304	(18 410)	(23 436)
Unwinding of discount	8 842	10 745	27 955	47 542
Total provision for decommissioning costs	93 732	120 789	294 804	509 325
Provision for restoration costs				
Balance at the beginning of the year	51 663	74 265	68 312	194 240
Change in estimate relating to restoration costs	(1 166)	10 986	(3 094)	6 726
Unwinding of discount	5 063	7 278	6 695	19 036
Total provision for restoration costs	55 560	92 529	71 913	220 002
Total rehabilitation and decommissioning liability provision	149 292	213 318	366 717	729 327

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

	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 18)	(68 015)	(68 015)	–	(136 030)
Less environmental guarantees (refer to note 19)	(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)

	Zondereinde (Northam Platinum Limited)	Booysendal Platinum Proprietary Limited	Eland Platinum Proprietary Limited	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	194 877	205 324	169 075	569 276
Less funds held by Northam Platinum Restoration Trust Fund (refer to note 18)	(64 366)	(64 366)	–	(128 732)
Less environmental guarantees (refer to note 19)	(142 350)	(98 427)	(170 061)	(410 838)
Total (overfunded)/unfunded current rehabilitation obligation in terms of current legislation	(11 839)	42 531	(986)	29 706

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 18 and 19 for further details on the Northam Platinum Restoration Trust Fund as well as the various environmental guarantees taken out.

Significant judgements and estimates: Determination of the rehabilitation and decommissioning liabilities of the group

Northam Platinum Limited's mining activities are subject to extensive environmental laws and regulations. These laws and regulations are continually changing and are generally becoming more restrictive. The Northam Platinum Limited 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.

The South African National Environmental Management Act, No.107 of 1998 (NEMA), as well as the Mineral and Petroleum Resources Development Act No 28 of 2002 (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 MPRDA requirement that an applicant for a mining right must make prescribed financial provision for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of NEMA, mining operations are required to make financial provision 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 is expected to be incurred in subsequent years. These provisions have been 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 Department of Mineral Resources and Energy 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 Department of Mineral Resources and Energy rates have been used.

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

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (30 June 2020: 8.6%) and a long-term inflation rate of 6.0% (30 June 2020: 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 established 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 Regulations, 2015 (2015 Regulations) were promulgated, resulting in significant changes from the requirements contained in the MPRDA.

The 2015 Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. "new" applicants). In terms of the 2015 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 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 Regulations' date of promulgation to comply.

In 2019, the Department of Environment, Forestry and Fisheries published a second set of new draft financial provision Regulations (2019 Draft Regulations), which would result in a complete overhaul of the 2015 Regulations. The 2019 Draft Regulations have yet to be promulgated.

The 2015 Regulations' transitional period was further extended for holders of a right or permit to 19 June 2022. It is anticipated that the proposed 2019 Draft Regulations will be published into law prior to this date.

The group will comply with the relevant financial provision Regulations when required to do so.

Impact of COVID-19 on determination of the rehabilitation and decommissioning liabilities of the group

The provision for estimated future rehabilitation and decommissioning costs is reviewed annually, updated for current and expected future market conditions, including the impact of the COVID-19 pandemic, and discounted to a present value for disclosure in the financial statements. The provision is based on the current best estimate of future costs required. The assessment is subject to assumptions and inputs which are open to judgement and estimation.

Updates to the assessment, which incorporate the COVID-19 pandemic, included updates to the pre-tax discount rate as well as the long-term inflation rate, which has been updated accordingly taking into account market assumptions as at 30 June 2021.

30. Long-term loans

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Security of supply contribution	55 337	79 109	20 370	34 196
Heraeus Deutschland GmbH & Co. KG	92 662	79 896	92 662	79 896
Total long-term loans	147 999	159 005	113 032	114 092
Current portion of security of supply contribution	(19 704)	(23 772)	(10 870)	(13 826)
Current portion of Heraeus Deutschland GmbH & Co. KG	(14 100)	(4 700)	(14 100)	(4 700)
Long-term portion	114 195	130 533	88 062	95 566

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.

Below is a reconciliation of the security of supply contribution liability:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Opening balance	79 109	101 886	34 196	47 326
Amounts recognised in operating cost as a credit to contractors' costs (refer note 4)	(23 772)	(22 777)	(13 826)	(13 130)
Closing balance security of supply contribution	55 337	79 109	20 370	34 196

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 furnace, in the 2016 financial year.

During the previous financial year, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG for the 30 June 2020 financial year and reduced to R4.7 million, representing half of the annual fee, for the 30 June 2021 financial year, payable before 31 December 2021. The annual payment of R9.4 million as per the original agreement will resume thereafter.

Also refer to note 6 and note 7 for the impact of the changes to the Heraeus Deutschland GmbH & Co. KG liability.

31. Lease liability

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Opening balance	80 622	88 992	15 554	16 913
Change in lease terms	9 398	(31)	9 797	–
Unwinding of interest	7 648	8 397	1 642	1 608
Payments made	(16 421)	(16 736)	(2 740)	(2 967)
Total lease liability	81 247	80 622	24 253	15 554
Current portion of lease liability	(13 228)	(16 261)	(2 012)	(3 062)
Non-current portion of lease liability	68 019	64 361	22 241	12 492

The following are the amounts recognised in profit or loss:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Depreciation expense for right-of-use assets (refer to note 11)	13 100	14 286	2 439	2 671
Finance costs relating to lease liabilities (refer to note 6)	7 648	8 397	1 642	1 608
Expenses relating to leases of low-value asset	17 551	33 510	11 616	12 044
	38 299	56 193	15 697	16 323

The lease liability relates to leases for the corporate office, accommodation and a notarial agreement of lease of land relating to Booysendal Platinum Proprietary Limited.

The lease for the corporate office is for a period of five years, 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 Platinum Proprietary Limited is for life of mine and 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 right-of-use 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 in its leases. Therefore, it uses the relevant incremental borrowing rate (IBR) to measure right-of-use liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs when available and considers certain contract and entity-specific judgements such as the lease term and group credit ratings.

32. Financial guarantee liability

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Zambezi Platinum (RF) Limited financial guarantee liability	–	–	7 535 944	7 535 944
Amortisation of financial guarantee liability	–	–	(6 596 554)	(2 525 810)
	–	–	939 390	5 010 134

A financial guarantee contract was issued by Northam Platinum Limited to Zambezi Platinum (RF) Limited to guarantee the Zambezi Preference Shares that were issued by Zambezi Platinum (RF) Limited as part of the Zambezi BEE Transaction (Northam Guarantee).

Below is a summary of the amortisation of the Northam Guarantee liability:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Opening amortised Northam Guarantee liability	–	–	2 525 810	–
Amortised during the year	–	–	4 070 744	2 525 810
Amortisation of Northam Guarantee liability	–	–	6 596 554	2 525 810

The amortisation of the Northam Guarantee liability is based on the number of Zambezi Preference Shares held by Northam.

Northam has purchased Zambezi Preference Shares in the open market. Below is a summary of the number of shares held together with the amortised cost and closing market value of these Zambezi Preference Shares:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Number of Zambezi Preference Shares	159 905 453	159 905 453	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam	(139 972 496)	(53 595 254)	(139 972 496)	(53 595 254)
Number of Zambezi Preference Shares held in the open market	19 932 957	106 310 199	19 932 957	106 310 199
Percentage holding by Northam Platinum Limited in the Zambezi Preference Shares	87.5%	33.5%	87.5%	33.5%
Value per Zambezi Preference Share*	R86.99	R78.75	R86.99	R78.75
Zambezi Preference Share closing Preference Share price	R97.50	R81.00	R97.50	R81.00

Rounded to the nearest cent

As per the original terms and conditions associated with the Zambezi Preference Shares, the Preference Share liability was due at the end of the 10-year Lock-in period, which was 17 May 2025. The redemption of the Zambezi Preference Shares would have occurred, first and foremost, through any cash received from dividends distributed by Northam Platinum Limited during the 10-year Lock-in period, and after the end of the Lock-in period the possible sell-off of Northam Platinum Limited shares into the market, to redeem the Zambezi Preference Shares. In the event that this was not sufficient to settle the liability, the Preference Share liability was secured in terms of the Northam Guarantee.

Should a liability have arisen under the Northam Guarantee, Northam Platinum Limited may have settled this liability by capitalising Zambezi Platinum (RF) Limited with cash and/or through the issue of Northam Shares before the redemption amount becomes due or by making payment directly to the Zambezi Preference Shareholders. The manner of settlement was not contractually specified and was at the discretion of Northam.

Northam guarantees payment of the redemption price in respect of the Zambezi Preference Shares and the preference dividends by way of the Northam Guarantee. Northam guaranteed the payment of all amounts which Zambezi had contracted to pay (but failed to pay on the due date thereof) in respect of the Zambezi Preference Shares by means of, at Northam's election, a cash payment and/or the issue of a determinable number of Northam Shares to the holders.

During the year under review, Northam and Zambezi entered into a transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015. This transaction became wholly unconditional on 5 August 2021 and was implemented in accordance with the salient dates and times set out in the Zambezi Scheme Circular which is available on the company's website at https://www.northam.co.za/downloads/send/152-2021/1372-joint-scheme-circular.

With the Zambezi Scheme, all Zambezi Preference Shares not already held by Northam were purchased by Northam on 23 August 2021 and there are therefore no liabilities other than the Zambezi Preference Share liability to Northam, which Northam has Guaranteed.

In addition to the Zambezi Scheme the Zambezi structure will be wound-up with certain amendments having been made, including changes to the terms of the N Share. These amendments provide the 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 Preference Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount) with effect from the Net Value Distribution Date, which was 6 September 2021.

With the Zambezi Scheme the requirements under the Northam Guarantee are no longer required and the remaining financial guarantee liability will be derecognised.

33. Domestic Medium-Term Notes

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Non-current Domestic Medium-Term Notes (DMTNs)				
DMTNs (NHM002)	–	175 000	–	175 000
NHM002 switched to NHM018	–	(173 600)	–	(173 600)
Transaction costs relating to the NHM002 issue	–	(1 256)	–	(1 256)
Amortisation of transaction costs over the period of the Notes issued	–	1 254	–	1 254
Transfer to current DMTNs	–	(1 398)	–	(1 398)
	–	–	–	–

On 13 May 2016, Northam issued NHM002. These Notes attracted a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and was redeemed on 12 May 2021.

DMTNs (NHM006)	–	250 000	–	250 000
NHM006 switched to NHM016	–	(28 907)	–	(28 907)
NHM006 switched to NHM018	–	(97 700)	–	(97 700)
Transaction costs relating to the NHM006 issue	–	(1 576)	–	(1 576)
Amortisation of transaction costs over the period of the Notes issued	–	1 269	–	1 269
Transfer to current DMTNs	–	(123 086)	–	(123 086)
	–	–	–	–

On 16 April 2019, Northam 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 was redeemed on 16 April 2021.

DMTNs (NHM007)	141 186	300 000	141 186	300 000
NHM007 switched to NHM016	–	(58 814)	–	(58 814)
NHM007 switched to NHM018	–	(100 000)	–	(100 000)
DMTNs tap issue – Tranche 2	150 000	–	150 000	–
Transaction costs relating to the NHM007 issue	(4 430)	(1 851)	(4 430)	(1 851)
Amortisation of transaction costs over the period of the Notes issued	2 033	1 331	2 033	1 331
Transfer to current DMTNs	(288 789)	–	(288 789)	–
	–	140 666	–	140 666

On 16 April 2019, Northam issued NHM007. On 7 May 2021, R150.0 million 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 April, July, October and January of each year from issue date for a three-year period. These Notes mature on 16 April 2022.

