



## **Sedibelo Platinum Mines Limited**

**Condensed Consolidated Interim Financial Statements**  
**for the nine month period ended September 30, 2018 and September 30, 2017**  
*(December 2017 Audited, September 2017 & September 2018 Unaudited, expressed in United States dollars, unless otherwise stated)*

# Sedibelo Platinum Mines Limited

## Condensed consolidated interim statement of financial position as at September 30, 2018

(Expressed in United States Dollars, unless otherwise stated)

	Notes	Sep 30, 2018 USD'000	Dec 31, 2017 USD'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Mining assets	5	795,996	906,219
Intangible assets	6	35,179	39,705
Property, plant and equipment	7	148,660	197,894
Loans receivable		16,890	18,252
Restricted cash investments and guarantees	8.2	18,135	17,733
Investment in associate	10	2,031	2,911
<b>Total non-current assets</b>		<b>1,016,891</b>	<b>1,182,714</b>
<b>Current assets</b>			
Inventories	9	8,947	9,529
Trade and other receivables		63,253	54,456
Cash and cash equivalents	8.1	37,394	6,323
<b>Total current assets</b>		<b>109,594</b>	<b>70,308</b>
<b>TOTAL ASSETS</b>		<b>1,126,485</b>	<b>1,253,022</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		(478,670)	(414,617)
Accumulated deficit		(1,042,690)	(943,334)
		1,028,223	1,191,632
<b>Non-controlling interests</b>			
		(1,143)	(1,639)
<b>Total equity</b>		<b>1,027,080</b>	<b>1,189,993</b>
<b>Non-current liabilities</b>			
Long-term borrowings	12.1	42,606	4,788
Decommissioning and rehabilitation provision	14	15,894	16,800
<b>Total non-current liabilities</b>		<b>58,500</b>	<b>21,588</b>
<b>Current liabilities</b>			
Short-term borrowings	12.2	370	314
Trade payables and accrued liabilities		24,716	22,421
Revolving commodity facility	15	15,819	17,530
Finance lease liability	13	-	1,176
<b>Total current liabilities</b>		<b>40,905</b>	<b>41,441</b>
<b>Total liabilities</b>		<b>99,405</b>	<b>63,029</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,126,485</b>	<b>1,253,022</b>

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

# Sedibelo Platinum Mines Limited

## Condensed consolidated interim statement of comprehensive income for the three and nine months ended September 30, 2018

(Expressed in United States Dollars, unless otherwise stated)

	Note s	For the three months ended		For the nine months ended	
		Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
		USD'000	USD'000	USD'000	USD'000
Revenue	16	44,978	30,791	125,950	87,942
Cost of operations	17	(48,549)	(40,448)	(141,110)	(125,594)
<b>Gross loss</b>		<b>(3,571)</b>	<b>(9,657)</b>	<b>(15,160)</b>	<b>(37,652)</b>
Administrative and general expenses		(5,742)	(5,110)	(17,741)	(15,506)
Other (expenses) / income		7,017	(158)	10,672	83
Foreign exchange gain / (loss)		(1,098)	(552)	(1,815)	(2,779)
<b>Operating loss</b>	18	<b>(3,394)</b>	<b>(15,477)</b>	<b>(24,044)</b>	<b>(55,854)</b>
Finance income		3,479	864	5,685	2,845
Finance costs		(2,174)	(849)	(5,385)	(2,726)
Share of loss of investments accounted for using the equity method		7	(267)	(694)	(554)
<b>Loss before income tax</b>		<b>(2,082)</b>	<b>(15,729)</b>	<b>(24,438)</b>	<b>(56,289)</b>
Income tax expense		-	-	-	(5)
<b>LOSS FOR THE PERIOD</b>		<b>(2,082)</b>	<b>(15,729)</b>	<b>(24,438)</b>	<b>(56,294)</b>
<i>Attributable to:</i>					
Owners of the parent		(2,240)	(15,882)	(24,934)	(56,744)
Non-controlling interest		158	153	496	450
		<b>(2,082)</b>	<b>(15,729)</b>	<b>(24,438)</b>	<b>(56,294)</b>
<b>Other Comprehensive (loss)/income:</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on loan designated as net investment		(16,237)	(48,801)	(74,422)	(75,227)
Exchange differences on translation from functional to presentation currency		(11,638)	6,475	(64,466)	84,292
Movement in other reserves		91	14	413	(50)
Other comprehensive income - net of tax		(27,784)	(42,312)	(138,475)	9,015
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>		<b>(29,866)</b>	<b>(58,041)</b>	<b>(162,913)</b>	<b>(47,279)</b>
<i>Attributable to:</i>					
Owners of the parent		(30,024)	(58,194)	(163,409)	(47,729)
Non-controlling interest		158	153	496	450
		<b>(29,866)</b>	<b>(58,041)</b>	<b>(162,913)</b>	<b>(47,279)</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 nine months ended September 30, 2018

