



## **Sedibelo Platinum Mines Limited**

### **Condensed Consolidated Interim Financial Statements for the six month period ended June 30, 2016 and June 30, 2015**

*(December 2015 Audited, June 2015 & June 2016 Unaudited, expressed in United States Dollars,  
unless otherwise stated)*

# Sedibelo Platinum Mines Limited

## Condensed consolidated interim statement of financial position as at June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

	Notes	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Mining assets	5	754,110	720,203
Intangible assets	6	33,285	30,599
Property, plant and equipment	7	197,906	199,727
Loans receivable		16,251	13,911
Restricted cash investments and guarantees	8.2	9,794	5,229
Investment in associate	10	3,575	3,804
<b>Total non-current assets</b>		<b>1,014,921</b>	<b>973,473</b>
<b>Current assets</b>			
Inventories	9	6,975	6,416
Trade and other receivables		48,186	51,566
Cash and cash equivalents	8.1	70,764	85,387
<b>Total current assets</b>		<b>125,925</b>	<b>143,369</b>
<b>TOTAL ASSETS</b>		<b>1,140,846</b>	<b>1,116,842</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	11	2,549,583	2,549,583
Other components of equity		(549,582)	(581,260)
Accumulated deficit		(918,986)	(907,581)
		1,081,015	1,060,742
<b>Non-controlling interests</b>			
		(5,543)	(2,934)
<b>Total equity</b>		<b>1,075,472</b>	<b>1,057,808</b>
<b>Non-current liabilities</b>			
Long-term borrowings	12.1	3,413	3,098
Finance lease liability	13	1,361	1,650
Cash-settled share based payment		-	39
Decommissioning and rehabilitation provision	14	14,893	13,572
<b>Total non-current liabilities</b>		<b>19,667</b>	<b>18,359</b>
<b>Current liabilities</b>			
Short-term borrowings	12.2	140	128
Trade payables and accrued liabilities		19,670	21,823
Revolving commodity facility	15	25,201	18,107
Current portion of finance lease liability	13	696	617
<b>Total current liabilities</b>		<b>45,707</b>	<b>40,675</b>
<b>Total liabilities</b>		<b>65,374</b>	<b>59,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,140,846</b>	<b>1,116,842</b>

The accompanying notes are an integral part of the consolidated and separate financial statements.

# Sedibelo Platinum Mines Limited

**Sedibelo**  
Platinum Mines Ltd

## Condensed consolidated interim statement of comprehensive income for the three and six months ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

	Notes	For the three months ended		For the six months ended	
		Jun 30, 2016 USD'000	Jun 30, 2015 USD'000	Jun 30, 2016 USD'000	Jun 30, 2015 USD'000
Revenue	16	37,030	46,364	68,534	85,835
Cost of operations	17	(45,363)	(63,570)	(87,009)	(120,767)
Gross (loss) / profit		(8,333)	(17,206)	(18,475)	(34,932)
Administrative and general expenses		(4,949)	(5,557)	(9,122)	(10,931)
Other (expenses) / income		(675)	1,339	3,018	5,304
Operating (loss) / profit	18	(13,957)	(21,424)	(24,579)	(40,559)
Finance income		788	1,305	1,534	3,054
Finance costs		(969)	(407)	(1,771)	(851)
Share of loss of investments accounted for using the equity method		(150)	(208)	(297)	(355)
<b>(Loss) / Profit before income tax</b>		<b>(14,288)</b>	<b>(20,734)</b>	<b>(25,113)</b>	<b>(38,711)</b>
Income tax expense		(4,489)	(1)	(4,489)	(142)
<b>(LOSS) / PROFIT FOR THE PERIOD</b>		<b>(18,777)</b>	<b>(20,735)</b>	<b>(29,602)</b>	<b>(38,853)</b>
<i>Attributable to:</i>					
Owners of the parent		(16,971)	(20,558)	(26,993)	(38,508)
Non-controlling interest		(1,806)	(177)	(2,609)	(345)
		<b>(18,777)</b>	<b>(20,735)</b>	<b>(29,602)</b>	<b>(38,853)</b>
<b>Other Comprehensive income/(loss):</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on loan designated as net investment		14,144	(37,593)	15,516	14,952
Exchange differences on translation from functional to presentation currency		(10,016)	23,802	31,753	(89,042)
Movement in other reserves		(8)	168	(3)	206
Other comprehensive income/(loss) - net of tax		4,120	(13,623)	47,266	(73,884)
<b>TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD</b>		<b>(14,657)</b>	<b>(34,358)</b>	<b>17,664</b>	<b>(112,737)</b>
<i>Attributable to:</i>					
Owners of the parent		(12,851)	(20,558)	20,273	(38,508)
Non-controlling interest		(1,806)	(177)	(2,609)	(345)
		<b>(14,657)</b>	<b>(20,735)</b>	<b>17,664</b>	<b>(38,853)</b>

The accompanying notes are an integral part of the consolidated and separate financial statements.