DMTNs (NHM009)	100 000	250 000	100 000	250 000
NHM009 switched to NHM018	–	(150 000)	–	(150 000)
Domestic Medium-Term Notes tap issue – Tranche 2	300 000	–	300 000	–
Transaction costs relating to the NHM009 issue	(6 428)	(1 538)	(6 428)	(1 538)
Amortisation of transaction costs over the period of the Notes issued	2 130	1 165	2 130	1 165
Transfer to current DMTNs	(395 702)	–	(395 702)	–
	–	99 627	–	99 627

On 26 April 2019, Northam issued NHM009. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in April, July, October and January of each year from issue date for a three-year period. These Notes mature on 26 April 2022.

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
DMTNs (NHM011)	173 000	500 000	173 000	500 000
NHM011 switched to NHM016	–	(277 000)	–	(277 000)
NHM011 switched to NHM018	–	(50 000)	–	(50 000)
DMTNs tap issue – Tranche 2	345 000	–	345 000	–
DMTNs tap issue – Tranche 3	100 000	–	100 000	–
Transaction costs relating to the NHM011 issue	(11 139)	(2 905)	(11 139)	(2 905)
Amortisation of transaction costs over the period of the Notes issued	5 435	2 270	5 435	2 270
Transfer to current DMTNs	(612 296)	–	(612 296)	–
	–	172 365	–	172 365

On 24 May 2019, Northam issued NHM011. On 25 November 2020 and 7 May 2021, R345.0 million and R100.0 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 May, August, November and February of each year from issue date for a three-year period. These Notes mature on 24 May 2022.

	Group		Company	
DMTNs (NHM012)	30 470	100 000	30 470	100 000
NHM012 switched to NHM016	–	(69 530)	–	(69 530)
NHM017 switched to NHM012	492 100	–	492 100	–
NHM014 switched to NHM012	1 908 300	–	1 908 300	–
Transaction costs relating to the NHM012 issue	(42 944)	(866)	(42 944)	(866)
Amortisation of transaction costs over the period of the Notes issued	9 714	694	9 714	694
Transfer to current DMTNs	(2 397 640)	–	(2 397 640)	–
	–	30 298	–	30 298

On 13 June 2019, Northam issued NHM012. On 30 October 2020 and 23 May 2021, R492.1 million and R1.9 billion 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 June, September, December and March of each year from issue date for a three-year period. These Notes mature on 13 June 2022.

	Group		Company	
DMTNs (NHM014)	1 920 000	2 620 000	1 920 000	2 620 000
NHM014 switched to NHM012	(1 908 300)	–	(1 908 300)	–
NHM014 switched to NHM018	–	(300 000)	–	(300 000)
NHM014 switched to NHM019	–	(400 000)	–	(400 000)
DMTNs tap issue – Tranche 3	10 000	–	10 000	–
Transaction costs relating to the NHM014 issue	(34 466)	(27 310)	(34 466)	(27 310)
Amortisation of transaction costs over the period of the Notes issued	32 050	15 715	32 050	15 715
Transfer to current DMTNs	(19 284)	–	(19 284)	–
	–	1 908 405	–	1 908 405

On 20 November 2019, Northam issued NHM014. On 25 November 2020, R10.0 million additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 250 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes mature on 20 November 2021.

	Group		Company	
DMTNs (NHM015)	500 000	500 000	500 000	500 000
Transaction costs relating to the NHM015 issue	(8 070)	(8 070)	(8 070)	(8 070)
Amortisation of transaction costs over the period of the Notes issued	2 500	888	2 500	888
	494 430	492 818	494 430	492 818

On 13 December 2019, the Industrial Development Corporation of South Africa Limited 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
DMTNs (NHM016)	680 000	680 000	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	–
Transaction costs relating to the NHM016 issue	(63 110)	(51 807)	(63 110)	(51 807)
Amortisation of transaction costs the period of the Notes issued	13 300	1 447	13 300	1 447
	1 096 157	629 640	1 096 157	629 640

On 11 May 2020, Northam issued NHM016. On 7 September 2020 R166.0 million worth of additional Notes were issued, on 25 November 2020, R200.0 million worth of additional Notes were issued and on 10 March 2021, R100.0 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 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	1 021 300	1 021 300
DMTNs tap issue - Tranche 3	253 000	–	253 000	–
DMTNs tap issue - Tranche 4	100 000	–	100 000	–
Transaction costs relating to the NHM018 issue	(43 072)	(36 434)	(43 072)	(36 434)
Amortisation of transaction costs over the period of the Notes issued	14 622	1 231	14 622	1 231
	1 345 850	986 097	1 345 850	986 097

On 25 May 2020, Northam issued NHM018. On 25 November 2020 R253.0 million and on 7 May 2021 R100.0 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.

Subsequent to year-end, on 9 July 2021, an additional R150.0 million was issued as part of NHM018 under the same terms and conditions.

	Group		Company	
DMTNs (NHM019)	450 000	450 000	450 000	450 000
DMTNs tap issue - Tranche 2	390 000	–	390 000	–
Transaction costs relating to the NHM019 issue	(33 400)	(18 294)	(33 400)	(18 294)
Amortisation of transaction costs over the period of the Notes issued	7 612	463	7 612	463
	814 212	432 169	814 212	432 169

On 25 May 2020, Northam issued NHM019. On 25 November 2020 R390.0 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 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	
DMTNs (NHM020)	132 000	–	132 000	–
Transaction costs relating to the NHM020 issue	(2 653)	–	(2 653)	–
Amortisation of transaction costs over the period of the Notes issued	528	–	528	–
	129 875	–	129 875	–

On 25 November 2020, Northam issued NHM020 which is R132.0 million worth of three-year senior unsecured floating rate Notes. 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	
Total non-current Domestic Medium-Term Notes	3 880 524	4 892 085	3 880 524	4 892 085

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Current DMTNs				
DMTNs (NHM002)	1 400	1 400	1 400	1 400
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)	(1 256)	(1 256)
Amortisation of transaction costs over the period of the Notes issued	1 256	1 254	1 256	1 254
DMTNs repaid	(1 400)	–	(1 400)	–
	–	1 398	–	1 398

On 13 May 2016, Northam issued NHM002. These Notes attracted a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and was redeemed on 12 May 2021.

DMTNs (NHM006)	123 393	123 393	123 393	123 393
Transaction costs relating to the NHM006 issue	(1 576)	(1 576)	(1 576)	(1 576)
Amortisation of transaction costs over the period of the Notes issued	1 576	1 269	1 576	1 269
DMTNs repaid	(123 393)	–	(123 393)	–
	–	123 086	–	123 086

On 16 April 2019, Northam 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 was redeemed on 16 April 2021.

Transferred from non-current DMTNs (NHM007)	288 789	–	288 789	–
	288 789	–	288 789	–
DMTNs issued (NHM008)	–	200 000	–	200 000
Transaction costs relating to the NHM008 issue	–	(1 263)	–	(1 263)
Amortisation of transaction costs over the period of the Notes issued	–	1 263	–	1 263
DMTNs repaid (NHM008)	–	(200 000)	–	(200 000)
	–	–	–	–

On 26 April 2019, Northam issued NHM008, which is R200.0 million of one-year senior unsecured floating rate Notes. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on April, July, October and January for a one-year period from issue date. These Notes matured on 26 April 2020.

Transferred from non-current DMTNs (NHM009)	395 702	–	395 702	–
	395 702	–	395 702	–

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
DMTNs issued (NHM010)	–	50 000	–	50 000
NHM010 switched to NHM016	–	(35 000)	–	(35 000)
Transaction costs relating to the NHM010 issue	–	(430)	–	(430)
Amortisation of transaction costs over the period of the Notes issued	–	430	–	430
DMTNs repaid (NHM010)	–	(15 000)	–	(15 000)
	–	–	–	–

On 24 May 2019, Northam issued NHM010, which was R50.0 million of one-year senior unsecured floating rate Notes. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on May, August, November and February from issue date for a one-year period. These Notes matured on 24 May 2020.

Transferred from non-current DMTNs (NHM011)	612 296	–	612 296	–
	612 296	–	612 296	–
Transferred from non-current DMTNs (NHM012)	2 397 640	–	2 397 640	–
	2 397 640	–	2 397 640	–
DMTNs issued (NHM013)	5 100	500 000	5 100	500 000
NHM013 switched to NHM017	–	(494 900)	–	(494 900)
Transaction costs relating to the NHM013 issue	(3 036)	(3 036)	(3 036)	(3 036)
Amortisation of transaction costs over the period of the Notes issued	3 036	3 030	3 036	3 030
DMTNs repaid (NHM013)	(5 100)	–	(5 100)	–
	–	5 094	–	5 094

On 9 September 2019, Northam issued NHM013, which was R500.0 million of one-year senior unsecured floating rate Notes. 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.

Transferred from non-current DMTNs (NHM014)	19 284	–	19 284	–
	19 284	–	19 284	–
DMTNs (NHM017)	494 900	494 900	494 900	494 900
NHM017 switched to NHM012	(492 100)	–	(492 100)	–
Transaction costs relating to the NHM017 issue	(11 749)	(9 815)	(11 749)	(9 815)
Amortisation of transaction costs over the period of the Notes issued	11 749	1 664	11 749	1 664
DMTNs repaid (NHM017)	(2 800)	–	(2 800)	–
	–	486 749	–	486 749

On 13 May 2020, Northam issued NHM017, which was R494.9 million of nine-month senior unsecured floating rate Notes. 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.

Total current Domestic Medium-Term Notes	3 713 711	616 327	3 713 711	616 327
Total Domestic Medium-Term Notes	7 594 235	5 508 412	7 594 235	5 508 412

Northam 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.

During the year under review Northam updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booysendal Platinum Proprietary Limited as guarantor. Refer to the related party note (note 46) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the Notes issued.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020, a copy of which is available on Northam's website (https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020). The Amended and Restated Programme Memorandum was approved by and registered with the JSE Limited.

The board of directors of Northam approved an increase in the Programme Amount in terms of the provisions of the DMTN Programme from R10.0 billion to R15.0 billion. This increase will provide Northam with additional funding flexibility.

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 Industrial Development Corporation of South Africa Limited subscribed to NHM015 for R500.0 million, five-year senior unsecured floating rate Notes. Proceeds from NHM015 are being 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 34 for more details on the acquisitions made. The interest and transaction costs 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.

The Notes issued for the purchase of Zambezi Preference Shares during F2020 comprise R1.9 billion issued under NHM014, R300.0 million switched to NHM018 and R400.0 million switched to NHM019.

During the current period the following Notes were issued to acquire Zambezi Preference Shares: R345.0 million under NHM011, R10.0 million issued as part of NHM014, R366.0 million issued as part of NHM016, R253.0 million issued as part of NHM018, R390.0 million issued as part of NHM019 and NHM020 for R132.0 million.

In addition, R1.9 billion of Notes issued under NHM014 were switched to NHM012.