(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, 2017</b>	<b>2,549,583</b>	<b>(865,944)</b>	<b>2,451</b>	<b>(1,214)</b>	<b>(541,589)</b>	<b>1,143,287</b>	<b>(2,241)</b>	<b>1,141,046</b>
Loss for the period	-	(56,744)	-	-	-	(56,744)	450	(56,294)
Other comprehensive (loss)/income for the period	-	(75,227)	-	(50)	84,292	9,015	-	9,015
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(131,971)</b>	<b>-</b>	<b>(50)</b>	<b>84,292</b>	<b>(47,729)</b>	<b>450</b>	<b>(47,279)</b>
<b>Balance at September 30, 2017</b>	<b>2,549,583</b>	<b>(997,915)</b>	<b>2,451</b>	<b>(1,264)</b>	<b>(457,297)</b>	<b>1,095,558</b>	<b>(1,791)</b>	<b>1,093,767</b>
Loss for the period	-	(194)	-	-	-	(194)	152	(42)
Other comprehensive income/(loss) for the period	-	52,324	-	(109)	44,053	96,268	-	96,268
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(52,130)</b>	<b>-</b>	<b>(109)</b>	<b>44,053</b>	<b>96,074</b>	<b>152</b>	<b>96,226</b>
Transfers between equity	-	2,451	(2,451)	-	-	-	-	-
<b>Total contributions by owners of the parent, recognised directly in equity</b>	<b>-</b>	<b>2,451</b>	<b>(2,451)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at December 31, 2017</b>	<b>2,549,583</b>	<b>(943,334)</b>	<b>-</b>	<b>(1,373)</b>	<b>(413,244)</b>	<b>1,191,632</b>	<b>(1,639)</b>	<b>1,189,993</b>
Loss for the period	-	(24,934)	-	-	-	(24,934)	496	(24,438)
Other comprehensive (loss)/income for the period	-	(74,422)	-	413	(64,466)	(138,475)	-	(138,475)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>(99,356)</b>	<b>-</b>	<b>413</b>	<b>(64,466)</b>	<b>(163,409)</b>	<b>496</b>	<b>(162,913)</b>
<b>Balance at September 30, 2018</b>	<b>2,549,583</b>	<b>(1,042,690)</b>	<b>-</b>	<b>(960)</b>	<b>(477,710)</b>	<b>1,028,223</b>	<b>(1,143)</b>	<b>1,027,080</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 three and nine months ended September 30, 2018**

(Expressed in United States Dollars, unless otherwise stated)

