Sedibelo Platinum Mines Limited
(Registration number 54400)

Consolidated and Company financial statements for the year ended December 31, 2020

Sedibelo Platinum Mines Limited
Contents

Directors' report

The Directors of Sedibelo Platinum Mines Limited ("SPM" or "the Company") are pleased to table their annual report together with the consolidated audited financial statements of the Company and its subsidiaries (collectively "the Group") for the year ended December 31, 2020.

Incorporation

SPM is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. The Company is limited by shares. In December 2013, the Company changed its name from Platmin to Sedibelo Platinum Mines Limited to properly reflect the material progress towards its vision of consolidating Platinum Group Metal ("PGM") assets in South Africa and its new, enlarged regional profile.

Registered office

The Company's registered office is situated at PO BOX 282, Oak House, Hirzel Street, St. Peter Port, Guernsey, GY1 3RH.

Principal activities

SPM invests in the exploration, development and operating of PGM assets in the Western Limb and Eastern Limb of the Bushveld Complex in South Africa. Total Group PGM Mineral Resources comprise 25.9 million ounces ("oz") of Measured and Indicated Mineral Resources and 54.6 million oz of Inferred Mineral Resources. Approximately 4.58 million oz of these resources will be accessed via open cast mining methods.

Through a wholly owned subsidiary, SPM has established Pilanesberg Platinum Mines (Pty) Limited ("PPM"), currently comprising an operating open pit ("West Pit"), a developing open pit ("East Pit"), a PGM concentrator and a chromite removal plant.

Review of business

Annual production from PPM is approximately 130k 4E oz per annum and will increase as the East Pit is developed. In December 2020, the Company's board approved an expansion of its Sedibelo Central and Magazynskraal East mining properties. This approval of the development of these shallow underground resources will create opportunities for many years ahead.

Part of these expansions will be founded on new technologies in the fields of upgrading reef packages and a hydrometallurgical process of beneficiation. Both these new technologies are planned to deliver higher metallurgical recoveries. The Company's board also approved the construction of the first Kell beneficiation Plant.

A settlement agreement with 13 (thirteen) Clans from the Lesetlheng Community was concluded on November 30, 2019 to access the adjacent mining property (Wilgespruit 2JQ) where the East Pit will be. A further addendum was signed on June 8, 2020. Relocation agreements with individual farmers have been signed to move the farmers. The development of East Pit is planned to commence during Q3 2021, when all the remaining farmers are anticipated to have moved, pending the purchase of an alternative farm.

Sedibelo Platinum Mines Limited

Results

The Group has generated its third year of positive operating cashflow since production commenced in 2008. This achievement coupled with a continued improvement in the South African Rand ("ZAR") 4E basket price (specifically with the contribution of platinum, palladium and rhodium) places the Group in a better position for the future. However, there will be a continued focus on cost control, efficiencies and innovative ways to improve the results of the Group.

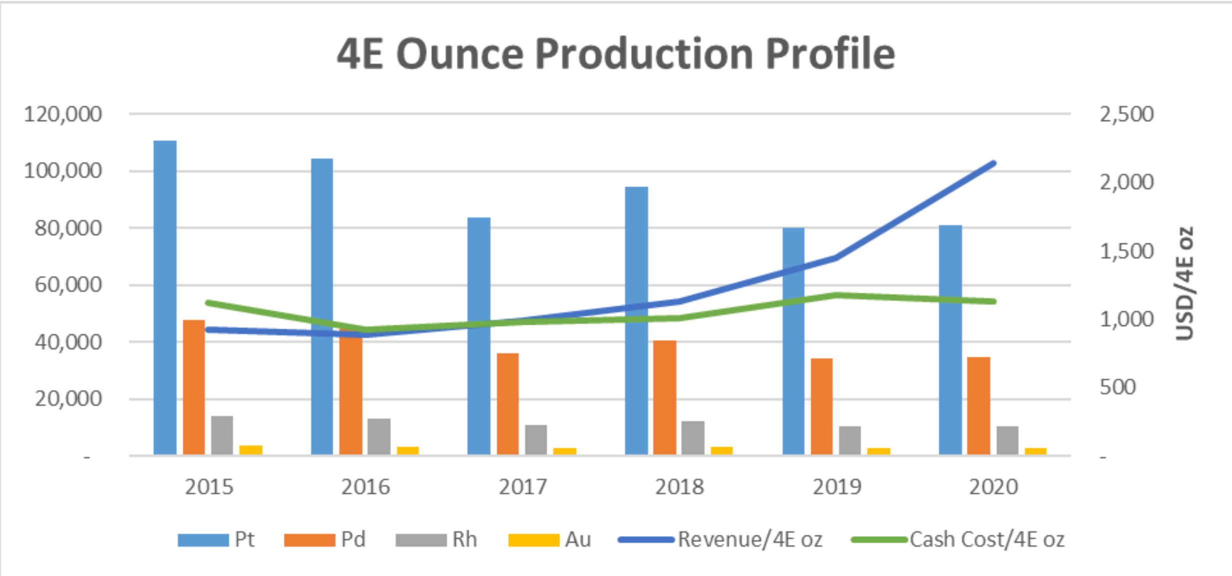
The Group has access to sufficient cash reserves to fund its cash flow requirements for the foreseeable future. These details are disclosed in Note 1 on page 15 and 16 of the consolidated financial statements.

Key performance indicators were as follows:

		For the year ended Dec 31, 2020	Dec 31, 2019
Waste hauled	Bcm million	11.9	9.8
Reef hauled	Tonnes million	4.0	4.1
Average head grade milled	g/t	1.79	1.57
Average concentrator recovery rate	%	71	70
Average recovered grade	g/t	1.29	1.11
Total 4E ounces dispatched and sold*	Ounces	128,754	127,316
Operating profit / (loss) for the year	USD'000	100,544	(25,470)
Profit / (loss) for the year	USD'000	196,194	(29,424)
EBITDA** (refer to note 19)	USD'000	113,063	11,755
Adjusted EBITDA*** (refer to note 19)	USD'000	111,035	13,132

*Metal produced and declared is based on provisional assay results and therefore subject to change until the final assay results are received. Any potential changes are not expected to be material.
**Earnings before interest, tax, depreciation and amortisation.
*** Earnings before interest, tax, depreciation and amortisation and foreign exchange differences.

The annual 4E (comprising of platinum, palladium, rhodium and gold) production profile of PPM to date is summarised in the histogram below:



Events after the reporting period

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

Risks and uncertainties

The Company is, directly, or through third parties, in the business of investing in the exploration and development of mineral properties and the operation of mines. There are risks associated with these activities and specific risks with regards to the South African mining environment, i.e. policy uncertainty, with respect to Carbon Tax and Environmental regulation and the effect on production as a result of the stability of the electricity supplier and general country risk.

The Group is exposed to certain financial risks in the normal course of its operations:

- Market risk (including but not limited to foreign exchange / currency risk, commodity price risk, interest rate risk);
- Liquidity risk; and
- Credit risk.

Information on the Group's financial risk management framework and its objectives and policies, including processes for measuring and managing risks as well as Group exposure to financial risks, and Group management of capital, are contained on pages 42 - 48 in Note 24 to the consolidated financial statements.

Information on the uncertainties in relation to ongoing legal cases, is contained in note 27.1 of the Management Discussion and Analysis ("MD&A") report.

The impact of the Covid-19 outbreak

Covid-19 remains a risk and there is a possibility of a third and possible fourth wave in South Africa. The Company has however been able to generally operate as normal whilst following standard Covid-19 safeguards.

The Company has been managing Covid-19 related health risks through the following measures:

- A risk awareness campaign through various communication channels;
- Identification of high-risk employees;
- Compulsory use of preventative personal protection equipment, which includes face masks, increased hand washing and social distancing;
- Sanitation of common areas and surfaces on a regular basis during the day;
- Placement of hand sanitisers and additional hand washing stations at the surface areas of the mine;
- Limited group meetings and where possible, meetings are conducted virtually in the form of tele- or video conferences;
- Implementation of a comprehensive employee wellness monitoring and support programme.

Below is a summary of the Company's Covid-19 statistics (including contract workers):

	Dec 31, 2020	Mar 31, 2021
Cases (cumulative)	63	122
Recovered (cumulative)	44	109
Deaths (cumulative)	-	3
Close Contact / Suspect cases (cumulative)	116	144
Close Contacts / Suspect cases resolved	114	144
Covid-19 Screenings	5,133	7,778

Significant shareholders

At December 31, 2020, the Company identified the following shareholdings of more than 3% of its total issued share capital.

Name of entity	Shareholding	Percentage shareholding
Pallinghurst Ivy Lane Capital S.a.r.l.	855,529,260	27.6%
Bakgatla Ba Kgafela Tribe	796,641,096	25.7%
The Industrial Development Corporation ("IDC") of South Africa	487,397,167	15.7%
Pallinghurst EMG African Queen LP	206,034,803	6.7%
Rustenburg Platinum Mines Ltd	165,716,314	5.4%
Telok Ayer Street VI Limited	160,199,883	5.2%
Investec Bank Limited	141,922,801	4.6%
Other minority shareholders	281,960,339	9.1%
Common shares	**3,095,401,663**	**100.0%**

Directors

The Directors of the Company during the year were as follows:

Arne Frandsen	Chairman
Andrew Willis	Non-executive director
Chris von Christierson	Non-executive director (Resigned May 20, 2020)
Erich Clarke	Chief executive officer
Keith Liddell	Non-executive director
Kutlwano Motlhabane	Non-executive director
Lael Bethlehem	Non-executive director
Molefe J Pilane (*Kgosi*)	Non-executive director
Raphael Vermeir	Non-executive director (Appointed May 20, 2020)

Details of the interests of Directors and their associates in SPM's shares or in related derivatives or financial instruments are outlined in Note 23 on page 38 - 42 of the consolidated financial statements.