Below is a summary of the Notes issued to purchase Zambezi Preference Shares:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
NHM011 - Tranche 2	345 000	–	345 000	–
NHM012 - Tranche 3	1 908 300	–	1 908 300	–
NHM014 - Tranche 1	–	650 000	–	650 000
NHM014 - Tranche 2	11 700	1 270 000	11 700	1 270 000
NHM014 - Tranche 3	10 000	–	10 000	–
NHM016 - Tranche 3	165 967	–	165 967	–
NHM016 - Tranche 4	200 000	–	200 000	–
NHM018 - Tranche 2	300 000	300 000	300 000	300 000
NHM018 - Tranche 3	253 000	–	253 000	–
NHM019 - Tranche 1	400 000	400 000	400 000	400 000
NHM019 - Tranche 2	390 000	–	390 000	–
NHM020 - Tranche 1	132 000	–	132 000	–
	4 115 967	2 620 000	4 115 967	2 620 000

The interest associated with the DMTNs which was classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 6)	473 638	347 728	473 638	347 728
Unproductive finance cost relating to the DMTNs	(244 144)	(98 128)	(244 144)	(98 128)
Finance cost deductible for tax purposes	229 494	249 600	229 494	249 600

Refer to the related party note (note 46) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the Notes issued.

The maturity profile of the group's DMTNs is set out below, into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Maturing during F2021	N/A	624 793	N/A	624 793
NHM013 – 9 September 2020	N/A	5 100	N/A	5 100
NHM017 – 26 February 2021	N/A	494 900	N/A	494 900
NHM006 – 16 April 2021	N/A	123 393	N/A	123 393
NHM002 – 11 May 2021	N/A	1 400	N/A	1 400
Maturing during F2022	3 761 756	2 364 656	3 761 756	2 364 656
NHM014 – 20 November 2021	21 700	1 920 000	21 700	1 920 000
NHM007 – 16 April 2022	291 186	141 186	291 186	141 186
NHM009 – 26 April 2022	400 000	100 000	400 000	100 000
NHM011 – 24 May 2022	618 000	173 000	618 000	173 000
NHM012 – 13 June 2022	2 430 870	30 470	2 430 870	30 470
Maturing during F2023	1 374 300	1 021 300	1 374 300	1 021 300
NHM018 – 25 May 2023*	1 374 300	1 021 300	1 374 300	1 021 300
Maturing during F2024	972 000	450 000	972 000	450 000
NHM020 – 25 November 2023	132 000	–	132 000	–
NHM019 – 25 May 2024	840 000	450 000	840 000	450 000
Maturing during F2025	1 645 967	1 180 000	1 645 967	1 180 000
NHM015 – 13 December 2024	500 000	500 000	500 000	500 000
NHM016 – 11 May 2025	1 145 967	680 000	1 145 967	680 000
Total DMTNs (excluding capitalised transaction costs)	7 754 023	5 640 749	7 754 023	5 640 749
Transaction costs incurred	(267 329)	(166 451)	(267 329)	(166 451)
Amortised transaction costs	107 541	34 114	107 541	34 114
Total Domestic Medium-Term Notes	7 594 235	5 508 412	7 594 235	5 508 412

**Subsequent to year-end, on 9 July 2021, an additional R150.0 million was issued as part of NHM018 under the same terms and conditions.*

During the year under review the following movements occurred relating to the Domestic Medium-Term Notes (excluding transaction costs):

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Opening balance	5 640 749	1 825 000	5 640 749	1 825 000
Notes issued	4 646 367	6 266 200	4 646 367	6 266 200
NHM007 – Tranche 2	150 000	–	150 000	–
NHM009 – Tranche 2	300 000	–	300 000	–
NHM011 – Tranche 2	345 000	–	345 000	–
NHM011 – Tranche 3	100 000	–	100 000	–
NHM012 – Tranche 2	492 100	–	492 100	–
NHM012 – Tranche 3	1 908 300	–	1 908 300	–
NHM013 – Tranche 1	–	500 000	–	500 000
NHM014 – Tranche 2	10 000	2 620 000	10 000	2 620 000
NHM015 – Tranche 1	–	500 000	–	500 000
NHM016 – Tranche 3	165 967	–	165 967	–
NHM016 – Tranche 4	200 000	680 000	200 000	680 000
NHM016 – Tranche 5	100 000	–	100 000	–
NHM017 – Tranche 1	–	494 900	–	494 900
NHM018 – Tranche 3	253 000	1 021 300	253 000	1 021 300
NHM018 – Tranche 4	100 000	–	100 000	–
NHM019 – Tranche 2	390 000	450 000	390 000	450 000
NHM020 – Tranche 1	132 000	–	132 000	–
Notes repaid	(132 693)	(215 000)	(132 693)	(215 000)
NHM002 – Tranche 1	(1 400)	–	(1 400)	–
NHM006 – Tranche 1	(123 393)	–	(123 393)	–
NHM008 – Tranche 1	–	(200 000)	–	(200 000)
NHM010 – Tranche 1	–	(15 000)	–	(15 000)
NHM013 – Tranche 1	(5 100)	–	(5 100)	–
NHM017 – Tranche 1	(2 800)	–	(2 800)	–
Notes switched	(2 400 400)	(2 235 451)	(2 400 400)	(2 235 451)
NHM002 – Tranche 1	–	(173 600)	–	(173 600)
NHM006 – Tranche 1	–	(126 607)	–	(126 607)
NHM007 – Tranche 1	–	(158 814)	–	(158 814)
NHM009 – Tranche 1	–	(150 000)	–	(150 000)
NHM010 – Tranche 1	–	(35 000)	–	(35 000)
NHM011 – Tranche 1	–	(327 000)	–	(327 000)
NHM012 – Tranche 1	–	(69 530)	–	(69 530)
NHM013 – Tranche 1	–	(494 900)	–	(494 900)
NHM014 – Tranche 1	(1 908 300)	(700 000)	(1 908 300)	(700 000)
NHM017 – Tranche 1	(492 100)	–	(492 100)	–
Total DMTNs (excluding capitalised transaction costs)	7 754 023	5 640 749	7 754 023	5 640 749
Transaction costs incurred	(267 329)	(166 451)	(267 329)	(166 451)
Amortised transaction costs	107 541	34 114	107 541	34 114
Total Domestic Medium-Term Notes	7 594 235	5 508 412	7 594 235	5 508 412

34. Preference Share liability

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Opening balance	12 592 218	11 159 368	–	–
Accrued Zambezi Preference Share dividends	1 318 728	1 432 850	–	–
Zambezi Preference Share liability relating to Zambezi	13 910 946	12 592 218	–	–
Derecognition of Zambezi Preference Shares held by Northam together with the accrued dividends recognised	(12 176 882)	(4 220 514)	–	–
Liquidity fees relating to the Zambezi BEE Transaction net of accumulated amortisation	(80 587)	(96 977)	–	–
Current year amortisation of liquidity fee	16 390	16 390	–	–
	1 669 867	8 291 117	–	–

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41 per share. The Preference Shares were redeemable in 10 years' time (from inception), which would have been 17 May 2025, at R41 per share plus the accumulated unpaid preference dividends. The Zambezi Preference Shareholders were entitled to receive a dividend equal to the issue price multiplied by the dividend rate of the South African prime interest rate plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

The preference rights, limitations and other terms associated with the Zambezi Preference Shares are set out in the Zambezi MOI.

Subject to certain expectations, the redeemable 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 are amortised over the 10-year Lock-in period.

Northam Platinum Limited has purchased Zambezi Preference Shares in the open market. Below is a summary of the number of shares held together with the amortised cost and closing market value of these Zambezi Preference Shares:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Total number of Zambezi Preference Shares	159 905 453	159 905 453	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam	(139 972 496)	(53 595 254)	(139 972 496)	(53 595 254)
Number of Zambezi Preference Shares held in the open market	19 932 957	106 310 199	19 932 957	106 310 199
Percentage holding by Northam in the Zambezi Preference Shares	87.5%	33.5%	87.5%	33.5%
Value per Zambezi Preference Share*	R86.99	R78.75	R86.99	R78.75
Closing price of Zambezi Preference Share	R97.50	R81.00	R97.50	R81.00
Fair value as per the closing price of Zambezi Preference Shares (R000)	1 943 463	8 611 126	1 943 463	8 611 126

**Rounded to the nearest cent*

Subsequent to year-end Northam acquired all the Zambezi Preference Shares not already held by Northam at the Face Value of the Zambezi Preference Shares plus a premium of 15.99%.

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

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Accrued Zambezi Preference Share dividends relating to Zambezi	1 318 728	1 432 850	–	–
Less Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preference Shares held by Northam (refer note 5)	(940 050)	(299 678)	–	–
Zambezi Preference Share dividends per the statement of profit or loss and other comprehensive income	378 678	1 133 172	–	–

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Accrued dividends from Zambezi Preference Shares (refer note 5)	–	–	940 050	299 678
	–	–	940 050	299 678

Below is a reconciliation of the loss on derecognition of the Zambezi Preference Share liability:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Opening balance of Zambezi Preference Shares held by Northam	4 220 514	295 257	–	–
Acquisition of Zambezi Preference Shares, including transaction costs during the year	8 084 876	3 756 207	–	–
Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preferences Shares held by Northam	940 050	299 678	–	–
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(12 176 882)	(4 220 514)	–	–
Loss on derecognition of the Zambezi Preference Share liability	1 068 558	130 628	–	–

The loss on derecognition of Zambezi Preference Share liability relates to the difference between the Face Value per Zambezi Preference Shares and the price paid together with transaction costs incurred on the purchases of these Zambezi Preference Shares.

Impact of the Composite Transaction: Zambezi Scheme, Zambezi Delisting and Zambezi MOI Amendments

On the Zambezi Scheme Implementation Date, Northam acquired all of the Zambezi Preference Shares not already held by it for the Zambezi Offer Consideration.

Northam 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 proposed (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 in order 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 in cash or by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00, as may be 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 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 in order to 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), 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 in order 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).

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 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.

Subsequent to the year-end and following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a repurchase by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of so many Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), as may be 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).

Therefore, subsequent to year-end, the Zambezi Preference Share liability will be settled as follows:

	Revised Accumulated Dividends Settlement as at the LPD[8]
	R000
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Accumulated Dividends up to the LPD	7 122 795
Face Value at the LPD	13 678 919
Premium Amount	1 519 880
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Made up of the:	
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Revised Accumulated Dividends	8 642 675
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Settled by way of Northam Shares valued at R160 per share	R160 per share
Number of Northam Shares which will be repurchased by Northam in settlement of the Zambezi Preference Share liability	94 992 488

Subsequent to the repurchase by Northam of the 94 992 488 Northam Shares in settlement of the Zambezi Preference Share liability, the Northam Shares will be cancelled.

[8] All values and number of shares disclosed are based on the base case *pro forma* financial information of Northam as set out in the Circular as at the LPD.

Significant judgements and estimates: Consolidation of Zambezi Platinum (RF) Limited

In terms of the Zambezi BEE Transaction, Zambezi held a combined 31.4% interest in Northam's issued stated capital.

