



Sedibelo Resources Limited
(Registration number 54400)

Consolidated Financial Statements
for the year ended December 31, 2023, and 2022

(Audited, expressed in US dollars, unless otherwise stated)

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Independent auditor's report

To the Board of Directors and Shareholders of Sedibelo Resources Limited

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of Sedibelo Resources Limited (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023 and 31 December 2022 and its financial performance and cash flows for the years then ended in accordance with IFRS Accounting Standards.

What we have audited

Sedibelo Resources Limited's financial statements set out on pages 5 to 65 comprise:

- the consolidated statements of financial position as at 31 December 2023 and 31 December 2022;
- the consolidated statements of profit or loss and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for qualified opinion

The Group was unable to provide us with the requested supporting evidence for testing additions to property, plant, and equipment for the year ended 31 December 2023 due to system limitations in its newly implemented ERP system. As a result, we were unable to obtain sufficient appropriate audit evidence to substantiate the additions disclosed in Note 6 to the consolidated financial statements. Consequently, we were unable to determine whether any adjustments were required to the consolidated financial statements arising from the additions recognised during the year, including the related depreciation expense, accumulated depreciation, impairment expense, cost of operations, deferred tax and transfers from the plant construction and mine development asset category.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 qualified opinion.

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Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Emphasis of matter

We draw attention to Note 1 to these consolidated financial statements, which refers to the purpose of preparing these consolidated financial statements which is to comply with the regulatory filing requirements as a reporting issuer in the Canadian Jurisdictions.

As a result, the consolidated financial statements are prepared solely for the purpose set out in Note 1. Furthermore, these financial statements are prepared in addition to the statutory financial statements of the Group, which are prepared to comply with the filing requirements in Guernsey, where the Group is legally domiciled. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of USD847.580 million during the year ended 31 December 2023 and, as of that date, the Group's total assets exceeded its total liabilities by USD86.752 million. Furthermore, as stated in Note 1, the ability of the Group to repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the successful raising of equity, the ability to realise cash through disposals of assets, and the turnaround initiatives disclosed, which are dependent on a positive outcome of the geotechnical and economic viability reports to be performed. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sedibelo Resources Limited Management's Discussion And Analysis Of Financial Condition And Results Of Operations For The Three And Twelve Months Ended December 31, 2023". The other information does not include the consolidated financial statements and our auditor's report thereon.

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for qualified opinion* section above, we identified potential misstatements in the financial statements, which have a consequent impact on the other information, which is similarly misstated.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as the directors 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 consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: C Marais Roux
Registered Auditor
Johannesburg, South Africa
31 March 2025

Sedibelo Resources Limited
(Registration number 54400)
Consolidated statement of financial position
as at December 31, 2023



(Expressed in United States Dollars, unless otherwise stated)

	Note(s)	2023 USD'000	2022 USD'000
ASSETS			
Non-current assets			
Mining assets	4	73,537	657,195
Intangible assets	5	12,137	21,987
Property, plant and equipment	6	41,578	185,913
Loans receivable	7	965	23,008
Restricted investments and guarantees	8.1	19,507	18,601
Deferred tax asset	21	-	64,566
Investment in joint venture	27.3	-	-
Total non-current assets		147,724	971,270
Current assets			
Inventories	9	11,653	11,894
Trade and other receivables	10	33,826	64,759
Loans receivable	7	803	1,211
Cash and cash equivalents	8.2	17,725	155,376
Total current assets		64,008	233,240
TOTAL ASSETS		211,731	1,204,510
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	11	2,549,583	2,549,583
Other components of equity		(805,340)	(685,503)
Accumulated losses		(1,648,303)	(837,346)
		95,941	1,026,734
Non-controlling interests	12	(8,973)	(8,141)
Total equity		86,968	1,018,593
Non-current liabilities			
Credit facility	13	-	17,696
Deferred tax liability	21	-	589
Decommissioning and rehabilitation provision	14	23,321	20,774
Long-term borrowings	15.1	5,554	5,413
Share-based payment obligations	16	-	5,883
Employee benefits	17	6,914	-
Stream prepayment	18	47,763	86,587
Total non-current liabilities		83,552	136,942
Current liabilities			
Credit facility	13	10,789	-
Share-based payment obligations	16	-	717
Employee benefits	17	1,775	-
Stream prepayment	18	-	4,478
Trade payables and accrued liabilities	19	14,381	23,623
Revolving commodity facility	20	14,266	20,157
Total current liabilities		41,211	48,975
TOTAL LIABILITIES		124,763	185,917
TOTAL EQUITY AND LIABILITIES		211,731	1,204,510