Directors' indemnity insurance

In accordance with the Company's articles of association and to the extent permitted by the Companies Law (Guernsey) 2008, Sedibelo Platinum Mines Limited may indemnify its Directors, from its own funds, to cover liabilities incurred as a result of their office. The relevant provision contained in the Articles can be categorised as a 'qualifying third party indemnity provision' under the Companies Law (Guernsey) 2008. Sedibelo Platinum Mines Limited has purchased Directors' and Officers' liability insurance. This provides insurance cover for any claim brought against Directors or officers for wrongful acts in connection with their positions. The insurance provided does not extend to claims arising from fraud or dishonesty and it does not provide cover for civil or criminal fines or penalties imposed by law.

Employees

Communication with employees continues directly via written and verbal contacts throughout the organisation and via their unions. The average number of people employed by Group entities was as follow:

	For the year ended Dec 31, 2020	Dec 31, 2019
Average headcount	649	621
Contractor employees	1,064	940

Statement of Directors' responsibilities in respect of the financial statements

The financial statements of the Group and the Company are the responsibility of the Directors. In discharging this responsibility, the directors rely on the management of the Group to prepare the consolidated and company financial statements presented on pages 9 to 50 in accordance with, and in compliance, in all material respects, applicable Guernsey law and IFRS.

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records, that disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Erich Clarke
Director
April 15, 2021

Independent auditors’ report to the members of Sedibelo Platinum Mines Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sedibelo Platinum Mines Limited’s Group financial statements and Company financial statements (the “financial statements”):

- give a true and fair view of the state of the Group’s and of the Company’s affairs as at 31 December 2020 and of the Group’s profit and the Group’s and the Company’s cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements, included within the Consolidated and Company Financial Statements (the “Annual Report”), which comprise: the Consolidated and company statements of financial position as at 31 December 2020; the Consolidated statement of comprehensive income, the Consolidated and Company cash flow statements and the Group and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 5, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with environmental regulations, health and safety and mining regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessing significant judgements and estimates in particular those relating to the impairment assessment of non-current assets; and
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Guernsey) Law, 2008 exception reporting

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
15 April 2021

Sedibelo Platinum Mines Limited

(Registration number 54400)

Consolidated and company statements of financial position

as at December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

	Note(s)	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
ASSETS					
Non-current assets					
Mining assets	4	773,275	798,395	700,024	724,602
Intangible assets	5	33,564	34,740	-	-
Property, plant and equipment	6	92,498	111,093	-	-
Loans receivable	23.4, 26.1	16,506	16,916	2,275,159	2,317,928
Restricted cash investments and guarantees	8.2	18,090	15,885	-	-
Deferred tax asset	18	101,949	-	-	-
Investment in associate	23.3	-	-	-	-
Investments in subsidiaries	26.2	-	-	57,895	57,895
Total non-current assets		1,035,882	977,029	3,033,078	3,100,425
Current assets					
Inventories	9	11,818	9,718	-	-
Trade and other receivables	10	133,893	70,130	229	115
Cash and cash equivalents	8.1	62,986	43,393	1,709	2,219
Total current assets		208,697	123,241	1,938	2,334
TOTAL ASSETS		**1,244,579**	**1,100,270**	**3,035,016**	**3,102,759**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	2,549,583	2,549,583	2,549,583	2,549,583
Other components of equity		(521,743)	(458,128)	(1,120,360)	(1,014,138)
(Accumulated losses) / Retained profit		(865,651)	(1,100,208)	1,605,385	1,566,510
		1,162,189	991,247	3,034,608	3,101,955
Non-controlling interests	12	(7,126)	(6,608)	-	-
Total equity		1,155,063	984,639	3,034,608	3,101,955
Non-current liabilities					
Long-term borrowings	13.1, 23.5	26,976	36,643	-	-
Decommissioning and rehabilitation provision	15	16,787	22,163	-	-
Total non-current liabilities		43,763	58,806	-	-
Current liabilities					
Short-term borrowings	13.2, 23.6	14,408	13,453	-	-
Trade payables and accrued liabilities	16	26,134	23,477	408	804
Revolving commodity facility	17	5,211	19,895	-	-
Total current liabilities		45,753	56,825	408	804
Total liabilities		89,516	115,631	408	804
TOTAL EQUITY AND LIABILITIES		**1,244,579**	**1,100,270**	**3,035,016**	**3,102,759**

The financial statements on pages 9 to 50 were approved by the Board of Directors on April 15, 2021 and were signed on its behalf by:

Erich Clarke
Director
April 15, 2021

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

Sedibelo Platinum Mines Limited

Consolidated statement of comprehensive income

for the year ending December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

	Note	2020 USD'000	2019 USD'000
Revenue	20	277,572	181,339
Cost of operations	21	(156,213)	(186,671)
Gross profit / (loss)		121,359	(5,332)
Administrative and general expenses		(22,610)	(19,610)
Other (expense) / income	22	(233)	849
Foreign exchange gain / (loss)		2,028	(1,377)
Operating profit / (loss)	22	100,544	(25,470)
Finance income		3,992	6,704
Finance costs		(7,103)	(9,126)
Share of loss of investments accounted for using the equity method	23.3	(1,130)	(1,512)
Profit / (loss) before income tax		**96,303**	**(29,404)**
Income tax credit / (expense)	18	99,891	(20)
PROFIT / (LOSS) FOR THE YEAR		**196,194**	**(29,424)**
Profit / (Loss) attributable to:			
Owners of the parent		196,712	(28,754)
Non-controlling interest		(518)	(670)
		196,194	**(29,424)**
Other comprehensive (expense) / income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on loan designated as net investment		38,311	(12,078)
Exchange differences on translation from functional to presentation currency		(63,617)	34,600
Movement in other reserves		2	(23)
Other comprehensive share of investment accounted for using the equity method	23.3	(466)	(356)
Total other comprehensive (expense) / income		(25,770)	22,143
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		**170,424**	**(7,281)**
Total comprehensive income / (expense) attributable to:			
Owners of the parent		170,942	(6,611)
Non-controlling interest		(518)	(670)
		170,424	**(7,281)**

Sedibelo Platinum Mines Limited

Consolidated statement of changes in equity

for the year ending December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

CONSOLIDATED	**Share capital**	**Accumulated losses**	**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**
Note	**11**					**12**	
Balance at January 1, 2019	**2,549,583**	**(1,059,022)**	**(998)**	**(491,705)**	**997,858**	**(5,939)**	**991,919**
Loss for the year	-	(28,754)	-	-	(28,754)	(670)	(29,424)
Other comprehensive (expense) / income	**-**	(12,432)	(23)	34,598	22,143	**-**	22,143
Total comprehensive expense for the year	**-**	**(41,186)**	**(23)**	**34,598**	**(6,611)**	**(670)**	**(7,281)**
Balance at December 31, 2019	**2,549,583**	**(1,100,208)**	**(1,021)**	**(457,107)**	**991,247**	**(6,608)**	**984,639**
Profit for the year	-	196,712	-	-	196,712	(518)	196,194
Other comprehensive income / (expense)	**-**	37,845	2	(63,617)	(25,770)	**-**	(25,770)
Total comprehensive income / (expense) for the year	**-**	**234,557**	**2**	**(63,617)**	**170,942**	**(518)**	**170,424**
Balance at December 31, 2020	**2,549,583**	**(865,651)**	**(1,019)**	**(520,724)**	**1,162,189**	**(7,126)**	**1,155,063**

Sedibelo Platinum Mines Limited
Company statement of changes in equity
for the year ending December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

COMPANY	Share capital	Retained profit	Other reserves	Foreign currency translation reserve	Total Equity
	USD'000	USD'000	USD'000	USD'000	USD'000
Note	**11**				
Balance at January 1, 2019	**2,549,583**	**1,581,069**	**(1,373)**	**(1,079,219)**	**3,050,060**
Loss for the year	-	(14,559)	-	-	(14,559)
Other comprehensive income	-	-	-	66,454	66,454
Total comprehensive (expense) / income for the year	-	(14,559)	-	66,454	51,895
Balance at December 31, 2019	**2,549,583**	**1,566,510**	**(1,373)**	**(1,012,765)**	**3,101,955**
Profit for the year	-	484	-	-	484
Other comprehensive income / (expense)	-	38,391	330	(106,552)	(67,831)
Total comprehensive income / (expense) for the year	-	38,875	330	(106,552)	(67,347)
Balance at December 31, 2020	**2,549,583**	**1,605,385**	**(1,043)**	**(1,119,317)**	**3,034,608**

Sedibelo Platinum Mines Limited
Consolidated cash flow statement
for the year ending December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

GROUP	Note	2020 USD'000	2019 USD'000
Cash flows from operating activities			
Profit / (Loss) before income tax		96,303	(29,404)
Adjusted for:			
Depreciation of property, plant and equipment	6	13,188	38,003
Amortisation of intangible assets	5	461	733
Revolving commodity facility fair value adjustment	17	211	3,394
Profit on disposal of asset		(45)	-
Share of loss of investments accounted for using the equity method	23.3	1,130	1,512
Loss on assets scrapped		2	-
Loan payable forgiven		-	(100)
Mining cost write off	4	-	278
Unrealised foreign exchange gain		(1,995)	-
Finance income		(3,992)	(6,704)
Finance cost		7,103	9,126
Cash flow from operations before working capital changes		112,366	16,838
Increase in trade and other receivables		(61,350)	(13,780)
Increase in trade and other payables		1,593	6,283
Increase in inventories		(2,173)	(1,677)
Cash generated from operations		50,436	7,664
Interest paid		(363)	(1,904)
Interest received		2,725	3,181
Net cash generated in operating activities		**52,798**	**8,941**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(5,916)	(5,418)
Disposal of property, plant and equipment	6	39	-
Purchases of mining assets	4	(1,708)	(3,509)
Additions to intangible assets	5	(479)	(403)
Funds (invested in) / released from restricted cash		(1,461)	4,415
Loans granted to associate		(2,710)	-
Loans repaid by external parties		1,240	341
Net cash utilised in investing activities		**(10,995)**	**(4,575)**
Cash flows from financing activities			
Interest paid on the IDC loan		(5,975)	-
Capital repayment on the IDC loan		(5,296)	-
Proceeds from revolving commodity facility	17	69,228	101,007
Repayment of revolving commodity facility	17	(81,890)	(101,481)
Net cash utilised in financing activities		**(23,933)**	**(474)**
Net increase in cash and cash equivalents		17,870	3,893
Cash and cash equivalents at beginning of the year	8.1	43,393	38,093
Exchange gain on cash and cash equivalents		1,723	1,408
Cash and cash equivalents at end of the year	8.1	**62,986**	**43,393**