		<b>For the nine months ended</b>	
		<b>Sep 30, 2018</b>	<b>Sep 30, 2017</b>
	<b>Notes</b>	<b>USD'000</b>	<b>USD'000</b>
<b>Cash flows from operating activities</b>			
Loss before income tax		(24,438)	(56,289)
Depreciation of property, plant and equipment	7	30,342	27,971
Amortisation of intangible assets	6	524	367
Impairment reversal	6	(3,421)	-
Revolving commodity facility fair value adjustment	15	1,034	(170)
Share of loss of investments accounted for using the equity method		694	554
Unrealised foreign exchange loss		4,063	2,748
Profit on disposal of asset		(3)	-
Finance income		(5,685)	(2,845)
Finance cost		5,385	2,726
<i>Operating loss before working capital changes</i>		8,495	(24,938)
(Increase)/Decrease in trade and other receivables		(15,292)	12,348
Increase/(Decrease) in trade and other payables		4,141	(1,495)
Increase in inventories		(692)	(1,074)
Increase in short-term borrowings		101	54
<i>Cash generated from/(utilised in) operations</i>		(3,247)	(15,105)
Income tax paid		-	(5)
Interest paid		(1,306)	(329)
Interest received		3,645	1,253
<i>Net cash generated from/(utilised in) operating activities</i>		<b>(908)</b>	<b>(14,186)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(3,390)	(12,209)
Purchases of mining assets	5	(430)	(588)
Additions to intangible assets	6	(1,425)	(354)
Change in estimate - Credit note for Eskom substation	6	3,421	
Funds (invested in)/released from restricted cash		(1,742)	2,392
Loans granted to external parties		1,122	(1,150)
<i>Net cash utilised in investing activities</i>		<b>(2,444)</b>	<b>(11,909)</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease liability	13	(491)	(772)
Loans received		42,627	-
Proceeds from revolving commodity facility	15	56,442	47,116
Repayment of revolving commodity facility	15	(57,992)	(56,299)
<i>Net cash generated from/(utilised in) financing activities</i>		<b>40,586</b>	<b>(9,955)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		37,234	(36,050)
<b>Cash and cash equivalents at beginning of the year</b>	8.1	6,323	50,307
Exchange (loss)/gain on cash and cash equivalents		(6,163)	1,656
<b>Cash and cash equivalents at end of the period</b>	8.1	<b>37,394</b>	<b>15,913</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 three and nine months ended September 30, 2018

(Expressed in United States Dollars, unless otherwise stated)

### 1. General information

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. Through its 100% owned subsidiary, Pilanesberg Platinum Mines Proprietary Limited, the Group has established the Pilanesberg Platinum Mines (“PPM”) on the Western Limb of the Bushveld Complex.

The Company is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. For the nine months ended September 30, 2018 the Group made a loss of USD24.438 million.

### 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”), IFRS IC 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 US dollars (“USD”) and all monetary results are rounded to the nearest thousand (USD’000) except when otherwise indicated.

There are no changes in these accounting policies for the period ended September 30, 2018 except as disclosed in Note 4 below “Changes in accounting policy”.

#### *Going concern*

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Group be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements. Such adjustments could be material.

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

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

The interim results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The board of directors believes that the group will continue to have adequate financial resources and access to capital to continue operating for the foreseeable future and, accordingly, the interim results have been prepared on a going concern basis.

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

### 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, 2017 except as described below.

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

	At Sep 30, 2018	Average nine months ended Sep 30, 2018	Average three months ended Sep 30, 2018	At Dec 31, 2017	Average nine months ended Sep 30, 2017	Average three months ended Sep 30, 2017
South African Rand (USD:ZAR)	14.80	12.89	14.10	12.38	13.20	13.18

### 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 2017.

#### 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, 2017. At the date of the issue of this report, the following new accounting standard was in issue but not yet effective. The standard is not expected to have an impact on the Company's financial statements.

- IFRS 16 Leases – The standard removes the classification of leases as operating or finance leases and requires all leases to be included on the statement of financial position.

##### *Impact assessment*

The Group has limited lease arrangements and therefore no material changes were identified. The impact is expected to be minimal. The standard is effective for year-ends beginning on or after 1 January 2019.

The following new accounting standards were effective for the first time during 2018:

- IFRS 9 Financial instruments – The standard contains substantial changes with regards to classification, measurement, impairment and hedge accounting requirements.

##### *Impact assessment*

Revolving credit facility fair value adjustments were considered to determine whether the contracts include an element to be accounted for under hedge accounting. An assessment of credit risk was performed and is not expected to have a material effect given the nature of receivables. The standard is effective for year-ends beginning on or after 1 January 2018.

- IFRS 15 Revenue from Contracts with Customers – The standard is more prescriptive around considerations of when control of goods is transferred to the customer.

##### *Impact assessment*

Provisional pricing arrangements and delivery obligations with customers were considered to determine whether the contracts include embedded derivatives or variable consideration, or multiple performance obligations. No material impact was identified and revenue recognition is expected to remain consistent. The standard is effective for year-ends beginning on or after 1 January 2018.

There are no other new standards, interpretations or amendments to standards issued and effective for the year which may in the future be expected to have a material impact on the Group.