# Sedibelo Platinum Mines Limited

## Condensed consolidated interim statement of changes in shareholders' equity

for the three and six months ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

	Share capital	Accumulated deficit	Share based payment reserve	Other reserves	Foreign currency translation reserve	Subtotal	Non controlling interest	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at January 1, 2015</b>	<b>2,549,583</b>	<b>(691,616)</b>	<b>3,972</b>	<b>(1,815)</b>	<b>(344,045)</b>	<b>1,516,079</b>	<b>(3,545)</b>	<b>1,512,534</b>
Loss for the period	-	(38,508)	-	-	-	(38,508)	(345)	(38,853)
Other comprehensive income/(loss) for the period	-	14,952	-	206	(89,042)	(73,884)	-	(73,884)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(23,556)</b>	<b>-</b>	<b>206</b>	<b>(89,042)</b>	<b>(112,392)</b>	<b>(345)</b>	<b>(112,737)</b>
Subsidiary deregistration	-	(11,516)	-	-	-	(11,516)	-	(11,516)
<b>Total contributions by owners of the parent, recognised directly in equity</b>	<b>-</b>	<b>(11,516)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,516)</b>	<b>-</b>	<b>(11,516)</b>
<b>Balance at June 30, 2015</b>	<b>2,549,583</b>	<b>(726,688)</b>	<b>3,972</b>	<b>(1,609)</b>	<b>(433,087)</b>	<b>1,392,171</b>	<b>(3,890)</b>	<b>1,388,281</b>
Loss for the period	-	(43,467)	-	-	-	(43,467)	956	(42,511)
Other comprehensive income/(loss) for the period	-	(148,250)	-	326	(149,446)	(297,370)	-	(297,370)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(191,717)</b>	<b>-</b>	<b>326</b>	<b>(149,446)</b>	<b>(340,837)</b>	<b>956</b>	<b>(339,881)</b>
Subsidiary deregistration	-	9,408	-	-	-	9,408	-	9,408
Transfers between equity	-	1,416	(1,416)	-	-	-	-	-
<b>Total contributions by owners of the parent, recognised directly in equity</b>	<b>-</b>	<b>10,824</b>	<b>(1,416)</b>	<b>-</b>	<b>-</b>	<b>9,408</b>	<b>-</b>	<b>9,408</b>
<b>Balance at December 31, 2015</b>	<b>2,549,583</b>	<b>(907,581)</b>	<b>2,556</b>	<b>(1,283)</b>	<b>(582,533)</b>	<b>1,060,742</b>	<b>(2,934)</b>	<b>1,057,808</b>
Loss for the period	-	(26,993)	-	-	-	(26,993)	(2,609)	(29,602)
Other comprehensive (loss)/income for the period	-	15,516	-	(3)	31,753	47,266	-	47,266
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(11,477)</b>	<b>-</b>	<b>(3)</b>	<b>31,753</b>	<b>20,273</b>	<b>(2,609)</b>	<b>17,664</b>
Transfers between equity	-	72	(72)	-	-	-	-	-
<b>Total contributions by owners of the parent, recognised directly in equity</b>	<b>-</b>	<b>72</b>	<b>(72)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at June 30, 2016</b>	<b>2,549,583</b>	<b>(918,986)</b>	<b>2,484</b>	<b>(1,286)</b>	<b>(550,780)</b>	<b>1,081,015</b>	<b>(5,543)</b>	<b>1,075,472</b>

The accompanying notes are an integral part of the consolidated and separate financial statements.

# Sedibelo Platinum Mines Limited

## Condensed consolidated interim cash flow statement

### for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

	Notes	For the six months ended	
		Jun 30, 2016 USD'000	Jun 30, 2015 USD'000
<b>Cash flows from operating activities</b>			
Loss before income tax		(25,113)	(38,711)
Depreciation of property, plant and equipment	7	14,029	25,380
Amortisation of intangible assets	6	314	416
Impairment of mining assets	5	-	390
Revolving commodity facility fair value adjustment	15	897	(305)
Share based payment		5	(168)
Share of loss of investments accounted for using the equity method		297	355
Unrealised foreign exchange gain		(816)	(5,102)
Profit on scrapping of asset		(7)	-
Finance income		(1,534)	(3,054)
Finance cost		1,771	851
<i>Operating loss before working capital changes</i>		(10,157)	(19,948)
Decrease/(Increase) in trade and other receivables		3,380	(2,552)
Decrease in trade and other payables		(2,153)	(4,763)
(Increase)/Decrease in inventories		(559)	737
<i>Cash utilised in operations</i>		(9,489)	(26,526)
Interest paid		(341)	(639)
Interest received		1,346	2,287
<b><i>Net cash utilised in operating activities</i></b>		<b>(8,484)</b>	<b>(24,878)</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	7	(3,403)	(15,988)
Additions to mining assets	5	(218)	(207)
Additions to intangible assets	6	(1,516)	(7,054)
Loan to associate		(1,620)	2,505
Investment in joint venture		-	98
Increase in rehabilitation guarantees		(3,648)	(631)
<b><i>Net cash utilised in investing activities</i></b>		<b>(10,405)</b>	<b>(21,277)</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease liability	13	(446)	(173)
Proceeds from short and long term liability		6	35
Proceeds from revolving commodity facility	15	42,314	31,078
Repayment of revolving commodity facility	15	(38,149)	(25,596)
<b><i>Net cash generated from financing activities</i></b>		<b>3,725</b>	<b>5,344</b>
<b>Net decrease in cash and cash equivalents</b>		(15,164)	(40,811)
<b>Cash and cash equivalents at beginning of the year</b>	8.1	85,387	166,793
Exchange losses on cash and cash equivalents		541	(8,347)
<b>Cash and cash equivalents at end of the year</b>	8.1	<b>70,764</b>	<b>117,635</b>