The transaction was financed by way of 159 905 453 new listed Zambezi Preference Shares, redeemable at the end of a 10-year Lock-in period. These Zambezi Preference Shares were guaranteed by Northam and as a result of the Northam Guarantee 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. 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. 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 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 was secured in terms of the Northam Guarantee. Should a liability have arisen under the Northam Guarantee, Northam may have settled this liability by capitalising Zambezi with cash and/or Northam Shares before the redemption amount became due or making payment directly to the Preference Shareholders. The manner of settlement was a choice and was not contractually specified between the two ways mentioned above.

As at 30 June 2021, the redemption price of the Zambezi Preference Shares as well as any accumulated and unpaid preference dividends met 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 means that the Northam group reflects the BEE equity issued shares (i.e. Northam Shares) as Treasury Shares (for accounting purposes) and the Zambezi Preference Shares are 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. If Northam does not comply with the HDSA requirements in the Mining Charter it will not be able to retain its mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's MOI may not be amended or replaced without Northam's prior written consent.

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provided the Northam Guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares. All these points indicate that Northam has been involved from the inception of the Zambezi BEE Transaction to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the Zambezi BEE Transaction, an N share was issued to Northam, which gave it the right to implement mitigating action should Zambezi not comply with certain undertakings as per the Zambezi BEE Transaction's agreements and in other limited instances aimed at maintaining the integrity of the Zambezi BEE Transaction at all times. Zambezi also cannot dispose of the Northam Shares without the prior consent of Northam. Northam has 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 is restricted in terms of the ring-fencing provisions contained in the Zambezi MOI.

All of these factors have been considered in determining that even though Northam does not have majority of the voting rights in Zambezi, it still has control over the entity, and therefore consolidates the results of Zambezi.

Subsequent to year-end, as part of the early maturity and wind-up of the Zambezi BEE Transaction, certain amendments have been 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.

With the Zambezi N Share Term Amendments, Northam has, in its capacity as the Zambezi N Shareholder, assumed voting and economic control of Zambezi and Zambezi has become a Subsidiary of Northam.

COVID-19 had no impact on the fact that Zambezi is consolidated into the Northam group

The interest rate at which the South African Reserve Bank (SARB) lends to commercial banks, known as the repo rate, was decreased by 275 basis points from March 2020. This was part of the South African government's attempt to support and relieve some of the mounting pressure on individuals and businesses alike, effectively reducing the cost of borrowings.

Consequently, the South African prime interest rate has dropped in line with the repo rate. This has resulted in a reduction of the Preference Share dividend accounted for in the statement of profit or loss and effectively reduced the Preference Share liability accounted for in the statement of financial position.

35. Share-based payment liability

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Performance and retention share-based payment liability	711 706	369 273	383 392	235 445
Lock-in and incentive mechanism share-based payment liability	431 021	168 119	222 498	89 004
Total share-based payment liability	1 142 727	537 392	605 890	324 449
Short-term portion of share-based payment liability	(498 010)	(183 029)	(277 788)	(131 348)
Long-term share-based payment liability	644 717	354 363	328 102	193 101
The movement in the share-based payment liability is made up as follows:				
Opening balance	537 392	247 560	324 449	143 616
Share-based payment expense during the year (refer note 4)	969 898	472 079	592 638	317 115
Performance and retention shares cash settled during the year	(364 563)	(182 247)	(311 197)	(136 282)
Total share-based payment liability	1 142 727	537 392	605 890	324 449

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).

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 social, ethics, human resources and transformation (SEHR&T) 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 SEHR&T 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:

	8 Nov 2016 Share award	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	Total
Retention shares						
Balance 1 July 2020	–	593 700	727 400	431 130	–	1 752 230
Shares awarded during the year	–	–	–	–	267 900	267 900
Shares forfeited	–	(3 190)	(25 470)	(13 075)	(11 650)	(53 385)
Shares cash settled during the year	–	(590 510)	(15 330)	(13 980)	(2 010)	(621 830)
Balance at 30 June 2021	–	–	686 600	404 075	254 240	1 344 915
Balance 1 July 2019	436 100	623 000	773 300	–	–	1 832 400
Shares awarded during the year	–	–	–	449 705	–	449 705
Shares forfeited	(3 100)	(5 800)	(21 000)	(12 405)	–	(42 305)
Shares cash settled during the year	(433 000)	(23 500)	(24 900)	(6 170)	–	(487 570)
Balance at 30 June 2020	–	593 700	727 400	431 130	–	1 752 230

	8 Nov 2016 Share award	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	Total
Performance shares						
Balance 1 July 2020	–	1 755 100	2 200 500	1 295 925	–	5 251 525
Shares awarded during the year	–	–	–	–	804 130	804 130
Shares forfeited/adjusted for performance conditions met during the year	–	(318 648)	(192 782)	(39 348)	(34 950)	(585 728)
Shares cash settled during the year	–	(1 436 452)	(46 580)	(42 032)	(6 030)	(1 531 094)
Balance at 30 June 2021	–	–	1 961 138	1 214 545	763 150	3 938 833
Balance 1 July 2019	1 289 300	1 841 700	2 339 700	–	–	5 470 700
Shares awarded during the year	–	–	–	1 351 815	–	1 351 815
Shares forfeited/adjusted for performance conditions met during the year	(9 200)	(17 000)	(63 800)	(37 360)	–	(127 360)
Shares cash settled during the year	(1 280 100)	(69 600)	(75 400)	(18 530)	–	(1 443 630)
Balance at 30 June 2020	–	1 755 100	2 200 500	1 295 925	–	5 251 525

The shares awarded in terms of the rules of the SIP comprise: retention shares, which vest after three years from grant date with no performance criteria, 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 criteria being met, which includes safety, production, unit cash cost and share performance.

The SEHR&T committee elects the settlement of all SIP awards of conditional shares in cash or with shares. Currently all shares are expected to be settled in cash and is therefore treated as cash settled.

All awards that had not yet vested but were cash-settled during the year under review 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 for the year ended 30 June 2021:

	6 Nov 2018 Retention shares	6 Nov 2018 Performance shares	8 Nov 2019 Retention shares	8 Nov 2019 Performance shares	31 Oct 2020 Retention shares	31 Oct 2020 Performance shares
Dividend yield (%)	–	–	–	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0	10.0	10.0	10.0
Expected life of share awards (years)	0.35	0.35	1.34	1.34	2.34	2.34
30-Day VWAP (R/share)	R220.33	R220.33	R220.33	R220.33	R220.33	R220.33
Model used*	Market value	Market value	Market value	Market value	Market value	Market value
Valuation per share award (R/share)	R212.96	R212.96	R193.86	R193.86	R176.23	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 following table lists the inputs to the model used for the valuation of the share-based payment liability for the year ended 30 June 2020:

	2 Nov 2017 Retention shares	2 Nov 2017 Performance shares	6 Nov 2018 Retention shares	6 Nov 2018 Performance shares	8 Nov 2019 Retention shares	8 Nov 2019 Performance shares
Dividend yield (%)	–	–	–	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0	10.0	10.0	10.0
Expected life of share awards (years)	0.34	0.34	1.35	1.35	2.34	2.34
30-Day VWAP (R/share)	R108.10	R108.10	R108.10	R108.10	R108.10	R108.10
Model used*	Market value	Market value	Market value	Market value	Market value	Market value
Valuation per share award (R/share)	R104.63	R104.63	R95.05	R95.05	R86.52	R86.52

**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 life is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

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.

Vesting of BEE CPS will occur 30 business days after the date on which the BIP performance condition is fulfilled (which is expected to be 18 May 2025) or, in the event that vesting of the BEE CPS is accelerated in certain exceptional instances, as set out in the current rules in relation to conditional shares, including a change of control of Northam or an earlier date determined in accordance with the rules.

	30 June 2021	**30 June 2020**
	Number of awards	Number of awards
Opening balance	3 400 000	3 400 000
Incentive mechanism shares awarded during the year	950 000	–
Zambezi Platinum (RF) Limited lock-in incentive mechanism share awards	4 350 000	3 400 000

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 Northam Guarantee to the holders of the Zambezi Preference Shares may have resulted in a dilution for Northam Shareholders, eroding shareholder value as a result.

Therefore, at the request of Shareholders, Northam introduced a management incentive plan on implementation of the Zambezi BEE Transaction in 2015.

The purpose of this was to align the interests of Northam's management team with those of the Northam Shareholders. It was linked to the outcome of the Zambezi BEE Transaction. Maturity of the Zambezi BEE Transaction would have accelerated vesting.

The lock-in and incentive mechanism aligns the long-term interest of the participants with those of Northam Shareholders through equity participation. It forms part of the SIP and will reward management for the successful delivery and implementation of the Zambezi BEE Transaction.

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 will arise and no member of the Group will be 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 incentive mechanism share awards, a maximum aggregate of five million shares could be awarded.

During the year under review, the social, ethics, human resources and transformation committee awarded incentive mechanism shares to key individuals within the Northam Group. With the growth and changes within the Group, the social, ethics, human resources and transformation committee believed that it is important to align these individual's interest with those of the Northam Shareholders. It is also believed that this incentive mechanism will be a retention mechanism during the next five years.

The following table lists the inputs to the model used for the lock-in and incentive mechanism incentive plan valuation:

	30 June 2021	**30 June 2020**
	BEE CPS shares	BEE CPS shares
Dividend yield (%)	–	–
Forfeiture rate (%)	–	–
Expected life of share awards (years)	3.88	4.88
Spot price (R/share)	R216.93	R116.20
Model used*	Market value	Market value
Valuation per share award (R/share)	R216.93	R116.20

**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 incentive mechanism share awards will vest on 17 May 2025, irrespective of the grant date.

Impact of the Composite Transaction on the consolidated annual financial statements

Northam established the Northam SIP in 2011 and amended the Northam SIP in 2016 following the implementation of the Zambezi BEE Transaction.

The lock-in and incentive mechanism (LIM) in the Northam SIP was specifically structured to incentivise the mitigation of risks to the company introduced by the Northam Guarantee, as well as to retain key members of Northam's senior management and employees (Management Team) until the redemption of the Zambezi Preference Shares on 18 May 2025 (Original Maturity Date).

In terms of the rules of the Northam SIP (Rules), a redemption by Zambezi of the Zambezi Preference Shares prior the 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 Transaction entails 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, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, the Rules were amended, with effect from the Zambezi Scheme Implementation Date, 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 avoids a cliff vesting event and ensures continued alignment of the interests of the Management Team and Northam Shareholders.

36. Revolving credit facility

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Opening balance	–	2 150 000	–	2 150 000
Amounts drawn down on the revolving credit facility	3 750 000	4 800 000	3 750 000	4 800 000
Amounts repaid during the year	(3 750 000)	(6 950 000)	(3 750 000)	(6 950 000)
Total facility utilised at year-end	–	–	–	–
Transaction costs incurred on the previous facility	–	(21 767)	–	(21 767)
Amortisation of transaction cost of the previous facility	–	21 767	–	21 767
Transaction costs incurred on the new revolving credit facility	(33 345)	(27 701)	(33 345)	(27 701)
Amortisation of transaction costs on the new revolving credit facility amortised over the period of the facility	10 163	4 617	10 163	4 617
Total other financial assets	(23 182)	(23 084)	(23 182)	(23 084)

Northam has a R4.0 billion (30 June 2020: R3.5 billion) 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

During the year under review the revolving credit facility was increased from R3.5 billion to R4.0 billion with all other terms and conditions unchanged.