## 5. Mining assets

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
Exploration and evaluation assets	16,414	18,257
Mineral properties	750,897	855,289
Mineral rights	28,685	32,673
<b>Balance at the end of the period</b>	<b>795,996</b>	<b>906,219</b>

	Exploration & evaluation assets USD'000	Mineral properties USD'000	Mineral rights USD'000	TOTAL USD'000
<b>Balance at January 1, 2017</b>	<b>15,860</b>	<b>778,031</b>	<b>29,721</b>	<b>823,612</b>
Additions	765	-	-	765
Foreign exchange variance	1,632	77,258	2,952	81,842
<b>Balance at December 31, 2017</b>	<b>18,257</b>	<b>855,289</b>	<b>32,673</b>	<b>906,219</b>
Additions	430	-	-	430
Foreign exchange variance	(2,273)	(104,392)	(3,988)	(110,653)
<b>Balance at September 30, 2018</b>	<b>16,414</b>	<b>750,897<sup>(a)</sup></b>	<b>28,685<sup>(a)</sup></b>	<b>795,996</b>

(a) Long term borrowings are secured on Mineral properties and rights to the value of ZAR200 million (USD14 million).

## 6. Intangible assets

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
Water pipeline	24,992	28,159
ERP software	37	61
Computer software	427	433
Research and development	9,723	11,052
<b>Balance at the end of the period</b>	<b>35,179</b>	<b>39,705</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, 2017</b>	<b>29,120</b>	<b>127</b>	<b>1,084</b>	<b>9,905</b>	<b>21,672</b>	<b>61,908</b>
Additions during the year	-	-	261	153	-	414
Foreign exchange variance	2,892	13	123	994	2,152	6,174
<b>Balance at December 31, 2017</b>	<b>32,012</b>	<b>140</b>	<b>1,468</b>	<b>11,052</b>	<b>23,824</b>	<b>68,496</b>
Additions during the year	616	-	215	22	-	853
Change in estimate	-	-	-	-	(3,421) <sup>(a)</sup>	(3,421)
Foreign exchange variance	(3,942)	(17)	(201)	(1,351)	(1,843)	(7,354)
<b>Balance at September 30, 2018</b>	<b>28,686</b>	<b>123</b>	<b>1,482</b>	<b>9,723</b>	<b>18,560</b>	<b>58,574</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>						
<b>Balance at January 1, 2017</b>	<b>3,074</b>	<b>49</b>	<b>804</b>	<b>-</b>	<b>21,672</b>	<b>25,599</b>
Amortisation for the year	439	23	136	-	-	598
Foreign exchange variance	340	7	95	-	2,152	2,594
<b>Balance at December 31, 2017</b>	<b>3,853</b>	<b>79</b>	<b>1,035</b>	<b>-</b>	<b>23,824</b>	<b>28,791</b>
Amortisation for the year	346	18	160	-	-	524
Impairment reversal	-	-	-	-	(3,421) <sup>(a)</sup>	(3,421)
Foreign exchange variance	(505)	(11)	(140)	-	(1,843)	(2,499)
<b>Balance at September 30, 2018</b>	<b>3,694</b>	<b>86</b>	<b>1,055</b>	<b>-</b>	<b>18,560</b>	<b>23,395</b>
<b>CARRYING AMOUNTS</b>						
<b>Balance at January 1, 2017</b>	<b>26,046</b>	<b>78</b>	<b>280</b>	<b>9,905</b>	<b>-</b>	<b>36,309</b>
<b>Balance at December 31, 2017</b>	<b>28,159</b>	<b>61</b>	<b>433</b>	<b>11,052</b>	<b>-</b>	<b>39,705</b>
<b>Balance at September 30, 2018</b>	<b>24,992</b>	<b>37</b>	<b>427</b>	<b>9,723</b>	<b>-</b>	<b>35,179</b>

(a) Eskom finalised the substation project cost for the Sedibelo mining area during Q1 of 2018. The project was finalised below its estimated cost and a credit note of USD3.421 million (ZAR40 million) was received from ESKOM.