Sedibelo Platinum Mines Limited
Company cash flow statement
for the year ending December 31, 2020

(Expressed in United States Dollars, unless otherwise stated)

COMPANY	Note	2020 USD'000	2019 USD'000
Cash flows from operating activities			
Profit / (Loss) before income tax		484	(14,560)
Adjusted for:			
Unrealised foreign exchange (gain) / loss		(2,942)	13,374
Finance income		(224)	(324)
Operating loss before working capital changes		(2,682)	(1,510)
(Increase) / Decrease in trade and other receivables		(13)	89
(Decrease) / Increase in trade and other payables		(71)	267
Cash utilised in operations		(2,766)	(1,154)
Interest received		198	111
Net cash utilised in operating activities		**(2,568)**	**(1,043)**
Cash flows from investing activities			
Loans received from / (repaid to) subsidiary undertakings	27.1	2,198	(89)
Net cash generated from / (utilised in) investing activities		**2,198**	**(89)**
Net decrease in cash and cash equivalents		(370)	(1,132)
Cash and cash equivalents at beginning of the year	8.1	2,219	3,305
Exchange (loss) / gain on cash and cash equivalents		(140)	46
Cash and cash equivalents at end of the year	8.1	**1,709**	**2,219**

1. Basis of preparation

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

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.

Notes to the consolidated financial statements labelled as "GROUP" refer to the consolidated financial statements.

There are no changes in these accounting policies for the year ended December 31, 2020 except as disclosed in Note 3 below "Changes in accounting policy".

The Company has elected to take the exemption under The Companies (Guernsey) Law, 2008 not to present the parent Company statement of comprehensive income.

Climate change related considerations

The Group's ambition on climate change is to evaluate and undertake the implementation of clean energy projects that are aligned to global agreements to reduce emission footprint and achieve net zero total emissions by 2050.

- Approval was given by the Board of Directors to commence the construction of a beneficiation plant at PPM in the latter part of 2021, employing cost- and energy efficient Kell technology. Kell technology reduces energy consumption by 82%. The carbon dioxide ("CO2") emissions from concentrate to final refined metals are 19% of the CO2 emissions caused by the current smelting/refining route.
- A relationship was formalised with The National Cleaner Production Centre South Africa ("NCPC-SA") in 2019 to implement Resource Efficiency and Cleaner Production ("RECP") methodologies. The Group is planning to implement an Energy Management System ("EnMS") in accordance with the ISO 500001 energy standard in 2021 to 2022, with assistance from the NCPC-SA.

The accounting related measurement and disclosure areas most impacted by this position relate to the carrying value of our mining and processing assets where the underlying accounting determination is subject to estimation uncertainties in the medium to long term such as: impairments and useful economic lives of assets.

The cost of carbon related emissions has been considered and incorporated into the cash flow projections, based on enacted legislation and expectations for carbon prices based on latest internal forecasts benchmarked with external sources.

The Department of Environmental Affairs and Forestry ("DEFF") declaration of greenhouse gases as priority air pollutants in 2017 has been followed by the imposition of a regulatory framework for greenhouse gas emission reporting, which forms the basis and input for the imposition of the carbon tax which commenced on 1 June 2019. The Carbon Tax Act (No 15 of 2019) ('Carbon Tax Act'), which took effect on 1 June 2019, introduces a carbon tax on identified affected sectors on the basis of their greenhouse gas emission concentrations as a controlled climate change mitigation measure. Simultaneously with the introduction of the carbon tax under the Carbon Tax Act, a carbon fuel levy was introduced under the Customs and Excise Act 91 of 1964, as part of the current South African fuel levy regime.

Going concern

These financial statements have been prepared in accordance with IFRS and IFRIC interpretations as issued by the International Accounting Standards Board ("IASB") applicable to a going concern.

The Group operates in a cyclical industry where levels of cash flow have historically been materially influenced by market prices for commodities and exchange rates; accordingly, when considering going concern, Management consider key assumptions, such as exposure to the ZAR:USD exchange rate and PGM prices, in their cash flow forecasts. Continuance as a going concern is dependent upon the Group's ability to achieve profitable operations, obtain adequate equity or debt funding, or, alternatively, dispose of its non-core properties on an advantageous basis.

The Group had its third year of positive cash generated from operations since PPM commenced production. The Group has cash and cash equivalents of USD62.986 million, working capital of USD162.944 million, and an accumulated loss of USD866 million as at December 31, 2020. The Group made a net profit of USD196.194 million for the year ended December 31, 2020.

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation (continued)

Going concern (continued)

Management has analysed the Group's cash flow forecast with a view to assessing whether the financial statements should be prepared on a going concern basis. This cash flow forecast reflects the continued exposure to the ZAR:USD exchange rate and PGM prices as well as the operational achievements and cost containment initiatives that Management have implemented to help manage the volatility of the exchange rate and prices on cash flows The significant improvement in the ZAR PGM basket price improved the Group’s cash position and its cash generative ability. Based on current assumptions there is no reason for Management to believe that the Group cannot repay debt, expenses and/or obligations in accordance with the current terms of the relevant agreements.

Management has also considered the possible impact of Covid-19 on the Group’s ability to produce at current levels and its impact on unit costs. During 2020, the mine only ceased operations for 41 days during the initial hard lock down imposed by the South African government. Since then, despite various levels of Covid-19 restrictions the Group could operate at normal levels of production.

Operational risks that Management considered during the assessment included operating cash flows and short term PGM prices and ZAR:USD exchange rates. Capital expenditure (sustaining and growth) was included in line with the budget and Management's current plans.

Based on the current cash flow projections for the Group, at the time of approving the financial statements, Management has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the next twelve months from the date of approval of the financial statements and therefore the annual financial statements continue to be prepared on a going concern basis, which assumes the realisation of assets and discharge of liabilities in the normal course of business within the foreseeable future.

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

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. 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 3).

a) Critical accounting estimates and judgements

The presentation of financial statements in conformity with IFRS requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on Management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The primary areas in which estimates, and judgements are applied are included below and disclosed as part of the notes to the financial statements.

(Expressed in United States Dollars, unless otherwise stated)

2. Accounting policies (continued)

a) Critical accounting estimates and judgements (continued)

Judgement

Determination of consolidation

Management applies judgement when determining whether the Company should consolidate entities where it owns less than half of the voting power of an entity. An investor controls an investee if and only if the investor has all the following elements:

- a power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's return.

Management has consolidated Defacto Investments 275 Proprietary Limited and Dream World Investments 226 Proprietary Limited even though the Group owns less than half of the share capital of those entities as it was determined that the Group has rights to variable returns from its involvement and an ability to affect those returns through its power over the management committee of those entities.

Joint arrangements

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Estimate

Impairment of non-current assets

Management uses the guidance in *IAS 36 – Impairment of assets* when assessing whether indicators for impairment exist for mining assets, intangible assets and property, plant and equipment. Management uses certain assumptions in calculating the assets' value in use. Assumptions such as PGM prices, weighted average cost of capital, production volumes, ZAR:USD exchange rates and inflation are based on the most recent information available in the market.

b) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its subsidiaries as defined in IFRS 10 "Consolidated Financial Statements". Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(Expressed in United States Dollars, unless otherwise stated)

2. Accounting policies (continued)

c) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("the functional currency"). The Group's main operating subsidiaries' functional currency is the South African Rand ("ZAR"). The consolidated financial statements are presented in United States Dollars ("USD") which is the Group's presentation currency. All financial information presented has been rounded to the nearest thousand.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are generally recognised in profit or loss, except for the foreign exchange gain / loss on specific intercompany loan(s) which are recognised in other comprehensive income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of income and comprehensive income are translated at average exchange rates (unless this average 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 rate on the dates of the transactions);
- equity transactions are translated using the exchange rate at the date of the transaction; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation from the functional currency to the presentation currency are recognised in other comprehensive income.

(Expressed in United States Dollars, unless otherwise stated)

3. Changes in accounting policy and disclosures

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting
- Proceeds before Intended Use - Amendments to IAS 16

The amendments listed above did not have any impact on the amounts recognised in the current period and are not expected to significantly affect future periods.

Accounting standards, interpretations and amendments not effective and not selected for early adoption

- Amendments to IAS 1 'Presentation of Financial Statements'

  The amendments provide guidance on the classification of liabilities as current or non-currents in the statement of financial position and does not impact the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that the classification of liabilities as current or non-current should be based on rights that are in place at the end of the reporting period which enable the reporting entity to defer settlement by at least twelve months. The amendments are effective for annual periods beginning on or after January 1, 2023 and are not expected to significantly impact the Group.

- IFRS 17 'Insurance Contracts'

  IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts'. IFRS 17 is effective for annual periods beginning on or after January 1, 2023 and are not expected to significantly impact the Group.

- IAS 16 'Property, Plant and Equipment'

  IAS 16 prohibits the deduction of any proceeds from selling 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 from the cost of an item of property, plant and equipment. An entity instead recognises the proceeds from selling such items and related cost of production in profit or loss. The amendment is effective for annual periods beginning on or after 1 January 2023 and is not expected to have a material impact on the Group's annual financial statements.