The Nedbank revolving credit facility has covenant requirements which is reported on at each reporting period. With the onset of COVID-19, the financial covenant parameters were renegotiated with Nedbank Limited and relaxed up to and including 31 December 2021. The financial covenants were relaxed to buffer the group against unforeseen implications of the COVID-19 pandemic. As a result, the interest rate was updated to JIBAR plus 2.45% (30 June 2020: JIBAR plus 2.1%), 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% (30 June 2020: JIBAR plus 2.2% and JIBAR plus 2.6%), depending on the amount of the drawdown. The group is currently not at risk of breaching any of the covenant requirements.

Commitment fees are payable on the revolving credit facility amounting to 0.80% per annum (30 June 2020: 0.70% 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 Platinum Limited has the discretion to refinance or roll over the outstanding facility for at least 12 months after the year-end under the existing loan facility.

Refer to the related party note (note 46) for guarantees issued by group companies relating to the revolving credit facility.

Below is a summary of the facility available at year-end:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Total revolving credit facility	4 000 000	3 500 000	4 000 000	3 500 000
Facility utilised at year-end	–	–	–	–
Available facility at year-end	4 000 000	3 500 000	4 000 000	3 500 000

The full facility was available at year-end.

Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the year under review

A number of drawdowns on the revolving credit facility was utilised to purchase Zambezi Preference Shares, refer to note 34 for more details on the acquisitions made. A portion of the interest on the revolving credit facility is 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 drawdowns made to acquire Zambezi Preference Shares:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Drawdowns made to acquire Zambezi Preference Shares	3 250 000	2 750 000	3 250 000	2 750 000
	3 250 000	2 750 000	3 250 000	2 750 000

The drawdowns made during the current year related to an amount of R2.4 billion which was settled in full during March 2021 from operational cash flows and an amount of R850.0 million drawn down and settled subsequent to DMTNs being issued as announced on SENS on 24 November 2020.

DMTNs were subsequently issued to refinance the revolving credit facility in previous periods. Refer to note 33 for details regarding the issue of DMTNs to replenish the revolving credit facility.

The interest associated with the revolving credit facility which was classifies as unproductive amounted to the following balances:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Finance costs relating to the revolving credit facility (refer note 6)	79 872	213 636	79 872	213 636
Unproductive finance cost relating to the revolving credit facility	(74 903)	(81 609)	(74 903)	(81 609)
Finance cost deductible for tax purposes	4 969	132 027	4 969	132 027

37. Trade and other payables

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Trade payables	1 286 775	630 613	459 025	250 734
Provisional pricing payables	13 092	10 159	4 359	3 927
Accruals	340 584	286 500	190 495	180 434
Concentrate purchased accruals	934 688	1 309 142	427 235	1 090 270
Capital accruals	142 576	29 420	87 197	2 877
South African Revenue Service – Value Added Tax	88 002	72 886	–	–
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	2 972	84	–	84
Accrued interest and commitment fees	58 181	52 064	58 174	52 064
Employee related accruals	802 980	419 323	612 963	311 326
Employee labour court judgement (refer note 48)	55 000	55 000	55 000	55 000
Other	80 651	74 060	8 341	3 102
	3 805 501	2 939 251	1 902 789	1 949 818

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 30 June included in trade and other payables above:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Euro (€000)	2 592	1 486	2 556	286
€ closing exchange rate*	R16.93	R19.46	R16.93	R19.46
Trade and other payables denominated in € (R000)	43 875	28 917	43 261	5 575
US dollars (USD000)	31 470	36 750	28 220	36 592
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Trade and other payables denominated in USD (R000)	449 244	636 732	402 843	634 002
Swiss Francs (CHF000)	–	2	–	2
CHF closing exchange rate*	–	R18.29	–	R18.29
Trade and other payables denominated in CHF (R000)	–	39	–	39
Pound Sterling (£000)	28	–	28	–
£ closing exchange rate*	R19.57	–	R19.57	–
Trade and other payables denominated in £ (R000)	548	–	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 2021	30 June 2020	30 June 2021	30 June 2020
	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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Balance at the beginning of the year	365 119	265 530	262 192	205 430
Additional amounts raised	476 265	396 482	299 082	268 290
Leave pay utilised	(414 392)	(296 893)	(270 149)	(211 528)
	426 992	365 119	291 125	262 192

**These amounts 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 company entered into an agreement with the representative unions at the Zondereinde mine in terms of which the company 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Assets as at 1 July	86 490	80 346	86 490	80 346
Interest income	9 530	6 323	9 530	6 323
Employer contributions	462 949	–	462 949	–
Benefits paid	(3 281)	(354)	(3 281)	(354)
Actuarial (loss)/gain	(2 246)	447	(2 246)	447
Administration costs	(373)	(272)	(373)	(272)
Assets as at 30 June	553 069	86 490	553 069	86 490
Unrecognised due to asset ceiling limit*	232 031	19 131	232 031	19 131
Below is a breakdown of other long-term employee benefits:				
Other long-term employee benefit as at 1 July	67 359	13 806	67 359	13 806
Service costs	42 087	18 038	42 087	18 038
Interest cost	5 801	2 480	5 801	2 480
Actuarial gain	209 445	33 661	209 445	33 661
Benefits paid	(3 281)	(354)	(3 281)	(354)
Administration costs	(373)	(272)	(373)	(272)
Other long-term employee benefit as at 30 June	321 038	67 359	321 038	67 359
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 the company in the form of refunds or reductions in future contributions.*

Northam Platinum Limited's contribution to the Toro Employee Empowerment Trust amounts to R317.3 million (30 June 2020: R84.6 million) (refer note 4), and will be paid to the Toro Employee Empowerment Trust subsequent to year-end based on the audited results of the company for the year ended 30 June 2021.

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. 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 2021	30 June 2020	30 June 2021	30 June 2020
Discount rate	5.5%	5.4%	5.5%	5.4%
Expected rate of return on assets	10.3%	9.6%	10.3%	9.6%

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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Profit before taxation	13 732 286	3 633 662	9 831 768	3 091 277
Adjusted for non-cash items:				
Profit on sale of property, plant and equipment	(149)	(4 276)	(17)	(4 225)
Depreciation and write-offs	844 486	626 194	194 137	187 490
Changes in long-term provisions	(7 345)	6 726	(8 872)	(1 166)
Changes in long-term receivables	(929)	3 304	(4 533)	(5 371)
Changes in short-term provisions	61 873	99 589	28 933	56 762
Share of earnings from associates	(6 180)	(16 358)	–	–
Dividends received from associate	606	–	–	–
Zambezi Preference Share dividends	378 678	1 133 172	–	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	16 390	16 390	–	–
Loss on derecognition of Zambezi Preference Share liability	1 068 558	130 628	–	–
Amortisation of financial guarantee liability and impact of guarantee on investment	–	–	(968 482)	(94 900)
Impairments	29 657	2 061	29 657	2 061
Net foreign exchange difference	100 131	(106 133)	94 046	(79 178)
Amortisation of security of supply contribution	(23 772)	(22 777)	(13 826)	(13 131)
Other	(88)	(13 782)	(6 093)	(11 416)
Movement in share-based payment liability	605 335	289 832	281 441	180 833
Finance charges excluding Zambezi Preference Share dividends	705 444	602 595	689 377	685 272
Investment revenue	(90 485)	(119 220)	(1 092 763)	(495 342)
	17 414 496	6 261 607	9 054 773	3 498 966

42. Change in working capital

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Inventories	(1 933 858)	(643 920)	(3 688 878)	(1 138 937)
Trade and other receivables	(562 049)	171 997	(488 381)	166 641
Trade and other payables	746 977	991 519	(137 459)	871 549
	(1 748 930)	519 596	(4 314 718)	(100 747)

43. Tax paid

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Balance owing at the beginning of the year	(223 601)	(19 389)	(229 394)	(24 865)
Amounts recognised in profit or loss	(3 384 988)	(705 754)	(2 196 529)	(704 315)
Balance owing at the end of the year	(53 641)	223 601	61 594	229 394
	(3 662 230)	(501 542)	(2 364 329)	(499 786)

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 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	79 109	–	–	–	(23 772)	55 337
Heraeus Deutschland GmbH & Co. KG	79 896	–	–	12 766	–	92 662
Lease liability	80 622	–	(16 421)	7 648	9 398	81 247
Domestic Medium-Term Notes	5 508 412	4 646 367	(2 635 664)	–	75 120	7 594 235
Zambezi Preference Share liability	8 291 117	–	(8 084 876)	1 318 728	144 898	1 669 867
Revolving credit facility	(23 084)	–	(5 644)	–	5 546	(23 182)

	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
Company	R000	R000	R000	R000	R000	R000
Security of supply contribution	34 196	–	–	–	(13 826)	20 370
Heraeus Deutschland GmbH & Co. KG	79 896	–	–	12 766	–	92 662
Lease liability	15 554	–	(2 740)	1 642	9 797	24 253
Domestic Medium-Term Notes	5 508 412	4 646 367	(2 635 664)	–	75 120	7 594 235
Financial guarantee liability	5 010 134	–	–	–	(4 070 744)	939 390
Revolving credit facility	(23 084)	–	(5 644)	–	5 546	(23 182)

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Group	R000	R000	R000	R000	R000	R000
Security of supply contribution	101 886	–	–	–	(22 777)	79 109
Heraeus Deutschland GmbH & Co. KG	72 461	–	–	21 218	(13 783)	79 896
Lease liability	88 992	–	(16 736)	8 397	(31)	80 622
Domestic Medium-Term Notes	1 814 884	6 266 200	(2 952 945)	347 728	32 545	5 508 412
Zambezi Preference Share liability	10 767 134	–	–	1 432 850	(3 908 867)	8 291 117
Revolving credit facility	2 137 193	4 800 000	(7 191 337)	213 636	17 424	(23 084)

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Company	R000	R000	R000	R000	R000	R000
Security of supply contribution	47 326	–	–	–	(13 130)	34 196
Heraeus Deutschland GmbH & Co. KG	72 461	–	–	21 218	(13 783)	79 896
Lease liability	16 913	–	(2 967)	1 608	–	15 554
Domestic Medium-Term Notes	1 814 884	6 266 200	(2 952 945)	347 728	32 545	5 508 412
Financial guarantee liability	7 535 944	–	–	–	(2 525 810)	5 010 134
Revolving credit facility	2 137 193	4 800 000	(7 191 337)	213 636	17 424	(23 084)

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 cooperation 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, including Zambezi Preference Shares, trade and other payables, and a financial guarantee contract (in the case of company only, the Northam Guarantee). 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.

Subsequent to year-end, with the maturation of the Zambezi BEE Transaction, Northam acquired all the Zambezi Preference Shares, therefore eliminating both the Zambezi Preference Share liability as well as the Northam Guarantee.