## 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	<sup>(a)</sup> Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
<b>COST</b>										
<b>Balance at January 1, 2017</b>	<b>6,639</b>	<b>8,110</b>	<b>125,293</b>	<b>54,136</b>	<b>19,562</b>	<b>5,520</b>	<b>156,069</b>	<b>3,469</b>	<b>4,787</b>	<b>383,585</b>
Additions	-	1,349	-	-	-	-	11,536	11	1,297	14,193
Change in estimate	-	-	-	-	(5,407)	-	-	-	-	(5,407)
Reduction	-	-	-	-	(3,526)	-	-	-	-	(3,526)
Disposals	-	-	-	-	-	-	-	-	(7)	(7)
Foreign exchange variance	659	901	12,441	5,376	1,347	548	16,282	344	553	38,451
<b>Balance at December 31, 2017</b>	<b>7,298</b>	<b>10,360</b>	<b>137,734</b>	<b>59,512</b>	<b>11,976</b>	<b>6,068</b>	<b>183,887</b>	<b>3,824</b>	<b>6,630</b>	<b>427,289</b>
Additions	-	1,062	-	-	-	-	1,757	-	571	3,390
Change in estimate	-	-	-	-	-	(642) <sup>(b)</sup>	-	-	-	(642)
Disposals	-	-	-	-	-	-	-	-	(11)	(11)
Foreign exchange variance	(891)	(1,370)	(16,811)	(7,264)	(1,462)	(703)	(22,669)	(467)	(877)	(52,514)
<b>Balance at September 30, 2018</b>	<b>6,407</b>	<b>10,052</b>	<b>120,923</b>	<b>52,248</b>	<b>10,514</b>	<b>4,723</b>	<b>162,975</b>	<b>3,357</b>	<b>6,313</b>	<b>377,512</b>
<b>ACCUMULATED DEPRECIATION</b>										
<b>Balance at January 1, 2017</b>	<b>2,612</b>	-	<b>64,599</b>	<b>26,931</b>	<b>5,058</b>	<b>2,763</b>	<b>63,775</b>	<b>412</b>	<b>3,588</b>	<b>169,738</b>
Depreciation for the year	895	-	10,652	4,794	2,422	346	19,790	130	793	39,822
Disposals	-	-	-	-	-	-	-	-	(6)	(6)
Foreign exchange variance	326	-	7,230	3,035	682	300	7,799	50	419	19,841
<b>Balance at December 31, 2017</b>	<b>3,833</b>	-	<b>82,481</b>	<b>34,760</b>	<b>8,162</b>	<b>3,409</b>	<b>91,364</b>	<b>592</b>	<b>4,794</b>	<b>229,395</b>
Depreciation for the year	767	-	9,214	4,112	482	238	14,778	102	649	30,342
Disposals	-	-	-	-	-	-	-	-	(11)	(11)
Foreign exchange variance	(540)	-	(10,928)	(4,627)	(1,034)	(442)	(12,569)	(83)	(651)	(30,874)
<b>Balance at September 30, 2018</b>	<b>4,060</b>	-	<b>80,767</b>	<b>34,245</b>	<b>7,610</b>	<b>3,205</b>	<b>93,573</b>	<b>611</b>	<b>4,781</b>	<b>228,852</b>

	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	<sup>(a)</sup> Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
<b>CARRYING AMOUNTS</b>										
Balance at January 1, 2017	4,027	8,110	60,694	27,205	14,504	2,757	92,294	3,057	1,199	213,847
Balance at December 31, 2017	3,465	10,360	55,253	24,752	3,814	2,659	92,523	3,232	1,836	197,894
Balance at September 30, 2018	2,347	10,052	40,156	18,003	2,904	1,518	69,402	2,746	1,532	148,660

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

(b) Eskom finalised the substation project cost for Pilanesberg during Q3 of 2018. The project was finalised below its estimated cost and a credit note of USD7.002 million (ZAR94million) was received from ESKOM.

Long term borrowings are secured on Plant and equipment to the value of ZAR600 million (USD41 million) and on all moveable assets to the value of ZAR100 million (USD7 million).

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

### 8.1 Cash and cash equivalents

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
Cash at bank	37,394	6,323
<b>Balance at the end of the period</b>	<b>37,394</b>	<b>6,323</b>

Cash at banks predominantly earns 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 Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
<b>Balance at the end of the period</b>	<b>18,135</b>	<b>17,733</b>

The Department of Mineral Resources 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 bases:

- 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 Sept 30, 2018 the Group had USD33.530 million in guarantees to the DMR and Eskom, of which USD18.135 million is funded.