The accompanying notes are an integral part of the consolidated and separate financial statements.

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 1. General information and going concern

Sedibelo Platinum Mines Limited ("the Company") and its subsidiaries ("the Group") is a mining group engaged in the acquisition, exploration, development and operation of Platinum Group Metals ("PGM") properties in South Africa.

The Company is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. For the six months ended June 30, 2016 the Group made a loss of USD29.602 million.

The Group had USD70.764 million in cash and cash equivalents in hand at June 30, 2016 to fund current operations, exploration and growth initiatives. Studies have commenced to establish the optimum development and mining plan for the enlarged mineral resource and the expansion of the concentrator to accommodate these developments. As such the Directors consider that the Group has adequate resources to continue its operational and development plans for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, as amended to reflect the adoption of new standards, amendments, and interpretations which became effective in the year (see Note 4).

#### a) Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IFRIC interpretations and with the requirements of The Companies (Guernsey) Law, 2008 applicable to companies reporting under IFRS.

The interim financial statements presented complies with *IAS 34 – Interim financial reporting*.

The financial information has been prepared under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value.

The financial information is presented in United States dollars ("USD") and all monetary results are rounded to the nearest thousand (USD'000) except where otherwise indicated.

There are no changes in these accounting policies for the period ended 30 June 2016 except as disclosed in Note 4 below "Changes in accounting policy".

#### *Going concern*

The Directors are required to consider whether the Group has adequate resources to continue in operational existence for the foreseeable future in order to determine the appropriate basis for the preparation of the financial statements.

Management has no intention to liquidate the company or to cease trading. Operational achievements and cost containment initiatives have contributed towards managing the pressure that the declining PGM price environment has had on cash flows. Management considered factors that might cast significant doubt on the entity's ability to continue as a going concern. Operational risks that management considered during the assessment includes the following:

- Continued operating losses;
- negative operating cash flows;
- weak Dollar metal prices, offset by a weak ZAR:USD exchange rate; and
- a delay of projects is anticipated due to disruption by local communities at Wilgespruit.

Management made an assessment of the Group's ability to continue as a going concern by using the 2016 and 2017 budget as a basis.

Management prepared various scenarios to calculate sensitivity of the Group's cash balance against operational risks identified including:

- Price downside of >20% on 4E metal prices compared to the budget; and
- an assumption of zero ounces for the tailings treatment plant and chrome projects.

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 2. Summary of significant accounting policies (continued)

#### a) Basis of preparation (continued)

In these scenarios capital expenditure (sustaining and growth) was deemed to still be incurred per the budget and the mining of Wilgespruit was deemed to only commence in 2018.

The result of the analysis was that the Group was still cash positive for a period of at least one year after the financial statement date as required by IFRS.

The Group therefore continues to adopt the going concern basis in preparing the consolidated financial information.

#### b) Accounting policies

The accounting policies adopted are consistent with those used in the Sedibelo Platinum Mines Limited annual financial statements for the year ended December 31, 2015 except as described below.

The following exchange rates to the US dollar have been applied:

	At Jun 30, 2016	Average six months ended Jun 30, 2016	Average three months ended Jun 30, 2016	At Dec 31, 2015	Average six months ended Jun 30, 2015	Average three months ended Jun 30, 2015
USD 1 = ZAR	14.86	15.44	15.03	15.56	11.92	12.09

#### Property, plant and equipment

Depreciation and amortisation are calculated on a units-of-production method for the mining assets and straight-line method for all other assets to write off the cost of the assets to their residual values over their estimated useful lives. The useful lives applicable to each category of property, plant and equipment are as follows:

Asset category	Useful life
Producing mines	Units of production (ore tonnes mined)
Pre-stripping costs	Units of production (ore tonnes mined)
Plant construction and mine development	Units of production (ore tonnes mined)
Deferred stripping costs	Units of production (ore tonnes mined)
Decommissioning assets	Units of production (ore tonnes mined)
Leasehold improvements	5 years
Plant and equipment	Units of production (ore tonnes processed)
Buildings	20 years
Land	Indefinite
Other	
- Vehicles	5 years
- Computer equipment	3 years
- Office equipment	6 years
- Furniture and fittings	6 years
- Other equipment	5 years

### 3. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

## Notes to the condensed consolidated interim financial statements

for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 4. Change in accounting policy including initial adoption

There were no changes in the accounting policies applied since the issue of the audited consolidated financial statements for the year ended December 31, 2015.