The financial statements were authorized by Erich Clarke, on behalf of the Board of Directors, on March 31, 2025, and were signed on their behalf:

Erich Clarke

Erich Clarke (Director)

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

Sedibelo Resources Limited

(Registration number 54400)

Consolidated statement of profit or loss and other comprehensive income for the year ending December 31, 2023



(Expressed in United States Dollars, unless otherwise stated)

		2023 USD'000	2022 USD'000
	Note(s)		
Revenue	24	115,140	167,447
Cost of operations	25	(120,465)	(147,562)
Gross (loss)/profit		(5,325)	19,885
Administrative and general expenses	26	(44,756)	(30,630)
Fair value gain	18	58,182	8,018
Foreign exchange (loss)/gain		(8,321)	4,187
Impairment of assets	4,5,6	(755,283)	(7,748)
Other (expenses)/income	26	(26,153)	1,971
Operating loss	26	(781,657)	(4,317)
Finance income		9,148	9,373
Finance costs		(6,151)	(3,504)
Share of loss of investments accounted for using the equity method	27.3	(11,082)	(913)
(Loss)/Profit before income tax		(789,741)	639
Income tax expense	21	(59,477)	(7,717)
Loss for the year		(849,218)	(7,078)
<i>Loss attributable to:</i>			
Owners of the Company		(848,386)	(6,473)
Non-controlling interest		(832)	(605)
		(849,218)	(7,078)
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on loan designated as net investment		32,447	783
Exchange differences on translation from functional to presentation currency		(116,602)	(68,764)
Movement in other reserves		94	58
Other comprehensive share of investment accounted for using the equity method	27.3	1,669	(256)
Foreign currency translation reserve on derecognition of business reclassified to the income statement		-	45
Fair value loss on stream prepayment		(17,697)	-
Total other comprehensive loss		(100,088)	(68,134)
Total comprehensive loss for the year		(949,306)	(75,212)
<i>Total comprehensive loss attributable to:</i>			
Owners of the Company		(948,474)	(74,652)
Non-controlling interest		(832)	(560)
Total comprehensive loss for the year		(949,306)	(75,212)
Loss per share (cents)			
Basic loss per share	22	(27.41)	(0.21)
Diluted loss per share	22	(27.41)	(0.21)

Sedibelo Resources Limited

(Registration number 54400)

Consolidated statement of changes in equity

for the year ending December 31, 2023



(Expressed in United States Dollars, unless otherwise stated)

	Share capital	Accumulated losses	Other reserves	Foreign currency translation reserve	Total attributable to owners of SRL	Non- controlling interest	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance as at January 1, 2022	2,549,583	(831,400)	(936)	(615,906)	1,101,341	(7,687)	1,093,654
Profit(loss) for the year	-	(6,473)	-	-	(6,473)	(605)	(7,078)
Other comprehensive income/(loss)	-	527	58	(68,719)	(68,134)	-	(68,134)
Total comprehensive income/(loss) for the year	-	(5,946)	58	(68,719)	(74,607)	(605)	(75,212)
Derecognition of investment in subsidiaries ^(a)	-	-	-	-	-	151	151
Balance as at December 31, 2022	2,549,583	(837,346)	(878)	(684,625)	1,026,734	(8,141)	1,018,593
Loss for the year	-	(848,386)	-	-	(848,386)	(832)	(849,218)
Other comprehensive income/(loss)	-	34,101	94	(116,602)	(82,407)	-	(82,407)
Total comprehensive income/(loss) for the year	-	(814,285)	94	(116,602)	(930,792)	(832)	(931,625)
Derecognition of mark-to-market reserve ^(b)	-	3,327	(3,327)	-	-	-	-
Balance as at December 31, 2023	2,549,583	(1,648,303)	(4,111)	(801,227)	95,941	(8,973)	86,968

Note(s)

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(a) The non controlling interest related to the investments in Defacto Investments 275 Proprietary Limited and Dream World Investments 226 Proprietary Limited were derecognised due to the companies being deregistered on May 25, 2022, and on October 12, 2022, respectively. The foreign currency translation reserve on derecognition of these companies were reclassified to the income statement and the resulting loss on derecognition recognised in profit or loss.