4. Mining assets

Accounting Policy

Exploration and evaluation costs, including the cost of acquiring licences, are capitalised as intangible exploration and evaluation assets on a project-by-project basis pending determination of the technical feasibility and the commercial viability of the project. The capitalised costs are presented as intangible exploration and evaluation assets. Capitalised costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. As the assets are not available for use, it is not depreciated.

When a licence is relinquished or a project is abandoned, the related costs are recognised in profit or loss immediately. Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property.

Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to the plant construction and mine development category within property, plant and equipment. Expenditure deemed to be unsuccessful is recognised in profit or loss immediately.

	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
Exploration and evaluation assets	21,071	19,781	-	-
Mineral properties and rights	752,204	778,614	700,024	724,602
Balance at the end of the year	**773,275**	**798,395**	**700,024**	**724,602**

Reconciliation of mining assets:

GROUP	Exploration & evaluation assets USD'000	Mineral properties & rights[(a)] USD'000	TOTAL USD'000
Balance at January 1, 2019	**16,136**	**761,946**	**778,082**
Write offs	(278)	-	(278)
Additions	3,509	-	3,509
Foreign exchange variance	414	16,668	17,082
Balance at December 31, 2019	**19,781**	**778,614**	**798,395**
Additions	1,708	-	1,708
Foreign exchange variance	(418)	(26,410)	(26,828)
Balance at December 31, 2020 [(a)]	**21,071**	**752,204**	**773,275**

a) Long term borrowings are secured on Mineral properties and rights to the value of ZAR200 million (USD14 million). Refer to note 13.1.

COMPANY	Mineral properties & rights USD'000	TOTAL USD'000
Balance at January 1, 2019	**709,090**	**709,090**
Foreign exchange variance	15,512	15,512
Balance at December 31, 2019	**724,602**	**724,602**
Foreign exchange variance	(24,578)	(24,578)
Balance at December 31, 2020	**700,024**	**700,024**

5. Intangible assets

Accounting Policy

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Amortisation is charged to profit and loss on a straight-line basis over the estimated useful lives of the intangible assets.

Asset category	Useful life (years)
Computer software	5
ERP Software	5
Research and development	Indefinite
Water pipeline	Life of mine

The water pipeline is amortised over the current estimated life of the mine. The power and water rights will be amortised based on usage of the units allocated to the Group over the life of mine ("LoM").

Research and development

Costs for self-initiated research and development activities are assessed to determine if they qualify for recognition as internally generated intangible assets. These activities relate to research performed to develop technology to improve efficiencies in PGM production. Apart from complying with the general requirements for and initial measurements of an intangible asset, qualification criteria are met only when technical as well as commercial feasibility can be demonstrated, and cost can be measured reliably. It must also be probable that the intangible asset will generate future economic benefits and that it is clearly identifiable and capable of allocation to a specific product.

Further to meeting these criteria, only such costs that relate solely to the development phase of a self-initiated project are capitalised. Any costs that are classified as part of the research phase of a self-initiated project are expensed as incurred. If the research phase cannot be clearly distinguished from the development phase, the respective project related costs are treated as if they were incurred in the research phase only.

Capitalised research and development costs are generally amortised over the number of units produced. If the units of production cannot be estimated reliably, the asset is not amortised, but rather reviewed for impairment. The assets have an indefinite useful life as there is no foreseeable limit as to which the assets are expected to generate cash inflows for the Group. The assets are assessed for indicators of impairment on an annual basis at each balance sheet date.

Income tax credits granted for research and development activities are deducted from corresponding expenses or from capitalised amounts when earned.

GROUP	2020 USD'000	2019 USD'000
Water pipeline	23,435	24,593
ERP software	6	11
Computer software	683	369
Research and development	9,440	9,767
Balance at the end of the year	**33,564**	**34,740**

(Expressed in United States Dollars, unless otherwise stated)

5. Intangible assets (continued)

Reconciliation of intangible assets:

GROUP	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
COST						
Balance at January 1, 2019	**28,059**	**121**	**1,487**	**9,565**	**18,560**	**57,792**
Additions during the year	126	-	277	-	-	403
Foreign exchange variance	616	3	38	202	-	859
Balance at December 31, 2019	**28,801**	**124**	**1,802**	**9,767**	**18,560**	**59,054**
Additions during the year	67	-	408	4	-	479
Assets scrapped	-	-	(98)	-	-	(98)
Foreign exchange variance	(969)	(4)	(9)	(331)	-	(1,313)
Balance at December 31, 2020	**27,899**	**120**	**2,103**	**9,440**	**18,560**	**58,122**
ACCUMULATED AMORTISATION						
Balance at January 1, 2019	**3,712**	**90**	**1,096**	**-**	**18,560**	**23,458**
Amortisation for the year	405	21	307	-	-	733
Foreign exchange variance	91	2	30	-	-	123
Balance at December 31, 2019	**4,208**	**113**	**1,433**	**-**	**18,560**	**24,314**
Amortisation for the year	341	4	116	-	-	461
Assets scrapped	-	-	(98)	-	-	(98)
Foreign exchange variance	(85)	(3)	(31)	-	-	(119)
Balance at December 31, 2020	**4,464**	**114**	**1,420**	**-**	**18,560**	**24,558**
CARRYING AMOUNTS						
Balance at January 1, 2019	**24,347**	**31**	**391**	**9,565**	**-**	**34,334**
Balance at December 31, 2019	**24,593**	**11**	**369**	**9,767**	**-**	**34,740**
Balance at December 31, 2020	**23,435**	**6**	**683**	**9,440**	**-**	**33,564**

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment

Critical accounting estimates and judgements

Reserves and Resources

The estimation of reserves impacts the depreciation of certain categories of property, plant and equipment (pre-stripping costs, deferred stripping costs, decommissioning assets and producing mines), the recoverable amount of mining assets and property, plant and equipment and the timing of rehabilitation expenditure. The reserves and resources statement is prepared by an independent expert that complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC code").

Factors impacting the determination of proven and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time;
- differences between actual commodity prices and commodity price assumptions;
- operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Accounting Policy

Plant construction and mine development, producing mines, stripping asset and decommissioning asset

Upon transfer of 'Exploration and evaluation costs' into 'Mine development', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within 'Mine development'. After production starts, all assets included in 'Mine development' are transferred to 'Producing mines'. When further development expenditure is incurred after the commencement of production, such expenditure is capitalised to 'Producing mines' when it is probable that additional future economic benefits associated with the expenditure will flow to the entity. Otherwise such expenditure is classified as a 'Cost of production' in profit or loss.

Depreciation is calculated on a units-of-production method (ore tonnes mined basis) for 'Producing mines', 'Pre-stripping asset', 'Deferred stripping asset' and 'Decommissioning asset'. The units of production basis results in a depreciation charge proportional to the depletion of proven and probable reserves.

Stripping costs

Stripping costs comprise the removal of overburden and other waste products from a mine.

Pre- production stripping

Stripping costs incurred in the development of a mine or a separate identifiable ore-body before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units of production basis as part of 'Producing mines'.

Post – production stripping

Stripping costs incurred during the production stage of a mine are deferred when this is considered the most appropriate basis for matching the costs against the relevant economic benefits. The amount deferred is based on the waste-to-ore ratio (called a 'stripping ratio') which is calculated by dividing the tonnage of waste mined by the quantity of ore mined.

Stripping costs incurred in a period are deferred to the extent that the current period ratio exceeds the expected life-of-mine ratio. Such deferred costs are then charged to profit or loss to the extent that, in subsequent periods, the current ratio falls below the life-of-mine ratio. The life-of-mine stripping ratio is calculated based on proven and probable reserves. Any changes to the life-of-mine ratio are accounted for prospectively. The Group takes the view that if there is any uncertainty regarding the stripping ratio for the life-of-mine the stripping cost will be charged to profit or loss until such time as there is certainty.

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment (continued)

Critical accounting estimates and judgements (continued)

Where a mine operates more than one open pit and these are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. The deferred stripping capitalised to property, plant and equipment forms part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstance indicate that the carrying value may not be recoverable.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the year in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (expense)/ income' in profit or loss.

Depreciation is calculated on a straight-line basis for all other assets to write off the cost of the assets to their residual values over their estimated useful lives. Depreciation commences when the asset is available for use. The depreciation rates applicable to each relevant 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)
Right-of-use assets	2 – 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

Where parts (components) of an item of property, plant and equipment have different useful lives or for which different depreciation rates are appropriate, they are accounted for as separate items of property, plant and equipment. Estimates of residual values and useful lives of all assets are assessed annually.

The Group measures the estimated residual value of an item of property, plant and equipment as the amount the Group estimates it would receive currently from the asset if the asset were already of the age and in the condition expected at the end of its useful life. These are reviewed and adjusted if appropriate, at each balance sheet date.