*New and amended standards and interpretations effecting for the year*

At the date of the issue of this report, the following new accounting standard was in issue but not yet effective. The standard is expected to have an impact on the Company's financial statements.

- IFRS 16: Leases (effective for reporting periods beginning on or after 1 January 2019). The new model requires the lessee to recognize almost all lease contracts on the balance sheet with the exemption of certain short-term leases and leases of low-value assets.



# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 5. Mining assets

	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
Exploration and evaluation assets	14,308	13,453
Mineral properties	712,580	680,745
Mineral rights	27,222	26,005
<b>Balance at the end of the period</b>	<b>754,110</b>	<b>720,203</b>

	Exploration & evaluation assets USD'000	Mineral properties USD'000	Mineral rights USD'000	TOTAL USD'000
<b>Balance at January 1, 2015</b>	<b>17,326</b>	<b>915,306</b>	<b>34,966</b>	<b>967,598</b>
Additions	808	-	-	808
Impairment of mining assets <sup>(a)</sup>	(380)	-	-	(380)
Foreign exchange variance	(4,301)	(234,561)	(8,961)	(247,823)
<b>Balance at December 31, 2015</b>	<b>13,453</b>	<b>680,745</b>	<b>26,005</b>	<b>720,203</b>
Additions	218	-	-	218
Foreign exchange variance	637	31,835	1,217	33,689
<b>Balance at June 30, 2016</b>	<b>14,308</b>	<b>712,580</b>	<b>27,222</b>	<b>754,110</b>

- a) During the year ended December 31, 2015 the Company abandoned various projects and relinquished the licences on these projects due to the lack of their commercial viability. All costs capitalised relating to these projects were recognised in profit or loss.

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 6. Intangible assets

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
Water pipeline	24,082	23,224
ERP software	82	88
Computer software	212	262
Research and development	8,909	7,025
<b>Balance at the end of the period</b>	<b>33,285</b>	<b>30,599</b>

Reconciliation of intangible assets:

	Water pipeline USD'000	ERP Software USD'000	Computer software USD'000	Research and development USD'000	Power and water rights USD'000	TOTAL USD'000
<b>COST</b>						
<b>Balance at January 1, 2015</b>	<b>32,969</b>	<b>102</b>	<b>902</b>	<b>2,114</b>	<b>21,672</b>	<b>57,759</b>
Additions	1,636	47	200	6,578	-	8,461
Foreign exchange variance	(9,126)	(38)	(269)	(1,667)	-	(11,100)
<b>Balance at December 31, 2015</b>	<b>25,479</b>	<b>111</b>	<b>833</b>	<b>7,025</b>	<b>21,672</b>	<b>55,120</b>
Additions	-	-	25	1,491	-	1,516
Foreign exchange variance	1,192	5	40	393	-	1,630
<b>Balance at June 30, 2016</b>	<b>26,671</b>	<b>116</b>	<b>898</b>	<b>8,909</b>	<b>21,672</b>	<b>58,266</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>						
<b>Balance at January 1, 2015</b>	<b>2,446</b>	<b>3</b>	<b>517</b>	<b>-</b>	<b>21,672</b>	<b>24,638</b>
Amortisation for the year	530	26	228	-	-	784
Foreign exchange variance	(721)	(6)	(174)	-	-	(901)
<b>Balance at December 31, 2015</b>	<b>2,255</b>	<b>23</b>	<b>571</b>	<b>-</b>	<b>21,672</b>	<b>24,521</b>
Amortisation for the year	219	10	85	-	-	314
Foreign exchange variance	115	1	30	-	-	146
<b>Balance at June 30, 2016</b>	<b>2,589</b>	<b>34</b>	<b>686</b>	<b>-</b>	<b>21,672</b>	<b>24,981</b>
<b>CARRYING AMOUNTS</b>						
<b>Balance at January 1, 2015</b>	<b>30,523</b>	<b>99</b>	<b>385</b>	<b>2,114</b>	<b>-</b>	<b>33,121</b>
<b>Balance at December 31, 2015</b>	<b>23,224</b>	<b>88</b>	<b>262</b>	<b>7,025</b>	<b>-</b>	<b>30,599</b>
<b>Balance at June 30, 2016</b>	<b>24,082</b>	<b>82</b>	<b>212</b>	<b>8,909</b>	<b>-</b>	<b>33,285</b>

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements

for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 7. Property, plant and equipment