(b) The mark-to-market reserve related to an investment in an equity product that had been called up for use.

Sedibelo Resources Limited

(Registration number 54400)

Consolidated statement of cash flows for the year ending December 31, 2023



(Expressed in United States Dollars, unless otherwise stated)

	Note(s)	2023 USD'000	2022 USD'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(789,741)	639
<i>Adjusted for:</i>			
Amortization of mining assets (including out-of-period adjustment)	4	2,464	6,649
Amortization of intangible assets	5	611	89
Depreciation of property, plant and equipment	6	7,909	5,935
Intangible assets write-off	5	91	-
Revolving commodity facility fair value adjustment	20	1,409	339
Share of loss of investments accounted for using the equity method	27.3	11,082	913
Share-based payments	16	3,640	5,689
Fair value gain		(39,587)	(8,018)
Impairment of assets	4,5,6	755,283	7,748
IFRS 9 Expected credit losses adjustment	26	25,080	-
Loss on assets scrapped		216	-
Profit on disposal of asset		(187)	(15)
Unrealized foreign exchange gain		(8,321)	(3,555)
Loss on derecognition of investment in subsidiaries		-	196
Finance income		9,148	(9,373)
Finance cost		(6,151)	3,504
<i>Operating (loss)/profit before working capital changes</i>		<i>(27,054)</i>	<i>10,740</i>
Decrease in trade and other receivables		28,144	14,136
Increase in trade and other payables		11,339	3,727
Increase in inventories		(775)	(2,417)
Share-based payments cash payout	16	(1,074)	(723)
Metal credits bought for 20% cash payment on stream payment	18	(1,400)	(499)
20% cash payment received on the stream payment	18	5,600	499
<i>Cash (utilised in)/generated from operations</i>		<i>14,780</i>	<i>25,463</i>
Interest paid		(1,012)	(7)
Interest received		5,246	6,902
<i>Net cash (utilised in)/generated in operating activities</i>		<i>19,014</i>	<i>32,358</i>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(119,967)	(105,549)
Disposal of property, plant and equipment	6	2	47
Purchases of mining assets	4	(519)	(1,052)
Additions to intangible assets	5	(4,300)	(922)
Funds invested in restricted investments and guarantees		(993)	(312)
Loans granted to related party	27.4	-	(5,446)
Loans granted to external parties		-	(612)
Loans repaid by external parties		200	1,469
<i>Net cash utilised in investing activities</i>		<i>(125,578)</i>	<i>(112,377)</i>
Cash flows from financing activities			
Stream prepayment			
- Cash payment received	18	-	100,000
- Settlement of stream prepayment	18	(5,622)	(1,994)
Proceeds from credit facility	13	16,278	18,403
Repayment of credit facility	13	(21,705)	-
Proceeds from revolving commodity facility	20	76,223	122,209
Repayment of revolving commodity facility	20	(82,786)	(133,133)
<i>Net cash generated (utilised)/from in financing activities</i>		<i>(17,611)</i>	<i>105,485</i>
Net increase in cash and cash equivalents		(124,175)	25,466
Cash and cash equivalents at beginning of the year	8.2	155,376	140,595
Exchange (loss)/gain on cash and cash equivalents		(13,475)	(10,685)
Cash and cash equivalents at end of the year	8.2	17,725	155,376

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation

These financial statements of the Group have been prepared for the purpose of the Company's regulatory filing requirements as a reporting issuer in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan (the "Canadian Jurisdictions"). Furthermore, these financial statements are prepared in addition to the statutory financial statements of the Group, which are prepared to comply with the filing requirements in Guernsey, where the Group is legally domiciled.

The financial statements of the Group have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") and the IFRS Interpretation Committee interpretations as issued by the International Accounting Standards Board ("IASB") applicable to a going concern 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.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. There are no changes in these accounting policies for the year ended December 31, 2023, except as disclosed in note 3 below "Changes in accounting policy".