Refer below for a reconciliation of property, plant and equipment cost:

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment (continued)

GROUP	Producing Mines USD'000	Plant construction and mine development USD'000	Pre-stripping asset USD'000	Deferred stripping asset USD'000	Decom-missioning asset USD'000	[a]Right-of-use assets USD'000	[b]Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
COST										
Balance at January 1, 2019	**6,262**	**10,141**	**118,187**	**51,066**	**14,468**	**4,616**	**160,504**	**3,281**	**6,185**	**374,710**
Additions	-	1,391	-	-	-	-	3,315	5	707	5,418
Right-of-use asset recognised on adoption of IFRS 16 [a]	-	-	-	-	-	293	-	-	-	293
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign exchange variance	137	256	2,586	1,117	317	108	3,580	71	156	8,328
Balance at December 31, 2019	**6,399**	**11,788**	**120,773**	**52,183**	**14,785**	**5,017**	**167,399**	**3,357**	**7,048**	**388,749**
Additions	-	1,390	-	-	61	227	3,575	163	500	5,916
Disposals	-	-	-	-	-	(289)	-	-	(471)	(760)
Change in estimate	-	-	-	-	(6,418)	-	-	-	-	(6,418)
Foreign exchange variance	(217)	(235)	(4,097)	(1,770)	(626)	(162)	(5,314)	(94)	(151)	(12,666)
Balance at December 31, 2020	**6,182**	**12,943**	**116,676**	**50,413**	**7,802**	**4,793**	**165,660**	**3,426**	**6,926**	**374,821**
ACCUMULATED DEPRECIATION										
Balance at January 1, 2019	**4,195**	**-**	**81,656**	**34,681**	**7,581**	**3,180**	**96,742**	**628**	**4,847**	**233,510**
Depreciation for the year	1,016	-	12,202	5,454	648	171	17,746	120	646	38,003
Disposals	-	-	-	-	-	-	-	-	-	-
Foreign exchange variance	119	-	2,110	903	183	73	2,619	15	121	6,143
Balance at December 31, 2019	**5,330**	**-**	**95,968**	**41,038**	**8,412**	**3,424**	**117,107**	**763**	**5,614**	**277,656**
Depreciation for the year	351	-	4,173	1,912	224	163	6,317	125	485	13,750
Change in estimate	-	-	-	-	(562)	-	-	-	-	(562)
Disposals	-	-	-	-	-	(247)	-	-	(464)	(711)
Foreign exchange variance	(141)	-	(2,718)	(1,166)	(272)	(103)	(3,260)	(13)	(137)	(7,810)
Balance at December 31, 2020	**5,540**	**-**	**97,423**	**41,784**	**7,802**	**3,237**	**120,164**	**875**	**5,498**	**282,323**

Sedibelo Platinum Mines Limited
Notes to the consolidated financial statements
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6. Property, plant and equipment (continued)

GROUP	Producing mines USD'000	Plant construction and mine development USD'000	Pre-stripping asset USD'000	Deferred stripping asset USD'000	Decom-missioning asset USD'000	[(a)] Right-of-use assets USD'000	[(b)]Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
CARRYING AMOUNTS										
Balance at January 1, 2019	**2,067**	**10,141**	**36,531**	**16,385**	**6,887**	**1,436**	**63,762**	**2,653**	**1,338**	**141,200**
Balance at December 31, 2019	**1,069**	**11,788**	**24,805**	**11,145**	**6,373**	**1,593**	**50,292**	**2,594**	**1,434**	**111,093**
Balance at December 31, 2020	**642**	**12,943**	**19,253**	**8,629**	**-**	**1,556**	**45,496**	**2,551**	**1,428**	**92,498**

(a) Right-of-use asset recognised on adoption of IFRS 16, refer to note 14.

(b) Tailings dam is included in Plant and equipment.

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). Refer to note 13.1.

(Expressed in United States Dollars, unless otherwise stated)

7. Impairment

Management reviewed operations for indicators of impairment, such as negative operating results for PPM, the availability of capital funds for maintenance, possible impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy, the volatility in the ZAR:USD exchange rate and current and forecasted metal prices. Management concluded that there are no indicators for impairment as a result of:

- An increase in PGM prices, specifically platinum, palladium and rhodium;
- An improved operating result from PPM as a cash generating unit ("CGU");
- Third year of cash generated from operations and
- Securing access to the adjacent mining property pending meeting the conditions precedent. Refer to note 27.

On a periodic basis management update LoM plans to consider ways to optimise the value of projects over their lives. The indicative values from these LoM plans did not indicate any impairment.

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

Accounting Policy

Cash & Cash Equivalents

Cash comprises cash on hand and on demand deposits. Cash equivalents are short term, liquid investments that are readily convertible to known amounts of cash and which are subject to a low risk of changes in value.

Restricted cash

Restricted cash investments and guarantees include cash and long-term deposits with an original maturity of more than twelve months or that are encumbered by guarantees for the purposes of mine rehabilitation and electricity supply. They are classified as restricted, due to these cash balances not being immediately available.

8.1 Cash and cash equivalents

	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
Cash at bank	62,986	43,393	1,709	2,219
Balance at the end of the year	**62,986**	**43,393**	**1,709**	**2,219**

Cash at banks predominantly earns interest at floating rates. Cash is deposited at highly reputable financial institutions 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 due to short maturity.

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. Cash and cash equivalents, restricted cash investments and guarantees (continued)

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 and Energy ("DMRE") and ESKOM Holdings Limited ("ESKOM"), the South African state utility supplier, of which the details are as follows:

	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
Balance at the end of the year	**18,090**	**15,885**	-	-

The DMRE 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 DMRE 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 December 31, 2020 the Group had USD32 million (2019: USD33 million) in guarantees (Note 27.1) to the DMRE and ESKOM, of which USD18 million (2019: USD16 million) is funded.

9. Inventories

Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of work in progress, ore in circuit and stockpiles comprises direct costs and related production overheads (based on normal operating capacity). Borrowing costs are excluded from cost. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

GROUP	2020 USD'000	2019 USD'000
Ore stockpiled	2,862	960
Work in progress	472	370
Chrome stockpile	333	-
Consumables	8,151	8,388
Balance at the end of the year	**11,818**	**9,718**

Refer to note 21 for the inventory cost that forms part of the cost of operations.
Although some inventory items are carried at net realisable value, this figure is not significant.

(Expressed in United States Dollars, unless otherwise stated)

10. Trade and other receivables

Accounting Policy

Trade and other receivables, excluding trade receivables for metal sales, prepayments and value added tax, are non-derivative financial assets categorised as financial assets measured at amortised cost.

The Group classifies its financial assets as either financial assets at amortised cost or at fair value through profit or loss ("FVTPL") depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset. Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at FVTPL, directly attributable transaction costs. Management determines the classification of its financial assets at initial recognition.

Trade Receivables measured at fair value through profit and loss

Trade Receivables subject to provisional pricing are measured at FVTPL. These financial assets relate to revenue from contracts with customers and the Group has an unconditional right to the consideration due as the performance conditions have been met. The value of the receivable fluctuates in line with PGM prices and foreign currency movements, resulting in this class of financial asset being measured at FVTPL.

Trade Receivables measured at amortised cost

Receivables that do not contain provisional pricing features are assets held to collect contractual cash flows that consist solely of payments of principal and interest on the outstanding amount. Any gain or loss arising on derecognition is presented in other income and expense and foreign exchange gains and losses presented in foreign exchange transaction losses, directly in profit or loss. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
Trade receivables*	133,156	67,657	-	-
Other receivables**	737	2,473	229	115
Balance at the end of the year	**133,893**	**70,130**	**229**	**115**

* None of the trade receivables balances are past due or impaired.
** Other receivables include tax rebates, prepayments and interest accrued.
Refer to note 23.4 for the evaluation of the expected credit loss as per IFRS 9.

11. Share capital

Accounting policy

Common shares are classified as equity. Incremental costs directly attributable to the issue of new common shares or options are shown in equity as a deduction, net of tax, from the proceeds.

11.1 Common shares authorised

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

11.2 Common shares issued

GROUP AND COMPANY	Number of shares	Amount USD'000
Balance at December 31, 2019	**3,095,401,663**	**2,549,583**
Balance at December 31, 2020	**3,095,401,663**	**2,549,583**

(Expressed in United States Dollars, unless otherwise stated)

12. Non-controlling interests

Accounting policy

The Group recognises any non-controlling interest in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequently, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interest's subsequent share of changes in equity.

GROUP	2020 USD'000	2019 USD'000
Defacto Investments 275 Proprietary Limited	204	200
Dream World Investments 226 Proprietary Limited	72	74
Mahube Mining Proprietary Limited	1,972	1,691
Tameng Mining and Exploration Proprietary Limited	4,100	3,905
Taung Platinum Exploration Proprietary Limited	778	738
Balance at the end of the year	**7,126**	**6,608**

13. Borrowings

Accounting policy

Borrowings are non-derivative financial liabilities categorised as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

13.1 Long-term borrowings

	2020 USD'000	2019 USD'000
Loan from Corridor Mining Resources Proprietary Limited [(a)]	5,365	5,135
Loan from the IDC [(b)]	21,611	31,508
Balance at the end of the year	**26,976**	**36,643**

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) Loan of ZAR500 million from the IDC. The proceeds from this loan were 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 capitalised interest is made in monthly instalments which started March 23, 2020. Outstanding capital will be repaid in twelve quarterly instalments of ZAR 41,666,667 which commenced on September 1, 2020, with the final payment occurring on June 30, 2023.

This loan is secured to the value of:
ZAR200 million (USD14 million) over mineral properties and rights (refer to note 4);
ZAR600 million (USD41 million) over plant and equipment at PPM (refer to note 6); and
ZAR100 million (USD7 million) over all moveable assets of PPM (refer to note 6).

13. Borrowings

13.2 Short-term borrowings

	2020 USD'000	2019 USD'000
Loan from the IDC	14,408	13,453
Balance at the end of the year	**14,408**	**13,453**

14. Right-of-use assets

Accounting Policy

Right-of-use assets and lease liabilities are recognised at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method and subsequently remeasured only if there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (assets with a value less than USD5,000), including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2020 USD'000	2019 USD'000
Building [(a)]	149	142
Eskom substation [(b)]	1,407	1,451
Total	**1,556**	**1,593**

a) On adoption of IFRS16 on January 1, 2019, an addition to the right-of-use assets (lease of a building) was USD293,000 (refer note 6).
b) Eskom finalised the substation project cost for the Sedibelo mining area during Q1 of 2018. During 2018, this was accounted for as an IFRIC 4 lease and asset.

Reconciliation of Right-to-use asset:

	2020 USD'000	2019 USD'000
Opening Balance	1,593	1,436
Impact of adopting IFRS 16 on 1 January 2019	-	293
Additions and modifications	185	-
Depreciation	(163)	(171)
Foreign currency translation	(59)	35
Total	**1,556**	**1,593**

(Expressed in United States Dollars, unless otherwise stated)

15. Decommissioning and rehabilitation provision

Critical accounting estimates and judgements

The Group assesses its mine rehabilitation provision annually by an independent expert that complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC code"). Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision represents Management's best estimate of the present value of the rehabilitation costs anticipated to be incurred at the end of the mine's life.