	Producing Mines USD'000	Plant construction and mine development USD'000	Pre- stripping cost USD'000	Deferred stripping cost USD'000	Decom- missioning asset USD'000	Leased assets USD'000	Plant and equipment (a) USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
<b>COST</b>										
<b>Balance at January 1, 2015</b>	<b>7,810</b>	<b>4,938</b>	<b>147,399</b>	<b>58,587</b>	<b>18,472</b>	<b>8,273</b>	<b>152,983</b>	<b>3,690</b>	<b>5,320</b>	<b>407,472</b>
Additions	-	2,384	-	6,263	1,091	111	14,698	191	282	25,020
Change in estimate	-	-	-	-	(2,401)	-	-	-	-	(2,401)
Disposals	-	-	-	-	-	-	-	-	(28)	(28)
Reclassification	-	-	-	-	-	(1,621)	1,621	-	-	-
Foreign exchange variance	(2,001)	(1,357)	(37,773)	(17,483)	(4,684)	(1,933)	(41,245)	(985)	(1,418)	(108,879)
<b>Balance at December 31, 2015</b>	<b>5,809</b>	<b>5,965</b>	<b>109,626</b>	<b>47,367</b>	<b>12,478</b>	<b>4,830</b>	<b>128,057</b>	<b>2,896</b>	<b>4,156</b>	<b>321,184</b>
Additions	-	522	-	-	22	-	2,776	41	42	3,403
Disposals	-	-	-	-	-	-	-	-	(9)	(9)
Foreign exchange variance	271	299	5,127	2,215	561	226	6,060	136	196	15,091
<b>Balance at June 30, 2016</b>	<b>6,080</b>	<b>6,786</b>	<b>114,753</b>	<b>49,582</b>	<b>13,061</b>	<b>5,056</b>	<b>136,893</b>	<b>3,073</b>	<b>4,385</b>	<b>339,669</b>
<b>ACCUMULATED DEPRECIATION</b>										
<b>Balance at January 1, 2015</b>	<b>1,613</b>	-	<b>43,283</b>	<b>11,084</b>	<b>2,669</b>	<b>2,887</b>	<b>43,011</b>	<b>193</b>	<b>2,679</b>	<b>107,419</b>
Depreciation for the year	599	-	18,394	15,773	1,421	564	12,886	135	767	50,539
Reclassification	-	-	-	-	-	(558)	558	-	-	-
Foreign exchange variance	(518)	-	(16,223)	(3,861)	(857)	(771)	(13,343)	(73)	(855)	(36,501)
<b>Balance at December 31, 2015</b>	<b>1,694</b>	-	<b>45,454</b>	<b>22,996</b>	<b>3,233</b>	<b>2,122</b>	<b>43,112</b>	<b>255</b>	<b>2,591</b>	<b>121,457</b>
Depreciation for the year	322	-	6,045	363	661	149	6,120	52	317	14,029
Disposals	-	-	-	-	-	-	-	-	(7)	(7)
Foreign exchange variance	90	-	2,360	1,192	166	105	2,222	14	135	6,284
<b>Balance at June 30, 2016</b>	<b>2,106</b>	-	<b>53,859</b>	<b>24,551</b>	<b>4,060</b>	<b>2,376</b>	<b>51,454</b>	<b>321</b>	<b>3,036</b>	<b>141,763</b>
<b>CARRYING AMOUNTS</b>										
<b>Balance at January 1, 2015</b>	<b>6,197</b>	<b>4,938</b>	<b>104,116</b>	<b>47,503</b>	<b>15,803</b>	<b>5,386</b>	<b>109,972</b>	<b>3,497</b>	<b>2,641</b>	<b>300,053</b>
<b>Balance at December 31, 2015</b>	<b>4,115</b>	<b>5,965</b>	<b>64,172</b>	<b>24,371</b>	<b>9,245</b>	<b>2,708</b>	<b>84,945</b>	<b>2,641</b>	<b>1,565</b>	<b>199,727</b>
<b>Balance at June 30, 2016</b>	<b>3,974</b>	<b>6,786</b>	<b>60,894</b>	<b>25,031</b>	<b>9,001</b>	<b>2,680</b>	<b>85,439</b>	<b>2,752</b>	<b>1,349</b>	<b>197,906</b>

(a) The plant and equipment category includes tailings dam costs

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 8. Cash and cash equivalents, restricted cash investments and guarantees

#### 8.1 Cash and cash equivalents

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
Cash at bank	70,764	85,387
<b>Balance at the end of the period</b>	<b>70,764</b>	<b>85,387</b>

Cash at banks earns predominantly interest at floating rates. Cash is deposited at highly reputable financial institutions of a high quality credit standing within the Republic of South Africa and in the United Kingdom. The fair value of cash and cash equivalents equates to the values as disclosed in this note.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise only the cash at bank and financial institutions or asset managers and are disclosed for each year end above.