## 9. Inventories

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
Ore stockpiled	541	186
Work in progress	446	156
Consumables	7,960	9,187
<b>Balance at the end of the period</b>	<b>8,947</b>	<b>9,529</b>

## 10. Investment in associate

Management have accounted for its interest in KellTech Limited as a joint venture through the equity method of accounting due to the nature of the joint arrangement. The joint venture 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

### Investment in associate

	Sep 30, 2018 USD'000	Dec 31, 2017 USD'000
1 January	2,911	3,015
Share of income from associate	(694)	(632)
Foreign exchange gain/(loss) on investment in associate	(186)	528
<b>Investment in associate value</b>	<b>2,031</b>	<b>2,911</b>

### Details of associate

Summarised financial and profit and loss information in respect of Kelltech Limited reflecting 100% of the associate is set out below:

Summarised balance sheet	Sep 30, 2018 USD'000	Dec 31, 2017 USD'000
Non-current assets	8,504	10,069
Current assets	1,201	2,477
Non-current liabilities	(8,773)	(8,655)
Current Liabilities	(19)	(179)
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	1,170	2,293
<b>Net asset value</b>	<b>932</b>	<b>3,891</b>
SPM ownership interest	<b>50%</b>	<b>50%</b>
Summarised statement of comprehensive loss		
Revenue	-	-
Loss for the year	(1,332)	(1,224)
Other comprehensive income/(loss)	(1,008)	(196)
Total comprehensive loss	(2,340)	(1,420)
<i>The above loss for the year includes the following:</i>		
Finance income	19	71
Finance expense	(107)	(107)

## 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
Balance at December 31, 2017	3,095,401,663	2,549,583
Balance at September 30, 2018	3,095,401,663	2,549,583

## 12. Borrowings

### 12.1 Long term borrowings

	Sep 30, 2018 USD'000	Dec 31, 2017 USD'000
Loan from Corridor Mining Resources Proprietary Limited <sup>(a)</sup>	4,531	4,788
Loan from Industrial Development Corporation of South Africa Limited ("IDC") <sup>(b)</sup>	38,075	-
<b>Balance at the end of the period</b>	<b>42,606</b>	<b>4,788</b>

a) Corridor Mining Resources Proprietary Limited is a wholly owned subsidiary of Limpopo Economic Development Agency, 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.

b) PPM secured a loan of ZAR500 million from the IDC. The proceeds from this loan will be utilised to sustain mining operations.

This long-term loan bears interest at the South African prime overdraft rate plus 3.5% accrued on a monthly basis. Repayment of interest will be made in monthly instalments starting 23 March 2020. Outstanding capital will be repaid in twelve quarterly instalments of ZAR 41,666,667 starting on 1 September 2020, with the final payment on 30 June 2023.

This loan is secured to the value of:

- ZAR200 million (USD14 million) over Mineral properties and rights;
- ZAR600 million (USD43 million) over plant and equipment at PPM; and
- ZAR100 million (USD7 million) over all moveable assets of PPM.

### 12.2 Short term borrowings

	Sep 30, 2018 USD'000	Dec 31, 2017 USD'000
Loan from Lexshell 703 Proprietary Limited	103	117
Loan from Emiclox	267	197
<b>Balance at the end of the period</b>	<b>370</b>	<b>314</b>

Reconciliation of short-term borrowings

	Lexshell 703 <sup>(a)</sup> USD'000	Emiclox <sup>(b)</sup> USD'000	TOTAL USD'000
<b>Balance at January 1, 2018</b>	<b>117</b>	<b>197</b>	<b>314</b>
Loan advanced	-	101	101
Foreign exchange variance	(14)	(31)	(45)
<b>Balance at Sep 30, 2018</b>	<b>103</b>	<b>267</b>	<b>370</b>

a) The loan from Lexshell 703 Proprietary Limited is interest free and has no repayment terms.

b) The loan from Emiclox is interest free and has no repayment terms.



### 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%.

Eskom finalised the project below its estimated cost. This together with a grant from the Department of Trade and Industry, and certain project expenses that was incurred by PPM, resulted in an accelerated repayment of the lease.