Accounting Policy

Provisions are recognised when the Group has a present obligation, legal or constructive resulting from past events and 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.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure.

Based on disturbances to date, the net present value of expected rehabilitation cost estimates is recognised and provided for in full in the financial statements. The estimates are reviewed annually and are discounted using a risk-free rate that is adjusted to reflect the current market assessments of the time value of money. Annual changes in the provision consist of finance costs relating to the change in the present value of the provision and changes in estimates. Changes in estimates are capitalised or reversed against the relevant asset or liability to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss.

The present value of environmental disturbances created are capitalised to mining assets against an increase in the environmental rehabilitation obligation. Rehabilitation projects undertaken, included in the estimates are charged to the provision as incurred. The cost of ongoing current programmes to prevent and control environmental disturbances is recognised in profit or loss as incurred. The unwinding of the discount due to the passage of time is recognised as finance cost, and the capitalised cost is amortised over the remaining lives of the mines.

GROUP	2020 USD'000	2019 USD'000
DISCOUNTED		
Balance at the beginning of the year	22,163	20,098
Unwinding of discount (accretion)	1,724	1,575
Change in estimate	(6,418)	-
Subtotal	17,469	21,673
Foreign exchange variance	(682)	490
Balance at the end of the year	**16,787**	**22,163**

The asset retirement obligation has been determined using a Rand discount rate of 9.1% (2019: 8.6%) and an inflation rate of 3.3 % (2019: 4.8%) over the expected LoM of 8 years (2019: 4 years) for the West Pit and 10 years for the East Pit (2019: 10 years).

(Expressed in United States Dollars, unless otherwise stated)

16. Trade payables and accrued liabilities

Accounting Policy

Trade and other payables, excluding payroll creditors and leave pay accrual are non-derivative financial liabilities categorised as other financial liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within 12 months of the reporting date are measured at rates which are expected to be paid when the liability is settled. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

GROUP	GROUP 2020 USD'000	GROUP 2019 USD'000	COMPANY 2020 USD'000	COMPANY 2019 USD'000
Trade payables	9,607	11,426	36	703
Accrued expenses	16,527	12,051	372	101
Balance at the end of the year	**26,134**	**23,477**	**408**	**804**

The fair value of trade and other payables approximate the carrying value due to the short maturity.

17. Revolving commodity facility

Investec Bank Limited ("Investec") approved a rand denominated revolving commodity finance facility of up to USD61.570 million (ZAR900 million) for the financing of concentrate deliveries. The outstanding balance bears interest at JIBAR plus 1.92% and is available up to March 31, 2022.

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 agreement with 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.

GROUP	2020 USD'000	2019 USD'000
Balance at the beginning of the year	19,895	18,751
Repayment of drawdown	(81,890)	(101,481)
Drawdown from the facility during the year	69,228	101,007
Fair value adjustments to the balances	80	147
IFRS 9 Fair value adjustment	131	3,247
Interest accrued/(paid in advance)	1,042	(2,537)
Subtotal	8,486	19,134
Exchange rate variance	(3,275)	761
Balance at the end of the year	**5,211**	**19,895**

(Expressed in United States Dollars, unless otherwise stated)

18. Income tax credit / (expense)

Critical accounting estimates and judgements

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Accounting policy

The income tax expense for the year comprises current and deferred taxation. Taxation is recognised in profit or loss and comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in countries where the company's subsidiaries operate and generate taxable income.

Deferred taxation

Deferred taxation is recognised using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred taxation asset is realised, or the deferred taxation liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Income tax rates

The South African taxation rate remained unchanged at 28%. The Group's effective tax rate credit in the year ended December 31, 2020 was 104% (2019: 0% expense), mainly as a result of the recognition of previously unrecognised deferred tax assets. The recognition is as a result of PPM's return to profitability which means that it is now probable that the deferred tax asset will realise in the foreseeable future.

Sedibelo Platinum Mines Ltd

(Expressed in United States Dollars, unless otherwise stated)

18. Income tax credit / (expense) (continued)

A reconciliation of income tax expense applicable to the loss from operating activities before income tax at the statutory income tax rate to income tax expenses at the Group's effective rate at year end is as follows:

GROUP	2020 USD'000	2019 USD'000	2020 %	2019 %
Current Tax (expense) / credit at corporate tax rate	(26,965)	8,239		
Corporate tax rate			28.00	28.00
Tax effects of:				
Expenses not deductible for tax purposes	(120)	(1,584)	0.12	(5.38)
Utilisation of tax losses previousl unrecognised	27,902	-	(28.97)	-
Prior year tax paid received	2	1	0.00	0.00
Tax losses for which no deferred income tax asset was recognised	255	(4,157)	(0.26)	(14.13)
Deferred tax asset recognised	99,895	-	(103.73)	-
Foreign income tax allowances and rate differentials	(1,078)	(2,519)	1.12	(8.56)
Effective total tax credit / (expense)	**99,891**	**(20)**		
Effective tax rate credit / (expense)			**103.72**	**(0.07)**

There was no deferred tax charge during the financial year (2019: Nil), however a deferred tax asset was created, as it is probable that the temporary difference will reverse in the foreseeable future at PPM.

As at the year end, the Group had not recognised the following temporary differences and tax losses in relation to other group companies:

GROUP	2020 USD'000	2019 USD'000
Unredeemed capital expenditure available for utilisation against future mining taxable income	264,659	257,661
Temporary differences	1,379	(99,314)
Tax losses carried forward utilisable against taxable income	539,551	873,874
Total	**805,589**	**1,032,221**
The unrecognised deferred tax asset @ 28% at the end of the year	**225,565**	**289,022**

The South African losses do not have an expiry date.

19. Segmental information

Accounting Policy

The Board is the chief operating decision maker ("CODM") within the meaning of IFRS 8 and uses the information and recommendations received from the chief executive officer and his management team. Operating segments were determined based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from an operating perspective. The Group operates in one geographic segment, the Republic of South Africa. The operating segment comprises the following:

The administrative operations are not deemed to be a segment by Management, since the revenue earned, and the expenses incurred are only incidental to the Group's business.

19. Segmental information (continued)

Accounting Policy (continued)

Mining operation: PPM declared commercial production on January 1, 2011. This mine is involved in the mining and processing of platinum group elements.

Development and exploration as well as administrative operations do not meet the quantitative thresholds required by IFRS 8 – Segment reporting and Management has concluded that these should not be reported as separate segments.

Management assesses the performance of the operating segment on adjusted earnings before interest, taxation, depreciation and amortization ("EBITDA").

Adjusted EBITDA is also a measure used by the CODM, which comprises of EBITDA as above, removing the impact of foreign exchange.

The segment information provided to the Board for the reportable segment for the years ended December 31, 2020 and December 31, 2019 is as follows:

Amounts in USD'000	**Mining 2020**	**Mining 2019**
External revenues	277,572	181,339
Depreciation and amortisation	(13,649)	(38,737)
Income tax credit / (expense)	99,891	(20)
Adjusted EBITDA	111,035	13,132
EBITDA	113,063	11,755

All revenues reported are from Impala Platinum Limited and minor chrome sales at the spot market.

A reconciliation of profit / (loss) for the year to EBITDA and adjusted EBITDA:

	2020 USD'000	**2019 USD'000**
Profit / (Loss) for the year	**196,194**	**(29,424)**
Income tax (credit) / expense	(99,891)	20
Depreciation and amortisation	13,649	38,737
Net finance costs	3,111	2,422
Total EBITDA for reportable segments	**113,063**	**11,755**
Foreign exchange gain / (loss)	(2,028)	1,377
Adjusted EBITDA	**111,035**	**13,132**

Amounts in USD'000	**Mining 2020**	**Mining 2019**
Total assets	1,244,579	1,100,270
Total liabilities	89,516	115,631

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

(Expressed in United States Dollars, unless otherwise stated)

20. Revenue

Accounting Policy

Revenue from PGM mineral sales is recognised when the buyer, pursuant to a sales contract, obtains control of the product; this constitutes the performance obligation. The sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price, metal content quantities and penalties, which represent variable transaction price components, up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between provisional invoicing and final pricing is typically between three and five months. Revenue on provisionally priced sales is initially recorded at the monthly average market price in the month of sale and the assayed quantities. Adjustments in respect of final assayed quantities and/or prices arising between the date of recognition and the date of settlement are recognised in the period in which the adjustment arises and reflected through revenue and receivables.

An analysis of the Group's revenue for the year is as follows:

GROUP: Contracts with customers	**2020 USD'000**	**2019 USD'000**
4E Minerals	258,365	164,128
Other minerals	19,207	17,211
Total revenue	**277,572**	**181,339**

All revenues reported are from Impala Platinum Limited and minor chrome sales at the spot market.