#### 8.2 Restricted cash investments and guarantees

Cash investments were made relating to certain guarantees required by the Republic of South Africa's Department of Mineral Resources ("DMR") and Eskom Holdings Limited, the South African state utility supplier, of which the details are as follows:

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
<b>Balance at the end of the period</b>	<b>9,794</b>	<b>5,229</b>

The DMR requires rehabilitation guarantees for all prospecting and mining rights. These rehabilitation guarantees primarily relate to the mining rights for the PPM and Mphahlele projects. These guarantees have been provided to the Department of Mineral Resources on two separate basis:

- On an insurance basis with a portion of the total guarantee being paid over in a separate bank account controlled by the Group and ceded in favour of the insurance company and the remaining portion paid in premiums over the expected life of the mine; and
- on a cash backed basis.

As at June 30, 2016 the Group had USD 28.078 million in guarantees to the DMR and Eskom, of which USD 9.794 million is funded.

A guarantee, underwritten by an insurance backed guarantee issued by Lombard Insurance Company Limited, was provided to Eskom to order critical long lead time material for the construction of the electrical substation at the PPM Project. Lombard Insurance required cash collateral on a portion of the total amount which has been paid over in a separate bank account controlled by the Group and ceded in favour of Lombard Insurance. The balance is payable on a premium basis over 5 years and re-assessed on an annual basis.

### 9. Inventories

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
Ore stockpiled	349	225
Work in progress	134	162
Consumables	6,492	6,029
<b>Balance at the end of the period</b>	<b>6,975</b>	<b>6,416</b>

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 10. Investment in joint venture

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group:

Name of entity	Country of incorporation	% of ownership interest	Nature of relationship	Measurement method
Kelltech Limited	Mauritius	50	Provides access to new technology to the SPM Group	Equity

A 50% shareholding was purchased in Kelltech Limited for USD6,073 thousand. Mr. Liddell and Mr. Von Christerson both have indirect beneficial interests in Kelltech Limited.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint venture:

Summarised balance sheet	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
<i>Assets</i>		
Intangible asset	6,858	6,111
Loans receivable	6	5
Cash and cash equivalents	1,671	1,782
<i>Liabilities</i>		
Loans payable	(10,901)	(9,708)
Trade payables	(291)	(141)
<b>Carrying value</b>	<b>(2,657)</b>	<b>(1,951)</b>

Summarised statement of comprehensive loss	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
Other expenses	(434)	(599)
Finance income	3	2
Finance cost	(189)	(293)
<b>Total comprehensive loss</b>	<b>(620)</b>	<b>(890)</b>

Summarised financial information	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
<b>Opening net assets at the beginning of the year</b>	<b>(2,099)</b>	<b>(1,209)</b>
Loss for the year	(620)	(890)
Other comprehensive income	62	-
<b>Closing net assets at the end of the period</b>	<b>(2,657)</b>	<b>(2,099)</b>
Purchase of interest in joint venture @50%	(1,328)	(1,050)
Goodwill	4,903	4,854
<b>Carrying value</b>	<b>3,575</b>	<b>3,804</b>

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 11. Share capital

#### 11.1 Common shares authorised

The Company has an unlimited number of authorised common shares with no par value.

#### 11.2 Common shares issued

	Number of shares	Amount USD'000
<b>Balance at December 31, 2015</b>	<b>3,095,401,663</b>	<b>2,549,583</b>
<b>Balance at June 30, 2016</b>	<b>3,095,401,663</b>	<b>2,549,583</b>

### 12. Borrowings

#### 12.1 Long-term borrowings

	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
Loan from Corridor Mining Resources Proprietary Limited	3,413	3,098
<b>Balance at the end of the period</b>	<b>3,413</b>	<b>3,098</b>

Corridor Mining Resources Proprietary Limited is a wholly owned subsidiary of Limpopo Economic Development Enterprise, an agency of the Limpopo Provincial Government, Republic of South Africa.

The long-term loan bears interest at South African prime overdraft rate until otherwise agreed by the shareholders. The loan is to be repaid from the proceeds generated by the Mphahlele project in Tameng Mining and Exploration Proprietary Limited, a subsidiary of Mahube Mining Proprietary Limited.

#### 12.2 Short-term borrowings

	Jun 30, 2016 USD'000	Dec 31, 2015 USD'000
Loan from Lexshell 703 Proprietary Limited	97	93
Loan from Emiclox	43	35
<b>Balance at the end of the period</b>	<b>140</b>	<b>128</b>

#### Reconciliation of short-term borrowings

	Lexshell 703 USD'000	Emiclox USD'000	TOTAL USD'000
<b>Balance at December 31, 2015</b>	<b>93</b>	<b>35</b>	<b>128</b>
Loan advanced	-	6	6
Foreign exchange variance	4	2	6
<b>Balance at June 30, 2016</b>	<b>97</b>	<b>43</b>	<b>140</b>

On November 29, 2012, 100% of the shareholders' interests in and claims against Lexshell 38 General Trading Proprietary Limited were acquired by the Group. As at November 29, 2012 Lexshell 38 General Trading had a loan owing to Lexshell 703 Proprietary Limited. The loan claims are interest free and have no repayment terms.