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

	Up to 1 year USD'000	1 to 5 years USD'000	More than 5 years USD'000	Total USD'000
<b>As at September 30, 2018</b>				
Minimum lease payments	-	-	-	-
Finance cost	-	-	-	-
<b>Present value</b>	-	-	-	-
<b>As at December 31, 2017</b>				
Minimum lease payments	1,269	-	-	1,269
Finance cost	(93)	-	-	(93)
<b>Present value</b>	<b>1,176</b>	-	-	<b>1,176</b>

#### 14. Decommissioning and rehabilitation provision

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
<b>DISCOUNTED</b>		
Balance at the beginning of the year	16,800	22,312
Unwinding of discount (accretion)	1,258	1,710
Change in estimate (Reduction) / Addition	-	(5,407)
	-	(3,526)
Subtotal	18,058	15,089
Foreign exchange variance	(2,164)	1,711
<b>Balance at the end of the period</b>	<b>15,894</b>	<b>16,800</b>
<b>UNDISCOUNTED</b>		
Balance at the beginning of the year	24,353	23,068
Change in estimate	-	2,420
(Reduction) / Addition	-	(2,462)
Subtotal	24,353	23,026
Foreign exchange variance	(2,972)	1,327
<b>Balance at the end of the period</b>	<b>21,381</b>	<b>24,353</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 September 30, 2018 is USD21,381,000 (2017: USD24,353,000). The asset retirement obligation has been determined using a Rand discount rate of 10.55% (2017: 10.55%) and an inflation rate of 5.4% (2017: 5.4%) over the expected life of mine which is 7.75 years (2017: 8 years).

## 15. Revolving commodity facility

PPM signed agreements with Investec Bank Limited (“Investec”) to provide a Rand denominated revolving commodity finance facility of up to ZAR300 million (USD20.270 thousand) for the financing of concentrate deliveries. The facility relating to deliveries to Impala Refining Services Limited (“Impala”) bears interest at JIBAR plus 2.4% and is available up to March 31, 2019, when PPM intends to renew it.

In terms of this facility Investec Bank Limited will finance up to 91% of PPM’s platinum, palladium and gold deliveries. PPM cedes on an out-and-out basis to Investec all rights to payments under its offtake agreements with Northam and Impala until the corresponding liability is settled. This facility is repaid within 2 to 4 months upon which the funds are again available for draw-down. On settlement date, the drawdown is revalued using average commodity prices and exchange rates for the calendar month before settlement date.

	As at Sep 30, 2018 USD'000	As at Dec 31, 2017 USD'000
Balance at the beginning of the period	17,530	21,841
Repayment of drawdown	(57,992)	(83,949)
Drawdown from the facility during the period	56,442	75,008
Fair value adjustments to the balances	1,034	827
Interest accrued	883	1,238
<b>Subtotal</b>	<b>17,897</b>	<b>14,965</b>
Exchange rate variance	(2,078)	2,565
<b>Balance at the end of the period</b>	<b>15,819</b>	<b>17,530</b>

## 16. Revenue

	For the three months ended		For the nine months ended	
	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000
4E Minerals	39,968	27,662	115,041	79,776
Other minerals	5,010	3,129	10,909	8,166
<b>Total revenue</b>	<b>44,978</b>	<b>30,791</b>	<b>125,950</b>	<b>87,942</b>

## 17. Cost of operations

	For the three months ended		For the nine months ended	
	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000
Chrome revenue	384	-	1,790	-
On-mine operations				
Total materials and mining costs	(17,750)	(11,955)	(48,310)	(42,941)
Concentrator plant operations				
Materials and other costs	(7,721)	(7,358)	(25,753)	(20,952)
Utilities	(4,972)	(4,688)	(12,831)	(11,720)
Beneficiation				
Smelting and refining costs	(4,089)	(3,051)	(12,724)	(9,836)
Transport	(151)	(106)	(455)	(336)
Salaries	(4,250)	(4,227)	(13,592)	(12,390)
<i>Sub-total</i>	<b>(38,549)</b>	<b>(31,385)</b>	<b>(111,875)</b>	<b>(98,175)</b>
Amortisation and depreciation of operating assets	(10,417)	(9,297)	(29,947)	(27,698)
Inventory adjustments	417	234	712	279
<b>Total cost of operations</b>	<b>(48,549)</b>	<b>(40,448)</b>	<b>(141,110)</b>	<b>(125,594)</b>