The Group has elected to take the exemption under The Companies (Guernsey) Law, 2008 not to present the parent statement of comprehensive income, statement of financial position, statement of changes in equity or cash flow statement.

Financial covenants breach

Pilanesberg Platinum Mines (Pty) Ltd ("PPM"), as borrower, entered into two (2) agreements whereby it was granted two (2) senior secured revolving credit facilities for an aggregate amount equal to USD26.969 million (ZAR500 million) for a period of 3 (three) years from July 15, 2022 with Nedbank, as lender and facility agent and USD26.969 million (ZAR500 million) for a period of 5 (five) years from March 27, 2023, with the Industrial Development Corporation of South Africa Limited ("the IDC") as lender and Nedbank as facility agent, respectively. These facilities are to be used for working capital purposes. (Refer to note 13)

Both these facilities are subject to the Common Terms Agreement ("CTA") (refer to note 29.2) entered into on July 15, 2022, between the Company, as borrower, and Nedbank, as lender, amongst others. The Company and certain of its subsidiaries have provided guarantees to obligations under the Nedbank Facility Agreement. The IDC subscribed to the CTA on March 27, 2023.

In terms of the CTA the Group must ensure the following financial covenants under this agreement, bi-annually:

- the net debt to earnings before interest, taxation, depreciation, and amortization ("EBITDA") ratio in respect of the measurement period shall be less than 2.50 times.
- the interest cover ratio in respect of the measurement period shall be greater than 4.00 times; and
- EBITDA in respect of any measurement period is not less than ZAR200 million (USD10.787 million).

The Group did not meet the financial covenants, measured for the twelve (12) month period ended June 30, 2023:

Covenant	Ratio
Net debt to EBITDA ratio	1.84
Interest cover ratio	(5.75)
EBITDA	Negative ZAR259 million (USD13.852 million)

As at December 31, 2023, USD10.787 million (ZAR200 million) was outstanding under the credit facility with the IDC. The credit facility with Nedbank was suspended on August 15, 2023, and the outstanding amount of USD21.575 million (ZAR400 million) and interest accrued on the facility, was repaid on August 29, 2023.

The IDC provided a waiver of covenants which expired on March 31, 2024. On May 20, 2024 the IDC has granted the waiver extension which will condone the breach in financial covenants until March 31, 2025. A penalty interest charge of 2% per annum was charged in addition to the interest rate of JIBAR ^(a) + 4% on the outstanding amount for the period the Company was in breach, July 1, 2023 to October 25, 2023. At December 31, 2023 the unutilised USD16.181 million (ZAR300 million) will only be made available for further utilisation once the amended drawdown conditions are met.

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation (continued)*Going concern*Introduction

The IFRS Accounting Standards Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements. The financial statements' basis of preparation assumes that the reporting entity is a going concern and will continue operating for the foreseeable future. Accordingly, it is assumed that the entity has neither the intention nor the need to enter liquidation or to cease trading and, if that presumption is not valid, disclosure of the relevant facts and a different basis of preparation is required. For Sedibelo Resources Limited, Management and the Board of Directors (the "Board") believes that, as of the date of the approval of the financial statements, this presumption is appropriate and accordingly the financial statements have been prepared on a going concern basis.

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 and the Board considers key assumptions, such as exposure to Platinum Group Metal ("PGM") prices and the South African Rand ZAR:USD exchange rate, in their cash flow forecasts. There has been a 37% decrease in the average PGM basket price for PPM from 2022 to 2023. The combination of a declining basket price, the development of the East pit up to steady state production, and the breach of debt covenants resulting in the repayment of ZAR400 million on the Nedbank revolving credit facility, had a negative impact on the profitability and liquidity position of the Group as of December 31, 2023 and for subsequent periods. Due to the decline in the PGM basket price, the low grade, high-cost East pit could not be operated profitably under current market conditions. In response, Management and the Board curtailed all remaining PPM operations at the end of November 2023, with the West pit being curtailed earlier at the end of October 2023. This consisted of the suspension of all mining activities and related contracts at PPM as well as the commencement of phase 2 of a labour force restructuring process in December 2023. This process was concluded on January 29, 2024.