## Notes to the condensed consolidated interim financial statements

for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 13. Finance lease liability

ESKOM designed and built an electrical substation and related infrastructure adjacent to PPM to supply the required electricity for PPM's operations. PPM has exclusive use of this facility. ESKOM maintains ownership and control over all significant aspects of operating the facility. The arrangement with ESKOM meets the requirements of IFRIC 4 – *Arrangements containing a lease*, and therefore constitutes a finance lease under IAS 17 – *Leases*.

Each month, PPM pays a fixed capacity charge and a variable charge based on actual electricity consumed. These payments attract interest at the South African prime overdraft rate plus 2%.

*Reconciliation between the total minimum lease payments and their present value:*

As at June 30, 2016	Up to 1 year USD'000	1 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Minimum lease payments	914	1,514	-	2,428
Finance cost	(218)	(153)	-	(371)
<b>Present value</b>	<b>696</b>	<b>1,361</b>	-	<b>2,057</b>

As at December 31, 2015	Up to 1 year USD'000	1 to 5 years USD'000	More than 5 years USD'000	Total USD'000
Minimum lease payments	851	1,882	-	2,733
Finance cost	(234)	(232)	-	(466)
<b>Present value</b>	<b>617</b>	<b>1,650</b>	-	<b>2,267</b>

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
Non-current	1,361	1,650
Current	696	617
<b>Balance at the end of the period</b>	<b>2,057</b>	<b>2,267</b>

# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 14. Decommissioning and rehabilitation provision

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
<b>DISCOUNTED</b>		
Balance at the beginning of the year	13,572	18,472
Unwinding of discount (accretion)	668	1,178
Change in estimate	-	(2,401)
Additions	-	1,091
Subtotal	14,240	18,340
Foreign exchange variance	653	(4,768)
<b>Balance at the end of the period</b>	<b>14,893</b>	<b>13,572</b>
<b>UNDISCOUNTED</b>		
Balance at the beginning of the year	13,185	19,423
Change in estimate	-	(2,401)
Additions	-	1,091
Subtotal	13,185	18,113
Foreign exchange variance	617	(4,928)
<b>Balance at the end of the period</b>	<b>13,802</b>	<b>13,185</b>

The estimate represents the current cost of closure as at the respective period end. An annual estimate of the quantum of closure costs is necessary in order to fulfil the requirements of the Department of Mineral Resources, as well as meeting specific closure objectives outlined in the mine's Environmental Management Programme. Although the ultimate amount of the asset retirement obligation is uncertain, the measurement of the obligation is based on information that is currently available.

The estimated undiscounted liability for the asset retirement obligation at June 30, 2016 is USD13,802,000 (2015: USD13,185,000). The asset retirement obligation has been determined using a discount rate of 9.67% (2015: 9.67%) and an inflation rate of 6% (2015: 6%) over the expected life of mine which is 9.5 years (2015: 10 years).

### 15. Revolving commodity facility

In 2013, PPM signed agreements with Investec Bank Limited ("Investec") to provide a revolving commodity finance facility of up to USD26.9 million (ZAR 400,000,000) for the financing of concentrate deliveries.

In terms of this facility Investec will finance up to 91% of PPM's platinum, palladium and gold deliveries. This facility is repaid within 2 to 4 months upon which the funds are again available for draw-down. This facility is currently available up to December 31, 2016 on which date the Company intends to renew it.

	As at Jun 30, 2016 USD'000	As at Dec 31, 2015 USD'000
Balance at the beginning of the period	18,107	4,785
Repayment of drawdown	(38,149)	(46,652)
Drawdown from the facility during the period	42,314	61,383
Fair value adjustments to the balances	897	(335)
Interest accrued	762	708
Subtotal	23,931	19,889
Foreign exchange variance	1,270	(1,782)
<b>Balance at the end of the period</b>	<b>25,201</b>	<b>18,107</b>



# Sedibelo Platinum Mines Limited

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 16. Revenue

	For the three months ended		For the six months ended	
	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000
4E Minerals	34,250	42,649	63,363	78,351
Other minerals	2,780	3,715	5,171	7,484
<b>Total revenue</b>	<b>37,030</b>	<b>46,364</b>	<b>68,534</b>	<b>85,835</b>

### 17. Cost of operations – by nature

	For the three months ended		For the six months ended	
	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000
On-mine operations				
Total materials and mining costs	(20,021)	(40,189)	(41,414)	(70,872)
Capitalised as stripping costs	-	8,856	-	12,267
	(20,021)	(31,333)	(41,414)	(58,605)
Concentrator plant operations				
Materials and other costs	(6,210)	(6,462)	(11,020)	(12,560)
Utilities	(3,451)	(3,649)	(5,764)	(6,313)
Beneficiation				
Smelting and refining costs	(4,624)	(5,903)	(8,132)	(10,469)
Transport	(162)	(197)	(286)	(350)
Salaries	(3,409)	(3,758)	(6,579)	(7,540)
<b>Sub-total</b>	<b>(37,877)</b>	<b>(51,302)</b>	<b>(73,195)</b>	<b>(95,837)</b>
Amortisation and depreciation of operating assets	(7,423)	(12,215)	(13,888)	(25,209)
Inventory adjustments	(63)	(53)	74	279
<b>Total cost of operations</b>	<b>(45,363)</b>	<b>(63,570)</b>	<b>(87,009)</b>	<b>(120,767)</b>