## 18. Operating loss

	For the three months ended		For the nine months ended	
	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000	As at Sep 30, 2018 USD'000	As at Sep 30, 2017 USD'000
<i>Operating loss includes:</i>				
Employee expenses	(2,634)	(2,487)	(7,716)	(7,358)
Impairment reversal	-	-	3,421	-
Audit fees	-	(8)	(240)	(194)
Consulting and professional fees	(391)	(597)	(1,481)	(1,357)
Royalty expense	(216)	(154)	(628)	(498)
Amortisation and depreciation	(285)	(165)	(911)	(640)
Foreign exchange gain/(loss)	(1,098)	(552)	(1,815)	(2,779)

## 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, 2017. There have been no changes in the risk management policies since year end.

### 19.2 Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost effective manner. The Group's Executive Directors continually review the liquidity position including cash flow forecasts to determine the forecast liquidity position.

All excess cash is held by the Company, Platmin SA or PPM. The Company invests excess funds in fixed deposit structures. Platmin SA keeps excess funds in a current account.

The contractual undiscounted cashflow maturity analysis of payables at the reporting date was as follows:

	Presented USD'000	Less than 6 months USD'000	Between 6 - 12 months USD'000	Greater than 12 months USD'000
<b>Balances at September 30, 2018</b>				
Long-term borrowings	42,606	-	-	42,606
Short-term borrowings	370	370	-	-
Trade payables and accrued liabilities	24,716	24,716	-	-
Revolving commodity facility	15,819	15,819	-	-
<b>Total financial liabilities</b>	<b>83,511</b>	<b>40,905</b>	-	<b>42,606</b>
<b>Balances at December 31, 2017</b>				
Long-term borrowings	4,788	-	-	4,788
Short-term borrowings	314	314	-	-
Trade payables and accrued liabilities	22,421	22,421	-	-
Revolving commodity facility	17,530	17,530	-	-
<b>Total financial liabilities</b>	<b>45,053</b>	<b>40,265</b>	-	<b>4,788</b>

## 19. Financial risk management and Financial instruments (continued)

### 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 September 2018.

	Level	Carrying value As at Sep 30, 2018 USD '000	Fair value As at Dec 31, 2017 USD '000
Revolving commodity facility	1	15,819	17,530
<b>Total financial liabilities</b>		<b>15,819</b>	<b>17,530</b>

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

	As at Sep 30, 2018 USD '000	As at Dec 31, 2017 USD '000
Restricted cash investments and guarantees	18,135	17,733
Loans receivable	16,890	18,252
Trade and other receivables	52,155	53,535
Cash and cash equivalents	37,394	6,323
<b>Total financial assets</b>	<b>124,574</b>	<b>95,843</b>
Long-term borrowings	42,606	4,788
Short-term borrowings	370	314
Trade payables and accrued liabilities	24,716	22,421
<b>Total financial liabilities</b>	<b>67,692</b>	<b>27,523</b>

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

## 20. Contingencies and commitments

### 20.1 Contingencies

- At September 30, 2018, the Group had bank and other guarantees of USD33.530 million (2017: USD40.434 million) from which it is anticipated that no material liabilities will arise in addition to amounts already provided.
- Pilanesberg Platinum Mines Proprietary Limited entered into an agreement with Impala Refining Services Limited for the right of first refusal to supply PGM concentrate produced by Pilanesberg Platinum Mines Proprietary Limited 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 September 30, 2018			
		Total	< 1 year	1-3 years	After 3 years
Employee entitlements <sup>(1)</sup>		1,049	1,049	-	-
Operating lease <sup>(2)</sup>		362	138	224	-
Asset Retirement Obligation <sup>(3)</sup>	14	15,894	-	-	15,894
Mining costs <sup>(4)</sup>		12,380	12,380	-	-
Open Purchase orders		5,824	5,824	-	-
<b>Total Contractual Obligations</b>		<b>35,509</b>	<b>19,391</b>	<b>224</b>	<b>15,894</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.

(3) The amount of USD15,894,000 represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM and Sedibelo at the end of life of mine, in accordance with the mining license and approved EMP.

(4) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations for the required notice period, should the contract with the main mining contractor be cancelled.

## 21. Events after the reporting date

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