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 24, trade and other receivables, note 25, 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 2021	30 June 2020	30 June 2021	30 June 2020
US dollars (USD000)	952	225	890	187
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Trade and other receivables denominated in USD (R000)	13 588	3 907	12 701	3 241

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 2021	30 June 2020	30 June 2021	30 June 2020
US dollars (USD000)	95 969	34 842	95 447	34 734
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Cash and cash equivalents denominated in USD (R000)	1 369 962	603 671	1 362 513	601 798

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 2021	30 June 2020	30 June 2021	30 June 2020
Euro (€000)	2 592	1 486	2 556	286
€ closing exchange rate*	R16.93	R19.46	R16.93	R19.46
Trade and other payables denominated in € (R000)	43 875	28 917	43 261	5 575
US dollars (USD000)	31 470	36 750	28 220	36 592
USD closing exchange rate*	R14.28	R17.33	R14.28	R17.33
Trade and other payables denominated in USD (R000)	449 244	636 732	402 843	634 002
Swiss Francs (CHF000)	–	2	–	2
CHF closing exchange rate*	–	R18.29	–	R18.29
Trade and other payables denominated in CHF (R000)	–	39	–	39
Pound Sterling (£000)	28	–	28	–
£ closing exchange rate*	R19.57	–	R19.57	–
Trade and other payables denominated in £ (R000)	548	–	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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
ZAR weakening by 10% to the USD	93 431	(2 917)	97 237	(2 896)
ZAR strengthening by 10% to the USD	(93 431)	2 917	(97 237)	2 896
ZAR weakening by 10% to the €	(4 388)	(2 892)	(4 326)	(557)
ZAR strengthening by 10% to the €	4 388	2 892	4 326	557

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, Zambezi Preference Shares, revolving credit facility, general banking 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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Investment in Zambezi Preference Shares				
Increase of 1%	–	–	115 776	42 205
Decrease of 1%	–	–	(115 776)	(42 205)
Investments held by Northam Platinum Restoration Trust Fund				
Increase of 1%	1 360	1 287	680	644
Decrease of 1%	(1 360)	(1 287)	(680)	(644)
Cash and cash equivalents				
Increase of 1%	38 772	21 610	37 827	20 678
Decrease of 1%	(38 772)	(21 610)	(37 827)	(20 678)
Floating rate borrowings (including Domestic Medium-Term Notes)				
Increase of 1%	77 540	(56 407)	77 540	(56 407)
Decrease of 1%	(77 540)	56 407	(77 540)	56 407
Zambezi Preference Share liability				
Increase of 11.11% (30 June 2020: 1%)	192 655	(83 717)	–	–
Decrease of 11.11% (30 June 2020: 1%)	(192 655)	83 717	–	–

During the current year a movement of 11.11% was used with regards to market 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 amounted to:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Nickel receivable	65 945	44 943	65 945	44 943
Chrome receivable	100 166	136 147	37 936	31 812
Total provisional priced receivables (refer note 24)	166 111	181 090	103 881	76 755
Chrome payable (refer note 38)	–	–	–	–
Provisional pricing derivatives	–	–	–	–
Total provisional pricing exposure	166 111	181 090	103 881	76 755

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.

For nickel, copper and chrome receivables, there is a commodity price risk that is retained. The following is an indication of the effect that changes in the nickel, copper and chrome prices would have on the profit before tax, 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 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Weakening by 10% of the respective commodity prices	16 611	18 109	10 388	7 676
Strengthening by 10% of the respective commodity prices	(16 611)	(18 109)	(10 388)	(7 676)

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 note 17). 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 R125.8 million.

A financial guarantee contract was issued by Northam Platinum Limited to Zambezi Platinum (RF) Limited to guarantee the Preference Shares that were issued by Zambezi Platinum (RF) Limited as part of the Zambezi BEE Transaction, referred to as the Northam Guarantee.

The redemption of the Zambezi Preference Shares was planned to occur through cash accumulation from dividends received from Northam Platinum Limited, and after the lock-in the possible sell-off of Northam Shares into the market to realise the capital value, to redeem the Zambezi Preference Shares. In the event that this is not sufficient to settle the liability, it would have been secured by the company in terms of a financial guarantee (Northam Guarantee), in terms of which Northam Platinum Limited will be responsible for the payment of all amounts which Zambezi Platinum (RF) Limited has contracted but failed to pay. Northam may settle the debt by ways of a cash payment or the issue of a determinable number of Northam Shares or a cash and Northam Share combination.

The maximum credit risk relating to the exposure under the Northam Guarantee amounts to R2.0 billion (30 June 2020: R13.8 billion).

Subsequent to year-end Northam acquired all the Zambezi Preference Shares not already held by Northam as part of the Zambezi Scheme. This resulted in the extinguishing of the liability under the Northam Guarantee in full.

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 R5.0 billion (30 June 2020: R4.0 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 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. Subsequent to year-end the Zambezi Shareholders approved the early settlement of the Zambezi Preference Share liability as part of the Zambezi Scheme.*

	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
Company	R000	R000	R000	R000	R000
Trade payables	–	459 025	–	–	459 025
Provisional pricing payables	–	4 359	–	–	4 359
Accruals	–	190 496	–	–	190 496
Concentrate purchased accruals	–	427 235	–	–	427 235
Capital accruals	–	87 197	–	–	87 197
Accrued interest and commitment fees	–	58 174	–	–	58 174
Employee related accruals	–	612 963	–	–	612 963
Employee labour court judgement	55 000	–	–	–	55 000
Other	–	8 341	–	–	8 341
Long-term loans	–	4 700	9 400	122 200	136 300
Lease liability	216	1 109	1 385	31 337	34 047
Domestic Medium-Term Notes	–	21 700	3 740 056	3 992 267	7 754 023
Financial guarantee liability*	–	–	–	939 390	939 290
Revolving credit facility	–	–	–	–	–
Intercompany	9 647 176	–	–	–	9 647 176

**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.*

Subsequent to year-end Northam acquired all the Zambezi Preference Shares not already held by Northam 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.

The maturity profile of the group and company's financial liabilities for the year ended 30 June 2020 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 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Group	R000	R000	R000	R000	R000
Trade payables	630 613	–	–	–	630 613
Provisional pricing payables	–	10 159	–	–	10 159
Accruals	–	286 500	–	–	286 500
Concentrate purchased accruals	–	1 309 142	–	–	1 309 142
Capital accruals	–	29 420	–	–	29 420
Accrued interest and commitment fees	–	52 064	–	–	52 064
Employee-related accruals	–	474 323	–	–	474 323
Other	–	8 551	–	65 509	74 060
Long-term loans	–	–	4 700	131 600	136 300
Lease liability	–	8 675	8 323	141 364	158 362
Domestic Medium-Term Notes	–	5 100	619 693	5 015 956	5 640 749
Zambezi Preference Share liability*	–	–	–	13 776 017	13 776 017
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.*

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Company	R000	R000	R000	R000	R000
Trade payables	250 734	–	–	–	250 734
Provisional pricing payables	–	3 927	–	–	3 927
Accruals	–	180 434	–	–	180 434
Concentrate purchased accruals	–	1 090 270	–	–	1 090 270
Capital accruals	–	2 877	–	–	2 877
Accrued interest and commitment fees	–	52 064	–	–	52 064
Employee related accruals	–	366 326	–	–	366 326
Other	–	3 102	–	–	3 102
Long-term loans	–	–	4 700	131 600	136 300
Lease liability	–	1 563	1 644	17 122	20 329
Domestic Medium-Term Notes	–	5 100	619 693	5 015 956	5 640 749
Financial guarantee liability*	–	–	–	13 776 017	13 776 017
Revolving credit facility	–	–	–	–	–
Subsidiary loan payable	1 338 132	–	–	–	1 338 132

**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.*

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:

	Carrying amount	Fair value	Carrying amount	Fair value
	30 June 2021	**30 June 2021**	**30 June 2020**	**30 June 2020**
	R000	R000	R000	R000
Financial guarantee (company results) (refer to note 32)	(939 390)	–	(5 010 134)	–
Zambezi Preference Share liability (group results) (refer to note 34)	(1 669 867)	(1 943 463)	(8 291 117)	(8 611 126)

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 financial guarantee has been determined as level 3.

Measuring the guarantee contract liability required the use of estimates, at the grant date, which included a dividend yield rate of 0.30%, a 30.0% volatility and a risk-free rate of 8.42%, which was incorporated at inception date and have not been adjusted since.

The financial guarantee liability is amortised based on the number of Preference Shares held by parties other than Northam.

Subsequent to year-end Northam acquired all the Zambezi Preference Shares not already held by Northam as part of the Zambezi Scheme. This results in the extinguishing of the liability under the Northam Guarantee in full.

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:

	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares
	30 June 2021	**30 June 2020**
Number of Zambezi Preference Shares issued	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam Platinum Limited	(139 972 496)	(53 595 254)
Number of Zambezi Preference Shares held in the open market	19 932 957	106 310 199
Closing price of Zambezi Preference Shares	R97.50	R81.00
Fair value as per closing price of the Zambezi Preference Shares (R000)	(1 943 463)	(8 611 126)

The provisional pricing derivatives and receivables are also classified as level 2 as the balances are underlined by quoted commodity prices.

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 primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. In addition, capital management objectives include the group's ability to continue as a going concern, in order to provide returns for shareholders and benefits to other stakeholders while maintaining an optimal capital structure to reduce the cost of capital.

The group manages its capital structure (which consists of equity) and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

As at 30 June 2021, Zambezi Platinum (RF) Limited, owned 31.4% of the issued share capital of Northam Platinum Limited. Zambezi Platinum (RF) Limited's prospects were however limited in nature in that they were dependent on the prospects of the Northam share price and the returns attributable to the Zambezi Preference Shares were constant and fluctuate only in accordance with prevailing South African prime interest rates. Various characteristics of the Zambezi Preference Shares, such as the Northam Guarantee and redemption payment structure, provided the holders of the Zambezi Preference Shares with additional security regarding the recoverability of their dividends and capital.

The Preference Shareholders retained equity risk as a result of the redemption being ultimately underpinned by the value of Northam's share performance and/or Northam's ability to continue as a going concern. The Zambezi Preference Shares therefore presented their holders with a combination of the risks and rewards associated with equity and debt instruments.

Northam Platinum Limited's prospects for growth and continued profitability are subject to various external and internal factors which cannot be accurately predicted, forecasted or controlled by Zambezi Platinum (RF) Limited as an investor in Northam Platinum Limited.

The redemption of the Preference Shares was planned to occur through cash accumulation from dividends received from Northam, and after the Lock-in period the possible sell-off of Northam Shares into the market to realise the capital value, to redeem the Zambezi Preference Shares. In the event that this is not sufficient to settle the liability, it will be secured by the company in terms of a financial guarantee (Northam Guarantee).

Should a liability arise under the Northam Guarantee, Northam Platinum Limited may have settled this liability by capitalising Zambezi Platinum (RF) Limited with cash and/or Northam Shares before the redemption amount becomes due or making payment directly to the Zambezi Preference Shareholders. The manner of settlement is not contractually specified and is at the discretion of Northam.

Therefore, should the Northam Platinum Limited share price not increase sufficiently in value over the Lock-in period, there could have been a significant dilution in value for all Northam Shareholders, should additional shares be issued to the Zambezi Preference Shareholders.

With the increase in the Northam share price, there was an opportunity, through an early wind-up of the Zambezi BEE Transaction, to crystallise value to the benefit of all Shareholders

This enabled the early maturity of the Zambezi BEE Transaction to permanently secure, unlock and transfer unencumbered value created within Zambezi, and in so doing, remove maturation risk for both Northam and Zambezi Ordinary Shareholders.