### 18. Operating loss – by nature

	For the three months ended		For the six months ended	
	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000	As at Jun 30, 2016 USD'000	As at Jun 30, 2015 USD'000
<i>Operating loss includes:</i>				
Share based payment expense	(3)	(44)	(5)	(53)
Employee expenses	(1,696)	(1,756)	(3,273)	(4,170)
Audit fees	(62)	(83)	(198)	(325)
Consulting and professional fees	(567)	(409)	(931)	(882)
Royalty expense	(170)	(192)	(340)	(413)
Amortisation and depreciation	(225)	(453)	(455)	(589)
Impairment of mining assets	-	(390)	-	(390)
Foreign exchange gain/(loss)	(686)	1,305	2,950	5,234

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 19. Financial risk management and Financial instruments

#### 19.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements as at December 31, 2015. There have been no changes in the risk management policies since year end.

#### 19.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash flows for financial liabilities.

#### 19.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different valuation methods have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial liabilities that are measured at fair value at 30 June 2016.

	Level	Carrying value As at Jun 30, 2016 USD '000	Fair value As at Jun 30, 2016 USD '000
Revolving commodity facility	1	25,201	25,201
<b>Total financial liabilities</b>		<b>25,201</b>	<b>25,201</b>

#### 19.4 Fair value of financial assets and liabilities measured at amortised cost

	Carrying value As at Jun 30, 2016 USD '000	Fair value As at Jun 30, 2016 USD '000
Restricted cash investments and guarantees	9,794	9,794
Trade receivables	44,038	44,038
Cash and cash equivalents	70,764	70,764
<b>Total financial assets</b>	<b>124,596</b>	<b>124,596</b>
Long-term borrowings	3,413	3,413
Trade payables and accrued liabilities	19,670	19,670
<b>Total financial liabilities</b>	<b>23,083</b>	<b>23,083</b>

The fair value of the financial assets and liabilities carried at amortised cost is approximately equal to their carrying amounts.

## Notes to the condensed consolidated interim financial statements for the six month period ended June 30, 2016

(Expressed in United States Dollars, unless otherwise stated)

### 20. Contingencies and commitments

#### 20.1 Contingencies

- As at the end of June 2016, the Group had bank and other guarantees of USD28.078 million (December 31, 2015: USD26.799 million) from which it is anticipated that no material liabilities will arise.
- PPM entered into an agreement with Impala Refining Services Limited for the right of first refusal to supply PGM concentrate produced by PPM from the properties, Ruighoek 169JP, Vogelstruisnek 173JP and Palmietfontein 208JP. Should Platmin South Africa Proprietary Limited ("Platmin SA") elect not to accept the terms proposed by Impala Refining Services Limited, a break fee of USD2,090,000 in aggregate will be payable to Impala Refining Services Limited.
- Platmin SA has an obligation, which cannot be quantified, pro rata to its shareholding in Mahube Mining Proprietary Limited to provide funding to Tameng Mining and Exploration Proprietary Limited to undertake the necessary exploration and development on the Mphahlele project. The consequence of not contributing accordingly, results in the dilution of Platmin SA's shareholding.

#### 20.2 Commitments

The Group's contractual obligations are as follows:

Contractual obligations USD'000	Notes	Commitments as at June 30, 2016			
		Total	< 1 year	1-3 years	After 3 years
Employee entitlements <sup>(1)</sup>		1,340	1,340	-	-
Operating lease <sup>(2)</sup>		14	14	-	-
Finance lease <sup>(3)</sup>	13	2,057	696	1,361	-
Asset Retirement Obligation <sup>(4)</sup>	14	14,893	-	-	14,893
Mining costs <sup>(5)</sup>		22,707	22,707	-	-
Open Purchase orders		7,521	7,521	-	-
<b>Total Contractual Obligations</b>		<b>48,532</b>	<b>32,278</b>	<b>1,361</b>	<b>14,893</b>

- (1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
- (2) This includes the contractual monthly payments for the rental of the Company's corporate office. These commitments can be cancelled by giving one year's notice.
- (3) These amounts constitute the minimum lease payments due to ESKOM for the substation and related infrastructure supplied at PPM. Please refer to note 13.
- (4) The amount of USD14,893,000 represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM at the end of life of mine, in accordance with the mining license and approved EMP.
- (5) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations.

### 21. Events after the reporting date

The Group has no adjusting post balance sheet events to report at the date of this report.