21. Cost of operations

Included in cost of operations:

GROUP	**2020 USD'000**	**2019 USD'000**
On-mine operations		
Total Materials and mining costs	(70,821)	(68,132)
Concentrator plant operations		
Materials and other costs	(27,931)	(31,005)
Utilities	(14,457)	(15,884)
Beneficiation		
Smelting and refining costs	(13,068)	(14,333)
Other		
Transport	(509)	(563)
Salaries	(18,219)	(20,051)
Sub-total	**(145,005)**	**(149,968)**
Amortisation and depreciation of operating assets (Note 5 and 6)	(13,383)	(37,546)
Inventory adjustments	2,175	843
Total cost of operations	**(156,213)**	**(186,671)**

(Expressed in United States Dollars, unless otherwise stated)

22. Operating profit / (loss)

GROUP	2020 USD'000	2019 USD'000
Operating profit / (loss) includes:		
Employee expenses	(8,832)	(7,295)
Audit fees (Note 25)	(294)	(262)
Consulting and professional fees	(2,041)	-
Royalty expense	(1,363)	(861)
Amortisation and depreciation (Note 5 and 6)	(266)	(1,190)
Other (expenses) / income	(233)	849
Foreign exchange gain / (loss)	2,028	(1,377)
Other (expenses) / income include:		
Eskom project recovery	-	774
Other	(233)	75

23. Related party disclosures

23.1 Compensation of Directors and key Management personnel of the Group:

GROUP	2020 USD'000	2019 USD'000
Compensation of Directors:		
Short-term benefits (salary)	782	801
Bonuses	330	198
Subtotal	1,112	999
Compensation of key Management personnel:		
Short-term benefits (salary)	722	770
Bonuses	547	367
Subtotal	1,269	1,137
Total remuneration of Directors and key Management personnel of the Group	**2,381**	**2,136**

(Expressed in United States Dollars, unless otherwise stated)

23. Related party disclosures (continued)

23.2 Controlled entities

GROUP Details of controlled entities are as follows:	**2020** **%**	**2019** **%**
Bakgatla Pallinghurst JV Proprietary Limited (Deregistered in 2020)	100.00	100.00
Born Free Investments 144 Proprietary Limited	100.00	100.00
Clidet no. 832 Proprietary Limited	100.00	100.00
C&L Mining and Resources Proprietary Limited	100.00	100.00
Defacto Investments 275 Proprietary Limited	22.19	22.19
Dream World Investments 226 Proprietary Limited	49.00	49.00
Hodos Holdings Limited	100.00	100.00
Intrax Investments 255 Proprietary Limited	100.00	100.00
Itereleng Bakgatla Minerals Resources Proprietary Limited	100.00	100.00
Mahube Mining Proprietary Limited	78.90	78.90
Newshelf 1101 Proprietary Limited	100.00	100.00
ORKID S.a r.l.	100.00	100.00
Osier Corporation Limited	100.00	100.00
Platinum Investor Consortium Proprietary Limited	100.00	100.00
Pilanesberg Platinum Mines Proprietary Limited	100.00	100.00
Platmin Resources S.a.r.l. (Deregistered in 2020)	100.00	100.00
Platmin South Africa Proprietary Limited	100.00	100.00
Private Preview Investments 39 Proprietary Limited	100.00	100.00
Richtrau 123 Proprietary Limited	100.00	100.00
Tameng Mining and Exploration Proprietary Limited	75.00	75.00
Taung Platinum Exploration Proprietary Limited	60.00	60.00
Versatex Trading 346 Proprietary Limited (Deregistered in 2020)	100.00	100.00

The proportion of voting power held is equal to ownership interests in all cases

All companies, except for the companies tabled below are registered within the Republic of South Africa.

Company	**Country of registration**	**Type of shareholding**
Hodos Holdings Limited	Guernsey	Ordinary
Kelltech Limited	Mauritius	Ordinary
Platmin Resources S.a.r.l.(Deregistered)	Luxembourg	Ordinary
ORKID S.a.r.l.	Luxembourg	Ordinary
Osier Corporation Limited	Cyprus	Ordinary

23.3 Investment in associate

Accounting Policy

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and joint ventures are accounted for using the equity method.

The interests are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases. Results of associates and joint ventures are equity-accounted using the results of their most recent audited annual financial statements or unaudited management accounts. Any losses from associates are brought to account in the consolidated financial statements until the interest in such associates is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such associates.

23. Related party disclosures (continued)

23.3 Investment in associate (continued)

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

	Dec 31, 2020 USD'000	Dec 31, 2019 USD'000
January 1st	-	1,220
Share of loss from associate	(1,130)	(1,512)
Foreign exchange loss on investment in associate	(214)	14
Share of other comprehensive income	(466)	(356)
Impaired against loan receivable	1,810	634
Investment in associate value	**-**	**-**

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	Dec 31, 2020 USD'000	Dec 31, 2019 USD'000
Non-current assets	8,116	8,312
Current assets	736	274
Non-current liabilities	(12,420)	(9,707)
Current Liabilities	(504)	(360)
The above assets and liabilities include the following:		
Cash and cash equivalents	736	274
Net liabilities value	**(4,072)**	**(1,481)**
SPM ownership interest	**50%**	**50%**

Summarised statement of comprehensive expense	Dec 31, 2020 USD'000	Dec 31, 2019 USD'000
Loss for the year	(2,260)	(2,950)
Other comprehensive expense	(932)	(711)
Total comprehensive expense	**(3,192)**	**(3,661)**
The above loss for the year includes the following:		
Finance income	7	22
Finance expense*	(346)	(432)

* Including interest accrued to the Group.

(Expressed in United States Dollars, unless otherwise stated)

23. Related party disclosures (continued)

23.4 Loans receivable

Accounting Policy

Loans receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses recognised.

Expected credit loss ("ECL")

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. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

GROUP	2020 USD'000	2019 USD'000
Kelltech Limited	9,926	9,031
Magalies Water	6,580	7,885
Balance at the end of the year	**16,506**	**16,916**

An evaluation of the expected credit loss based on the loans receivable as at December 31, 2020, was made, and it was concluded that based on the current face value of the loans, it is not considered necessary to adjust these loans.

23.5. Loans payable/ Long term borrowings

GROUP	2020 USD'000	2019 USD'000
Loan from Corridor Mining Resources Proprietary Limited	5,365	5,135
Loan from the IDC	21,611	31,508
Balance at the end of the year	**26,976**	**36,643**

Refer to note 13.1 for the terms of the loans.

23.6 Short-term borrowings

GROUP	2020 USD'000	2019 USD'000
Loan from the IDC	14,408	13,453
Balance at the end of the year	**14,408**	**13,453**

Refer to note 13.2 for the terms of the loans.

(Expressed in United States Dollars, unless otherwise stated)

23. Related party disclosures (continued)

23.7 Transactions and balances

ASSOCIATES	**2020 USD'000**	**2019 USD'000**
Related party transactions with:		
Kelltech Limited [a]	50	74
The IDC [b]	(11,271)	-
Related party balances – amounts owing by/(to):		
Kelltech Limited [a]	12	49
The IDC [b]	(36,019)	-

a. A member of the Board of Directors of SPM is a shareholder in Kelltech Limited. The Company incurred expenses on behalf of Kelltech Limited on a joint project. These expenses were recharged. Orkid S.a.r.l., a subsidiary of SPM, has a 50% shareholding in Kelltech Limited.
b. The IDC holds 15.7% shareholding in SPM. Interest and capital repayments was paid on the loan from the IDC.

GROUP	**2020 USD'000**	**2019 USD'000**
Related party transactions with:		
Pallinghurst Advisors LLP [c]	(9)	(27)
Keshel Consult Limited [d]	(38)	-

c. Pallinghurst Advisors LLP and Pallinghurst Advisors Proprietary Limited are companies associated with Pallinghurst Ivy Lane Capital S.a.r.l., a shareholder of SPM. Pallinghurst Advisors LLP and Pallinghurst Advisors Proprietary Limited incurred expenses on behalf of the Company which were reimbursed by the Company.
d. A member of the board of directors of Sedibelo Platinum Mines is a shareholder of Keshel Consult Limited, a company that provided consulting services to the Company.

24. Financial instruments

Accounting policy

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income, or FVTPL.

The Group initially recognises trade and other receivables, on the date these are originated. All other financial assets and financial liabilities are recognised initially when the Group becomes a party to the contractual provisions of the instrument.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. The Group recognises an allowance for expected credit losses ECLs on all debt instruments not held at FVTPL to the extent applicable.

(Expressed in United States Dollars, unless otherwise stated)

24. Financial instruments (continued)

Accounting policy (continued)

For trade and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. 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. Impairment losses are recognised through profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

24.1 Accounting classification and measurement of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument

- **Revolving Commodity Facility**

  The fair value of the Revolving Commodity Facility is determined based on ruling market prices.

- **Trade receivables**

  The fair value for trade receivables are measured at fair value through profit or loss (metal sales) based on ruling market prices.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1:** unadjusted quoted prices in active markets for identical asset or liabilities;
- **Level 2:** inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the Group's financial instruments measured at fair value by level within the fair value hierarchy:

GROUP		**2020**			**2019**	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Financial liabilities measured at fair value						
Revolving Commodity Facility	5,211	-	-	19,895	-	-
Financial assets measured at fair value						
Trade Receivables – Metal sales	132,222	-	-	63,121	-	-
Balance at the end of the year	137,433	-	-	83,016	-	-

An evaluation of the ECL based on the receivable outstanding as at December 31, 2020, was made. Based on the factors documented under note 1 and note 7, judgment was applied, and no adjustment will be made to trade receivables as at the date hereof.

(Expressed in United States Dollars, unless otherwise stated)

24. Financial instruments (continued)

24.2 Risk management activities

Controlling and managing risk in the Group

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's Executive Directors are responsible for developing and monitoring the Group's risk management policies. The Group's Executive Directors reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's Audit Committee oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group monitors its forecast financial position on a regular basis. The Group's Directors meet regularly and considers cash flow projections for the following twelve months in detail, taking into consideration the impact of market conditions, particularly commodity prices and foreign exchange rates. The Group's Directors receive reports from independent exchange consultants and advisors on current and forecast economic conditions.

The Group's forecast financial risk position with respect to key financial objectives is regularly reported to the Board of Directors.

From time to time, the Group uses derivative financial instruments to hedge certain identified risk exposures, as deemed necessary by the Group's Executive Directors. The Group does not acquire, hold or issue derivative instruments for trading purposes.

The financial risk management objectives of the Group are defined as follows:

- **Liquidity risk management:** the objective is to ensure that the Group is able to meet its short-term commitments through the effective and efficient management of cash and usage of credit facilities.
- **Currency risk management**: the objective is to maximise the Group's profits by minimising currency fluctuations, where possible.
- **Funding risk management:** the objective is to meet funding requirements timeously and at competitive rates by adopting reliable liquidity management procedures.
- **Investment risk management:** the objective is to achieve optimal returns on surplus funds, without the risk of capital erosion.
- **Interest rate risk management:** the objective is to identify opportunities to prudently manage interest rate exposures.
- **Counterparty exposure:** the objective is to only deal with a limited number of approved counterparts that are of a sound financial standing and who have an official credit rating.
- **Commodity price risk management:** commodity risk management takes place within limits and with counterparts as approved in the treasury framework.