The acceleration of the maturity of the Zambezi BEE Transaction took into account the risks associated with maturation on 17 May 2025.

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 pose a risk to the value created for Northam Shareholders, including Zambezi and increase the risk of a claim under the Northam Guarantee.

Secondly, a large number of Northam Shares could flow to the market on maturity. This could place 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 Zambezi Preference Share acquisition strategy enabled the acceleration of the maturity of the Zambezi BEE Transaction. The acquisition of the Zambezi Preference Shares, which are linked to Northam Shares, effectively amounted to a buy-back of Northam Shares and removing any dilution risk for Northam Shareholders.

No changes were made in the objectives, policies or processes during the year under review.

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	–	–	–	–	–

	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 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Company	R000	R000	R000	R000	R000	R000
Interest in associate	–	25 745	–	–	–	25 745
Other investments	10 545 057	–	–	–	–	10 545 057
Long-term receivables	–	–	23 755	–	–	23 755
Investment held by Northam Platinum Restoration Trust Fund	–	68 015	–	–	–	68 015
Environmental guarantee investment	–	32 288	–	–	–	32 288
Other financial assets	–	–	23 182	–	–	23 182
Subsidiary loans receivable	–	–	1 538 230	–	–	1 538 230
Trade and other receivables	–	103 881	464 246	–	641 874	1 210 001
Cash and cash equivalents	–	–	3 782 720	–	–	3 782 720
Long-term loans	–	–	–	(113 032)	–	(113 032)
Financial guarantee liability	–	–	–	(939 390)	–	(939 390)
Domestic Medium-Term Notes	–	–	–	(7 594 235)	–	(7 594 235)
Revolving credit facility	–	–	–	–	–	–
Subsidiary loans payable	–	–	–	(9 647 176)	–	(9 647 176)
Trade and other payables	–	–	–	(1 902 789)	–	(1 902 789)
Provisional pricing derivatives	–	–	–	–	–	–

Categories of financial instruments

The following table summarises the classification of financial instruments for the group and company for the year ended 30 June 2020:

	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Group	R000	R000	R000	R000	R000
Long-term receivables	–	82 232	–	–	82 232
Investment held by Northam Platinum Restoration Trust Fund	128 732	–	–	–	128 732
Environmental guarantee investment	62 953	–	–	–	62 953
Buttonshope Conservancy Trust	15 850	–	–	–	15 850
Other financial assets	–	23 084	–	–	23 084
Trade and other receivables	181 090	85 966	–	189 438	456 494
Cash and cash equivalents	–	2 160 956	–	–	2 160 956
Long-term loans	–	–	(159 005)	–	(159 005)
Domestic Medium-Term Notes	–	–	(5 508 412)	–	(5 508 412)
Zambezi Preference Share liability	–	–	(8 291 117)	–	(8 291 117)
Revolving credit facility	–	–	–	–	–
Trade and other payables	–	–	(2 866 281)	(72 970)	(2 939 251)
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 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Company	R000	R000	R000	R000	R000	R000
Other investments	1 921 141	–	–	–	–	1 921 141
Long-term receivables	–	–	19 222	–	–	19 222
Investment in the Northam Platinum Restoration Trust Fund	–	64 366	–	–	–	64 366
Environmental guarantee investment	–	33 276	–	–	–	33 276
Other financial assets	–	–	23 084	–	–	23 084
Subsidiary loans receivable	–	–	902 220	–	–	902 220
Trade and other receivables	–	76 755	58 932	–	189 067	324 754
Cash and cash equivalents	–	–	2 067 817	–	–	2 067 817
Long-term loans	–	–	–	(114 092)	–	(114 092)
Financial guarantee liability	–	–	–	(5 010 134)	–	(5 010 134)
Domestic Medium-Term Notes	–	–	–	(5 508 412)	–	(5 508 412)
Revolving credit facility	–	–	–	–	–	–
Subsidiary loans payable	–	–	–	(1 338 132)	–	(1 338 132)
Trade and other payables	–	–	–	(1 949 734)	(84)	(1 949 818)
Provisional pricing derivatives	–	–	–	–	–	–

46. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam Platinum Limited group of companies.

Below is a summary of the various subsidiaries and trusts included in the group:

	Effective holding	Stated capital and premium	Investment	Indebtedness
	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Company	%	R000	R000	R000
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	(9 630 072)
Eland Platinum Proprietary Limited	100.0	325 000	325 000	1 478 450
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	(6 600)
Norplats Properties Proprietary Limited	100.0	**	*	46 242
Northam Platinum Investments (US) Incorporated	100.0	–	142 119	434
Northam Recovery Services LLC	Indirect holding	–	–	(10 504)
Northam Property Company LLC	Indirect holding	–	–	10 063
Zambezi Platinum (RF) Limited	N/A	–	***	–
Northam Zondereinde Community Trust	–	–	–	948
Northam Booysendal Community Trust	–	–	–	948
Northam Employees' Trust	–	–	–	1 145
Buttonshope Conservancy Trust	–	–	–	–
Northam Platinum Restoration Trust Fund	–	–	–	–
			12 353 207	(8 108 946)

****Investment held in Zambezi Preference Shares (refer to note 15)*
***Issued capital is less than R1 000*
**Investment less than R1 000*

During the year under review, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of a section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

	Effective holding	Stated capital and premium	Investment	Indebtedness
	30 June 2020	30 June 2020	30 June 2020	30 June 2020
Company	%	R000	R000	R000
Mining Technical Services Proprietary Limited	100.0	**	*	20 970
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	(1 331 532)
Eland Platinum Proprietary Limited	100.0	325 000	325 000	797 078
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	(6 600)
Norplats Properties Proprietary Limited	100.0	**	*	51 723
Northam Platinum Investments (US) Incorporated	100.0	–	142 119	405
Northam Recovery Services LLC	Indirect holding	–	–	24 643
Northam Property Company LLC	Indirect holding	–	–	7 401
Zambezi Platinum (RF) Limited	N/A	–	***	–
Northam Zondereinde Community Trust	–	–	–	–
Northam Booysendal Community Trust	–	–	–	–
Northam Employees' Trust	–	–	–	–
Buttonshope Conservancy Trust	–	–	–	–
Northam Platinum Restoration Trust Fund	–	–	–	–
			12 353 207	(435 912)

****Investment held in Zambezi Preference Shares (refer to note 15)*
***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 various transactions between group companies, which were eliminated on consolidation:

	Interest and dividends received (refer note 5)	Concentrate purchased	Operating as well as sundry costs
	30 June 2021	30 June 2021	30 June 2021
Company	R000	R000	R000
Mining Technical Services Proprietary Limited	–	–	(33 696)
Booysendal Platinum Proprietary Limited	–	(16 440 983)	–
Eland Platinum Proprietary Limited	73 408	(1 235 445)	–
Norplats Properties Proprietary Limited	–	–	–
Northam Platinum Investments (US) Incorporated	28	–	–
Northam Recovery Services LLC	2 256	(141 814)	–
Northam Property Company LLC	639	–	–
Zambezi Platinum (RF) Limited (refer note 8)	–	–	(874)
Northam Zondereinde Community Trust (refer note 8)	34	–	(427)
Northam Booysendal Community Trust	34	–	–
Northam Employees' Trust (refer note 8)	41	–	(1 000)

	Interest and dividends received (refer note 5)	Concentrate purchased	Operating as well as sundry costs
	30 June 2020	30 June 2020	30 June 2020
Company	R000	R000	R000
Mining Technical Services Proprietary Limited	–	–	(74 525)
Booysendal Platinum Proprietary Limited	18 595	(6 134 992)	–
Eland Platinum Proprietary Limited	73 115	(950 168)	–
Norplats Properties Proprietary Limited	–	–	–
Northam Platinum Investments (US) Incorporated	35	–	–
Northam Recovery Services LLC	2 883	(98 382)	–
Northam Property Company LLC	567	–	–
Zambezi Platinum (RF) Limited (refer note 8)	–	–	(1 387)
Northam Zondereinde Community Trust (refer note 8)	–	–	(1 000)
Northam Booysendal Community Trust	–	–	–
Northam Employees' Trust (refer note 8)	–	–	(1 000)

In terms of the Trust Deed of the Northam Employees' Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the 10-year Lock-in period.

This arrangement will however come to an end after the Net Value Distribution Date.

Below is a summary of the key related party transactions:

Guarantees

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility (RCF) of R4.0 billion (30 June 2020: R3.5 billion) and a general banking facility (GBF) to the value of R1.0 billion (30 June 2020: R500.0 million) with Nedbank Limited. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

Refer to note 25 for details on the GBF and note 36 for details relating to the RCF.

In addition, as at 30 June 2021, Northam Platinum Limited had DMTNs in an aggregate amount of R7.8 billion (30 June 2020: R5.6 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 these issued Notes.

Subsequent to year-end an additional amount of R150.0 million was issued under the DMTN Programme.

Refer to note 33 for details on the Notes issued.

Zambezi Platinum (RF) Limited

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and to issue the Zambezi Preference Shares. If Northam does not comply with the HDSA requirements in the Mining Charter, it will not be able to retain its mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the parties, Zambezi's MOI may not be amended or replaced without Northam's prior written consent.

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provided the Northam Guarantee in respect of Zambezi's obligation in respect of the Zambezi Preference Shares. Northam has been involved from the inception of the Zambezi BEE Transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created. In terms of the Zambezi BEE Transaction, an 'N' share was issued to Northam, which gives Northam the right to implement mitigating action should Zambezi not comply with certain undertakings as per the Zambezi BEE Transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi also cannot dispose of the Northam Shares without the prior consent of Northam. Northam has 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 is restricted, in terms of the ring-fencing provisions contained in the Zambezi MOI.

All of these factors have been considered in determining that even though Northam does not have majority of the voting rights in Zambezi, it still has control over the entity, and therefore it is consolidated into the Group.

Below is a summary of the net asset value of Zambezi:

	30 June 2021	30 June 2020
	R000	R000
Investment held by Zambezi in Northam	34 688 290	18 581 014
Cash and cash equivalents together with accrued interest	510	502
Less Zambezi Preference Share liability in Zambezi	(13 910 946)	(12 592 218)
Deferred tax liability relating to capital gains tax payable by Zambezi	(6 301 605)	(2 693 575)
Amounts payable to SARS	–	–
Net asset value of Zambezi	14 476 249	3 295 723
Number of Northam Shares held by Zambezi	159 905 453	159 905 453
Closing price of Northam Shares (share code: NHM)	R216.93	R116.20
Investment held by Zambezi in Northam	34 688 290	18 581 014
Number of Zambezi Preference Shares in issue	159 905 453	159 905 453
Value per Zambezi Preference Share*	R86.99	R78.75
Zambezi Preference Share liability in Zambezi (R000)	(13 910 946)	(12 592 218)

**Rounded to the nearest cent*

From the above it is evident that the investment in Northam is sufficient to cover both the Zambezi Preference Share liability as well as the capital gains tax on the increase in the share price.

There was therefore no call on the Northam Guarantee for the current and previous reporting periods as listed above.