The Group's ability to continue operating as a going concern is dependent upon the Group's ability to limit cash outflows from its suspended operations in order for the current cash balances to sustain operating activities up until the outcome of the drilling activities in relation to the agreements with a South African Chrome Producer and Offtaker ("Chrome Producer") noted below have been confirmed. This is further dependent on the Group's ability to obtain adequate equity and/or debt funding, and/or, alternatively, to dispose of its non-core properties, being the Mphahlele mining rights, or to dispose of property, plant and equipment initially purchased for the underground development operations that are currently on hold. As a result of the impact that the outcome of the drilling activities noted below will have on the expected future cash inflow from the Chrome producer related to the Mineral Processing and Offtake Agreement, a material uncertainty in relation to going concern has been identified.

Ability of the Group to continue as a going concern

In addition to the requirements of the Conceptual Framework noted above, IAS 1 - Preparation of Financial Statements, requires management to perform an assessment of the entity's ability to continue as a going concern. If Management and the Board are aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, IAS 1 requires these material uncertainties to be disclosed.

Set out below are the factors considered by Management and the Board in concluding that the Group is a going concern:

Financial position

The Group had cash and cash equivalents of USD17.725 million, net current assets of USD22.796 million and an accumulated loss of USD1.648 billion as of December 31, 2023. The Group recorded a net loss of USD848.401 million after tax for the year ended December 31, 2023. The Group's total assets of USD211.732 million exceed total liabilities of USD124.764 million as of December 31, 2023. Apart from cash and cash equivalents, the majority of the current assets of the Group consist of Trade and other receivables, which have been recovered subsequent to year end.

Liquidity and profitability

Management continues to monitor cash flows and liquidity daily across the Group, with oversight from the Board. This daily monitoring incorporates projections for the ensuing twelve months and is used to determine the actions required to optimise liquidity and minimise cash outflows on a timely basis. In assessing the appropriateness of preparing the consolidated annual financial statements on a going concern basis, Management and the Board analysed the Group's current commitments and planned cash flows to determine whether the Group will be able to meet its obligations as they become due and payable.

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation (continued)

Going concern (continued)

Curtailment budgets were prepared by Management and presented to the Board during December 2023, with the latest revision being in Q1 2025. These budgets and forecasts form the basis of Management and the Board's going concern assessment, and the emergency capital raise noted below. To ensure that all cash outflows are in line with planned expenditure, the Sedibelo Cost Committee ("SCC"), consisting of the CFO, CEO, Executive Director, and the Chairperson of the Board, was established. The SCC meets quarterly to review and approve expenditure ahead of the next quarter's expenses (including the approval of new contracts and the required instruction of current service providers). All unplanned expenditure needs to be submitted on an ad-hoc basis for the SCC's approval. Management also reports the Group's liquidity position with a liquidity analysis incorporated into a three month rolling cashflow forecast to Facility C lenders quarterly (Refer to the debt section in the table below) as well as providing cash and working capital balances of the Group monthly.

The budgets and forecasts are prepared using several estimates and judgements. The key estimates and judgements have been highlighted below:

- I. The timing of the settlement of creditors related to community agreements.
- II. The estimation of drilling costs related to drilling activities to be undertaken as part of the activities and conditions precedent to the Chrome Producer Contract Mining-, and Mineral Processing and Offtake Agreements. Refer below for the details on the Chrome Producer term sheet and definitive agreements.
- III. The current profit split to be received by the Group, which is based on net sales proceeds, for the contract mining services to be rendered by the Chrome Producer to the Group.

The suspension of the operations at PPM, the restructuring of the labour complement and force majeure notices issued for various agreements resulted in reduced cash outflow during 2024 and this is also planned for the foreseeable future. The planned ongoing cash outflows limits future spend to the following activities:

- Protection of assets, including mining and prospecting rights, while the mining operations are curtailed;
- Furthering and optimisation of the underground development plan including securing funding through equity and/or debt transactions; and
- Maintaining the corporate and governance structure.

Mitigating actions

Emergency capital raise

To support the immediate liquidity of the Group, existing lenders and shareholders were approached for additional funding. On January 20, 2025 the Group announced the successful completion of an emergency capital raise of USD19.062 million, constituted by way of the issue of USD10.062 million of equity in the form of new ordinary Group shares (the "Equity Raise"), and a USD9 million senior secured debt facility agreement (the "Debt Raise", and together with the Equity Raise, the "Emergency Capital Raise"). The Emergency Capital Raise proceeds will be used for general working capital requirements and to progress the development of the Group. The proceeds have been fully received by the Group as at the date of the financial statements.