24. Financial instruments (continued)

24.3 Financial risk

24.3.1 Credit risk

Credit risk represents risk that an entity will suffer a financial loss due to the other party of a financial instrument not discharging its obligation. The Group has reduced its exposure to credit risk by dealing with a limited number of approved counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality. The carrying value of the financial assets represents the combined maximum credit risk exposure of the Group.

At the reporting date, there is a significant concentration of credit risk represented in restricted cash investments and guarantees, cash and cash equivalents and trade receivables balance. With respect to trade receivables, customers have complied with all contractual sales terms and have not at any stage defaulted on amounts due.

In order to maximise credit protection, cash and cash equivalents are placed with a variety of good quality financial institutions. The credit rating spread of these institutions can be summarised as follows:

GROUP	2020 USD'000	2019 USD'000
AA+	27,991	3,492
AA	51,519	38,085
BBB+	1,440	1,798
Other	126	18
Total cash and cash equivalents and restricted cash investments and guarantees	**81,076**	**43,393**

24.3.2 Market risk

Foreign exchange/ currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company's functional currency and the functional currency of most of its subsidiaries is ZAR.

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency. Most of the Company's purchases are denominated in ZAR.

However, certain long lead-capital items are denominated in USD, Pound Sterling ("GBP"), Euros or Australian Dollars. The Group holds most of its cash in ZAR. At year end 5% of cash held, was in USD. The influence of the macro economic climate on currencies of emerging markets like South Africa, is evident in the volatility of the ZAR during 2020.

International commodity prices are quoted in USD which exposes the Group's revenue cash flows to foreign exchange variances.

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
GROUP	**2020**	**2019**	**2020**	**2019**
USD 1 = ZAR	16.47	14.45	14.62	14.12

24. Financial instruments (continued)

24.3 Financial risk (continued)

24.3.2 Market risk (continued)

Foreign exchange/ currency risk

The following table summarises the sensitivity of financial instruments held at balance date to movements in the exchange rate of the ZAR to the USD, with all other variables held constant. The USD denominated instruments have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding two-year period.

Impact on statement of income (pre-tax)	2020 USD'000	2019 USD'000
USD/ZAR increase by 20% (2019: 30%)	556	25
USD/ZAR decrease by 30% (2019: 20%)	(1,429)	(27)

Commodity price risk

Commodity price risk arises from the effect on current and future earnings due to fluctuations in commodity prices, in particular the price of PGM's. Most of these prices are determined in USD and are internationally determined in the open market. The Group regularly measures exposure to commodity price risk by stress testing the Group's forecast financial position to changes in PGM prices. The Group reviews its exposure with reference to the basket price for the following 4 metals: platinum, palladium, rhodium and gold (commonly referred to in the platinum mining industry as the "4E basket price"). The Group does not actively hedge future commodity prices against price fluctuations. The PPM operation recognises revenue at the month end during which delivery of concentrate has occurred at the month's average commodity price for the contained metal.

Revenue is recognised at the average commodity price for the month on the date of sale and adjusted at each month end to the latest commodity price until revenue quantities are agreed with the customer (usually 3 to 5 months).

The Group entered into a revolving commodity facility with Investec Bank Limited whereby Investec Bank Limited finances up to 91% of PPM's platinum, palladium and gold deliveries in the month following the delivery month. The respective commodity prices and exchange rates are determined on each drawdown date and denominated in ZAR. This facility is repaid within 2 to 4 months. On settlement date, the drawdown is revalued using average commodity prices and exchange rates for the calendar month before settlement date. These fair value adjustments amounted to a loss of USD0.199 million (2019: USD3.394 million).

The following 4E basket prices were applied during the year:

GROUP	Average for the year ended Dec 31, 2020	Average for the year ended Dec 31, 2019
4E basket price in USD	2,031	1,300
USD 1 = ZAR	16.47	14.45
4E basket price in ZAR	33,143	18,775

In addition to the revolving credit facility, trade receivables of USD132.222 million (2019: USD63.121 million) are exposed to movements in commodity prices. Fair value adjustments on trade receivables are recognised in revenue, as commonly practised in the metals industry.

24. Financial instruments (continued)

24.3 Financial risk (continued)

24.3.2 Market risk (continued)

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the relevant forward commodity price, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial year, using observed ranges of actual historical rates.

Impact on profit or loss (pre-tax)	2020 USD'000	2019 USD'000
Increase by 10% in 4E basket price	12,846	6,766
Decrease by 20% in 4E basket price	(37,969)	(13,531)

Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

The Group's main interest rate risk arises from short and long-term loans. Restricted cash investments and guarantees and cash holdings are subject to interest rate risk in the country in which they are held on deposit. All other financial assets and liabilities are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk. In conjunction with external advice, Management consideration is given on a regular basis to alternative financing structures with a view to optimising the Group's funding structure.

Restricted cash investments and guarantees as well as cash and cash equivalents are exposed to movements in USD and ZAR cash deposit rates.

The following table summarises the sensitivity of the financial instruments held at reporting date, following a movement in variable interest rates, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial year, using the observed range of actual historical rates.

Impact on profit or loss (pre-tax)	2020 USD'000	2019 USD'000
Increase of 1% in prime overdraft rate	(164)	(266)
Decrease of 0.5% in prime overdraft rate	82	133

The impact is calculated on the net financial instruments exposed to variable interest rates as at reporting date and does not consider any repayments of long or short-term borrowings.

24.3.3 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.

The Company invests excess funds in deposit structures and accounts and fixed income funds.

(Expressed in United States Dollars, unless otherwise stated)

24. Financial instruments (continued)

24.3 Financial risk (continued)

24.3.3 Liquidity risk (continued)

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

GROUP Balances at December 31, 2020	Presented USD'000	Less than 6 months USD'000	Between 6 - 12 months USD'000	Greater than 12 months USD'000
Long-term borrowings	30,758	-	-	30,758
Short-term borrowings	14,408	3,602	10,806	-
Trade payables and accrued liabilities	26,134	26,134	-	-
Revolving commodity facility	5,211	5,211	-	-
Total financial liabilities	**76,511**	**34,947**	**10,806**	**30,758**
Balances at December 31, 2019				
Long-term borrowings	42,711	-	-	42,711
Short-term borrowings	13,453	3,189	10,264	-
Trade payables and accrued liabilities	23,477	23,477	-	-
Revolving commodity facility	19,895	19,895	-	-
Total financial liabilities	**99,536**	**46,561**	**10,264**	**42,711**

24.3.4 Capital risk management

The Group's corporate office is responsible for capital risk management. This involves the use of corporate forecasting models, which facilitates analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. Corporate office monitors gearing.

Capital management is undertaken to ensure a secure, cost effective supply of funds to ensure the Group's operating and capital expenditure requirements are met. The mix of debt and equity is regularly reviewed. The Group does not have a target debt/equity ratio but has a policy of maintaining a flexible financing structure to be able to take advantage of new investment opportunities that may arise. Net debt is calculated as total borrowings (long-term borrowings, short-term borrowings and the revolving commodity facility) less cash. Total capital is calculated as the total equity plus net debt.

GROUP	2020 USD'000	2019 USD'000
Long-term borrowings	26,976	36,643
Short-term borrowings	14,408	13,453
Revolving commodity facility	5,211	19,895
Cash and cash equivalents	(62,986)	(43,393)
Net (cash) / debt	(16,391)	26,598
Total equity	1,155,063	984,639
Total capital	**1,138,672**	**1,011,237**
Gearing ratio	**0.014**	**0.027**

No dividends were paid during the year. The Board of Directors maintains a policy of balancing returns to shareholders with the need to fund growth.

(Expressed in United States Dollars, unless otherwise stated)

25. Auditors' Remuneration

GROUP	2020 USD'000	2019 USD'000
Fee payable to Company's auditors and its associates for the audit of the parent company and consolidated financial statements[(a)]	133	96
Fees payable to Company's auditors and its associated for other services:		
The audit of the Company's subsidiaries	161	166
	294	**262**

26. Notes to the parent company financial statements

26.1 Loans receivable

Accounting Policy

Loans receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses recognised.

	2020 USD'000	2019 USD'000
ORKID S.a.r.l.	2,268,135	2,313,518
Hodos Holdings Limited	51	-
Kelltech Limited	6,973	4,410
Balance at the end of the year	**2,275,159**	**2,317,928**

26.2 Investments in subsidiaries

	2020 USD'000	2019 USD'000
Balance at the end of the year	**57,895**	**57,895**

Investment in Group undertakings are recorded at cost, which is the fair value of the consideration paid. Details of the Company's direct and indirect investments in subsidiaries are set out in Note 23.2.

27. Contingencies and commitments

27.1 Contingencies

- At December 31, 2020, the Group had bank and other guarantees of USD32 million (2019: USD33 million) from which it is anticipated that no material liabilities will arise in addition to amounts already provided.
- 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.
- The East Pit development at PPM is planned to commence during Q3 2021, as soon as the outstanding conditions precedent are met to secure access to the adjacent mining property.

27.2 Commitments

The Group's contractual obligations are as follows:

Commitments as at December 31, 2020

Contractual obligations USD'000	Note	Total	< 1 year	1-3 years	After 3 years
Mining costs (1)		15,464	15,464	-	-
Open Purchase orders		6,210	6,210	-	-
Total Contractual Obligations		**21,674**	**21,674**	**-**	**-**

(1) 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.

Commitments as at December 31, 2019

Contractual obligations USD'000	Note	Total	< 1 year	1-3 years	After 3 years
Mining costs (1)		10,498	10,498	-	-
Open Purchase orders		4,407	4,407	-	-
Total Contractual Obligations		**14,905**	**14,905**	**-**	**-**

(1) 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.

28. Events after the reporting date

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