For purposes of ensuring that Zambezi does not incur any liabilities or indebtedness, other than pursuant to the Transaction Documents, and that it remains ring-fenced, Zambezi and Northam entered into an administration services agreement in terms of which Zambezi has appointed Northam to attend to the day-to-day management of Zambezi's business and the administration of Zambezi's affairs at Northam's sole cost and expense and with no recourse to Zambezi subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the year under review expenses to the value of R0.9 million (30 June 2020: R1.4 million) were incurred.

The current limit relating to expenses paid on behalf of Zambezi amounts to R2.6 million (30 June 2020: R2.5 million).

Refer to note 8 Sundry expenditure for details of the expenditure incurred.

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 Limited and these trusts, direct the relevant activities determined when these trusts were created and will continue to be carried out until such time as the 10-year Lock-in period is over or the BEE credentials are no longer required by Northam Platinum Limited. There is no scope for any other commercial activity outside of the maintenance of the BEE credentials and the allocation of returns on the Northam Platinum Limited shares for the benefit of the beneficiaries of these trusts.

These trusts are therefore under the control of Northam Platinum Limited and consolidated into the Northam Group.

In terms of the Trust Deed of the Northam Employees' Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the Lock-in period. This payment will cease upon implementation of early maturation of the BEE Transaction, on the Net Value Distribution Date.

Other related party transactions

SSG Holdings Proprietary Limited (SSG)

The group has a 33.7% (30 June 2020: 33.7%) interest in SSG Holdings Proprietary Limited, previously held through a wholly-owned subsidiary, Mining Technical Services Proprietary Limited. During the year under review, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

SSG Holdings Proprietary Limited provides security and facility services to the Group.

Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
SSG Facilities Proprietary Limited	47 786	43 739	25 682	23 098
SSG Securities Solutions Proprietary Limited	101 561	80 860	51 120	40 465
Security and facilities services provided by SSG Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	149 347	124 599	76 802	63 563
Dividends received (refer to note 13)	606	–	–	–
Management fees received from associate (SSG Holdings Proprietary Limited) (refer to note 7)	–	2 249	–	–
Amounts payable to SSG Holdings Proprietary Limited included as part of trade payables	17 204	17 414	8 583	9 938

Also refer to the note 13 of the financial statements for details of the investment in SSG Holdings Proprietary Limited.

SMS Mining Holdings Proprietary Limited

SMS Mining Holdings Proprietary Limited is a company which provides secondary support work, including the supply and application of shotcrete and anchor installation to the Northam group. Messrs. KB Mosehla, Northam Platinum Limited's previous chairman, GS Mseleku and PL Zim, who are Zambezi Ordinary Shareholders each hold a 10% indirect interest in SMS Mining Holdings Proprietary Limited. Below is a summary of transactions between the group and SMS Mining Holdings Proprietary Limited:

	Group		Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	R000	R000	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the group during the year accounted for as part of operating costs and capital expenditure	133 255	87 338	2 037	17 583
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade payables	16 030	7 272	–	–

Dwaalkop joint venture

The Dwaalkop joint venture is a joint venture between Mvelaphanda Resources Proprietary Limited (Mvelaphanda), a wholly-owned subsidiary of Northam owning 50% and Western Platinum Proprietary Limited, a subsidiary of Lonmin plc, now Sibanye-Stillwater Limited (Lonmin), owning the other 50% with the joint venture being managed by Lonmin. The Dwaalkop asset is currently not being mined.

The Dwaalkop joint venture 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 group 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.

Strategic Partner Advances

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam 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) R15.0 million (plus VAT thereon, to the extent applicable) if the Transaction becomes unconditional. The Zambezi Ordinary Shareholder Loans will:

- be secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrue interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- be fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction does 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 will be utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

Below is a summary of the capital advances and accrued interest outstanding as at 30 June 2021:

	Capital advanced	Accrued interest	Total outstanding balance
	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	65 472	1 840	67 312
Malundi Resources (RF) Proprietary Limited	65 472	1 748	67 220
Mpilo Platinum (RF) Proprietary Limited	152 427	4 285	156 712
Zambezi Platinum Women's SPV (RF) Proprietary Limited	97 697	2 581	100 278
	381 068	10 454	391 522

The capital advanced consists of the loan advance and transaction fee advances.

Subsequent to year-end these Deemed Advances were settled through the Net Value Distribution.

No such advances were made during the previous financial year.

Key management remuneration

	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

**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*

	Fees 30 June 2020	Remuneration package 30 June 2020	Performance bonus and retention bonus payments 30 June 2020	Benefits and other 30 June 2020	Gain on share-based payments 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	9 353	9 198	–	17 571	36 122
AH Coetzee	–	4 404	4 171	–	3 749	12 324
Non-executive						
KB Mosehla	618	–	–	–	–	618
R Havenstein	748	–	–	–	–	748
DH Brown	651	–	–	–	–	651
CK Chabedi	676	–	–	–	–	676
HH Hickey	568	–	–	–	–	568
NY Jekwa*	713	–	–	–	–	713
MH Jonas	352	–	–	–	–	352
TE Kgosi	706	–	–	–	–	706
TI Mvusi	352	–	–	–	–	352
JJ Nel**	584	–	–	–	–	584
JG Smithies	467	–	–	–	–	467
	6 435	13 757	13 369	–	21 320	54 881

**Dr NY Jekwa was appointed as a member of the health, safety and environmental committee with effect from 1 November 2019*
***Mr JJ Nel was appointed as a member of the investment committee with effect from 1 November 2019*

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 2021:

	8 Nov 2016 Share award	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
PA Dunne							
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
Balance at 1 July 2019	170 100	183 200	184 500	–	–	1 500 000	2 037 800
Retention shares awarded during the year	–	–	–	17 900	–	–	17 900
Performance shares awarded during the year	–	–	–	53 700	–	–	53 700
Shares adjusted for performance conditions met during the year	–	(41 100)	–	–	–	–	(41 100)
Shares cash settled during the year	(170 100)	–	–	–	–	–	(170 100)
Balance at 30 June 2020	–	142 100	184 500	71 600	–	1 500 000	1 898 200

	8 Nov 2016 Share award	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
AH Coetzee							
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
Balance at 1 July 2019	36 300	41 300	79 100	–	–	–	156 700
Retention shares awarded during the year	–	–	–	8 065	–	–	8 065
Performance shares awarded during the year	–	–	–	24 215	–	–	24 215
Shares adjusted for performance conditions met during the year	–	(9 270)	–	–	–	–	(9 270)
Shares cash settled during the year	(36 300)	–	–	–	–	–	(36 300)
Balance at 30 June 2020	–	32 030	79 100	32 280	–	–	143 410

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 and company had the following commitments arising in the ordinary course of business:

	Group		Company	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Capital commitments – Booysendal mine				
Authorised but not contracted	964 797	664 123	–	–
Contracted	195 557	337 448	–	–
	1 160 354	1 001 571	–	–
Capital commitments – Zondereinde mine				
Authorised but not contracted	1 659 940	955 608	1 659 940	955 608
Contracted	265 758	161 854	265 758	161 854
	1 925 698	1 117 462	1 925 698	1 117 462
Capital commitments – Eland mine				
Authorised but not contracted	1 044 805	295 719	–	–
Contracted	144 577	13 151	–	–
	1 189 382	308 870	–	–
Total capital commitments	4 275 434	2 427 903	1 925 698	1 117 462

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 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**
	R000	R000	R000	R000
Bank guarantees				
Eskom Holdings SOC Limited	143 709	146 473	48 505	58 541
Other	298	398	298	398
	144 007	146 871	48 803	58 939
Other environmental guarantees				
Department of Mineral Resources and Energy (refer note 19)	618 512	410 838	224 915	142 350
	618 512	410 838	224 915	142 350

48. Employee Labour Court judgement

Northam Platinum Limited 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 Platinum Limited has been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal. An amount of R55.0 million has therefore been accrued for in the accounts, refer to note 37.

The employees seek reinstatement and have been granted leave to appeal to the Labour Appeal Court. Northam Platinum Limited 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.

49. Contingent liability - SARS VAT claim

In 2015 Northam Platinum Limited concluded an R6.6 billion Broad Based Economic Empowerment (BEE) transaction which secured a sustainable 31.4% Historically Disadvantaged South African interest in Northam and at the same time secured funding for the group's expansion and growth plans. As part of the transaction, Northam acquired ordinary Northam Shares from existing shareholders, via a BEE special purpose vehicle (Zambezi Platinum (RF) Limited), referred to as the Zambezi BEE Transaction.

Northam 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 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 against the additional assessments and understatement penalties was disallowed, upon which Northam appealed to the Tax Court. The current status of the appeal is that SARS has issued its statement of grounds of assessment and opposing appeal (Rule 31 statement), and Northam has issued its statement of grounds of appeal (Rule 32 statement). SARS must now issue its reply to the statement of grounds of appeal (Rule 33 statement) or determine that there is no need for this, following which Northam would be entitled to apply to the registrar of the Tax Court for allocation of a date for the hearing.

Northam's attorneys anticipate that the matter will proceed to court during the first half of 2022.

Northam has received legal advice that it is more likely than not that Northam's tax position will be upheld if the matter proceeds to court. There are, however, always uncertainties involved in a dispute process.

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.

Northam submitted C-19 TERS claims to the value of R121.3 million, of which an amount of R102.7 million has been received to date, refer to note 7 Sundry income for amounts received during the year.

No further claims are anticipated at this point in time.

51. Events after the reporting period

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

ANALYSIS OF NORTHAM SHAREHOLDERS

The analysis of Shareholders as at 30 June 2021 was as follows:

Shareholding range	**Number of shareholders**	**Total shareholding**	**Percentage holding (%)**
	30 June 2021	30 June 2021	30 June 2021
1 – 5 000	11 105	5 727 995	1.12
5 001 – 10 000	367	2 726 913	0.54
10 001 – 50 000	675	16 420 547	3.22
50 001 – 100 000	213	15 153 686	2.97
100 001 – 1 000 000	310	90 140 739	17.68
1 000 001 and more	52	379 611 332	74.47
	12 722	509 781 212	100.00

Geographical analysis of Shareholders	**Total shareholding**	**Percentage holding (%)**
	30 June 2021	30 June 2021
South Africa	378 788 288	74.31
Americas	64 705 324	12.69
Europe and United Kingdom	30 495 505	5.98
Far East	26 976 947	5.29
Africa (excluding South Africa)	7 813 935	1.53
Australasia	1 001 213	0.20
	509 781 212	100.00

Shareholders with a holding of more than 5% of the issued share capital of Northam Platinum Limited	**Number of shares**	**Percentage holding (%)**
	30 June 2021	30 June 2021
Zambezi Platinum (RF) Limited	159 905 453	31.37
Public Investment Corporation SOC Limited	64 142 585	12.58
BlackRock Inc.	33 469 172	6.57
Coronation Asset Management Proprietary Limited	27 567 034	5.41

Shareholder spread	**Number of shareholders**	**Percentage holding (%)**
	30 June 2021	30 June 2021
Public	12 717	68.50
Non-public		
Zambezi Platinum (RF) Limited	1	31.37
Directors	4	0.13
	12 722	100.00

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: NHM007
Bond ISIN: ZAG000158593
Bond code: NHM009
Bond ISIN: ZAG000158866
Bond code: NHM011
Bond ISIN: ZAG000159237
Bond code: NHM012
Bond ISIN: ZAG000160136
Bond code: NHM014
Bond ISIN: ZAG000163650
Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM018
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