1. Basis of preparation (continued)

Going concern (continued)

Set out below are the details of the above Emergency Capital Raise described:

Equity Raise	The equity raise was subscribed to by certain existing and new shareholders of the Group residing outside of Canada by means of a private placement. The equity raise was executed at a price of USD0.00323 per Group ordinary share (the "Subscription Price"), valuing the Group (pre-raise) at a significantly discounted valuation of USD10 million. Equity raise participants have been granted underwriter options to subscribe to further Group shares, on the basis of one option issued for each share subscribed to. The pricing of the equity raise was determined following a series of consultations with the Group's significant shareholders. The options provided as part of the Equity Raise provide the holders the right to subscribe to shares of the Group at an amount equal to the Subscription Price, with the exercise period being dependent on the specific options and the conversion terms stipulated in the subscription agreements. As at the date of these financial statements, these options have not been exercised. Refer Note 34, Events after reporting period. In addition to the above noted raise, the Industrial Development Corporation of South Africa (the "IDC") agreed to convert ZAR50 million of the outstanding (ZAR200 million) senior secured revolving credit facility into ordinary shares of the Group. Refer below for the overall detail of the IDC participation. The Group is considering further capital raising activities, including the issuance of equity securities or rights to subscribe for equity securities, to shareholders of the Group that did not participate in the emergency capital raise.
Debt raise	On January 15, 2025, a senior secured loan agreement between Orion Blue Crane LLC ("Orion"), Pallinghurst PGM Limited ("PPGM"), and the IDC as lenders, the Group's wholly owned operating subsidiary PPM as Borrower, and other entities of the Group as Guarantors ("Facility C") became unconditional. Orion has committed USD8 million and PPGM USD1 million as USD Tranche Loans under Facility C, which amounts have been fully drawn down by PPM. Each of the lenders have been granted lenders' options to subscribe to the Group's shares at the Subscription Price for up to 50% of the amount of their loans drawn down under Facility C. As at the date of these financial statements, these options have not been exercised. Facility C USD Tranche Loans have an annual interest rate of SOFR plus 13%, capped at 18%, with all interest and principal being due and payable at the end of the 2-year Facility C term, being January 2027. For the Group to meet its short-term payment obligations, PPGM entered into an unsecured loan agreement with the Group, in December 2024, for an amount of USD2 million, the repayment of which will be made by way of offset against PPGM's equity subscription under its equity subscription agreement.

IDC's Participation

The IDC, as both a shareholder and lender of the Group, has given its support to the Emergency Capital Raise by agreeing to convert the ZAR200 million principal amount outstanding under the existing Facility B secured facility as follows:

1. ZAR50 million shall be converted into Group ordinary shares, such conversion being conditional on the IDC receiving South African Reserve Bank approval thereon, and
2. the remaining ZAR150 million of principal debt and accrued interest, up to the transaction closing date, on Facility B will be rolled over into Facility C as a Facility C ZAR Tranche loan, which will bear an annual interest rate of JIBAR plus 13%, capped at 21%, with all principal and interest thereon to be repaid at the end of the 2-year term of Facility C, being January 2027.

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation (continued)*Going concern (continued)*

Notwithstanding the actions above that have been implemented, the current cash outflow, available cash balances, and mitigating future actions indicate a material uncertainty that the Group may not be able to continue as a going concern due to the cash runway being forecasted as being depleted by December 2025. In response, Management is actively implementing the following mitigating future actions:

- Actively marketing plant and equipment with an estimated sales value of USD0.912 million (ZAR16.875 million). There are currently confirmed offers and Management is in the process of finalising the payment terms for the sale.
- Continued work on the curtailment plan, which includes non-renewal, renegotiation and/or reduction of all contracts which become renewable, reaching out to suppliers to fund, defer or improve payment terms and further contain cost;
- Continued work on securing funding through a strategic partner for the underground development at PPM whilst continuing to refine the planning for the continuation of the underground project in the most effective manner.
- Restructuring and reducing operating and corporate cost; and
- Concluding all outstanding settlement actions with contractors and service providers.
- Delaying cost where possible to reduce cash outflows in the near term, which includes renegotiation of material agreements.

Underpinning the ability of Management and the Board to realise the Group's assets and discharge its liabilities in the normal course of business is a signed term sheet entered into between PPM and the Chrome Producer, with the draft definitive agreements being in a close to final form as at the date of approval of these financial statements with only final legal form comments to be agreed between the various parties. It is Management and the Board's assessment that the signature of the definitive agreements will likely occur during Q2, 2025. These definitive agreements and their salient terms supporting the Group's assessment of going concern are highlighted below:

- Contract Mining and Offtake Agreement
 - Under this agreement, the Chrome Producer will render mining services to PPM for a fee equal to 90% of the net sales proceeds from the sales of Run of Mine ("ROM") by PPM to the Chrome Producer mined under this agreement. In consideration for the exclusive right to render the mining services to PPM for the specified mining area, the Chrome Producer will pay PPM ZAR110 million. This amount will be used for the completion of geotechnical and economic viability reports and, should the outcome result in the positive refinement, identification, and economic viability of the mining plan in question, the additional below services and funding will be provided. The only condition precedent outstanding as at the date of the signing of these financial statements is the final execution of the Ruighoek agreements, with the expectation that this will occur no later than April 30, 2025.
- Mineral Processing and Offtake Agreement
 - Under this agreement the Chrome Producer will render mineral processing services to PPM for a fee equal to 90% of the net sales proceeds from the sales of saleable Chrome by PPM to the Chrome Producer. Subject to the successful and satisfactory outcome of the above-mentioned drilling activities and reports, the Chrome Producer will pay PPM an additional exclusivity amount of USD75 million that may only be used for the purposes of undertaking and completing the construction work required for the establishment of the underground portal and related mining works contemplated in the geotechnical and economic viability reports. The Chrome Producer will, at its own cost, construct and commission a chromite tailings treatment plant when steady state production in respect of the mining operations for the Underground Ore is achieved.
 - Therefore, the receipt of this USD75 million exclusivity amount is dependent on the outcome of the drilling activities undertaken under the Contract Mining and Offtake Agreement. Should the outcome not be in line with the requirements of the Contract Mining and Offtake Agreement, PPM will not receive the USD75 million.

As these agreements will be formally entered into, it is Management and the Board's view that the going concern risk has been sufficiently mitigated, however a material uncertainty remains in the form of the likely outcome of the geotechnical and economic viability report results that will determine if PPM and the Group will receive the additional funding that will enable it to be able to continue operating as a going concern for the foreseeable future.

(Expressed in United States Dollars, unless otherwise stated)

1. Basis of preparation (continued)

Going concern (continued)

Conclusion in respect of the material uncertainty relating to going concern

A material uncertainty is an event or condition that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the successful raising of equity, the ability to realise cash through disposals of assets, and the turnaround initiatives noted above. The current liquidity dependencies of the Group indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

Management and the Board are of the view that the actions that have been implemented under challenging circumstances to achieve the initial Emergency Capital Raise to date, and those actions that are currently underway, if successfully executed, are sufficient to mitigate the identified going concern risks, however a material uncertainty remains. There is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management and the Board have no intention to cease trading, or to liquidate the businesses, other than concluding orderly disposals that may be necessary to reduce debt. The Board remains focused on and committed to the turnaround strategy, the cost reduction plan, the successful completion of the required drilling activities for the Chrome Producer agreements, and a positive outcome to the geotechnical and economic viability reports, as well as further capital raises.

The Group's lenders and shareholders have over the last two years demonstrated commitment and ongoing support of the Group that is evidenced by the recent successful capital raise, updated Waiver and Forbearance letters approved and the signed term sheet with the Chrome Producer. Management and the Board, after carefully considering the detail and mitigating actions described above, has concluded that the Group is able to discharge its liabilities in the normal course of business, and are therefore of the view that the going concern assumption is appropriate in the preparation of the financial statements, although a material uncertainty exists in relation to the success of the geotechnical and economic viability reports described above and the ability to raise additional funds.

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

	At Dec 31, 2023	Average twelve months ended, Dec 31, 2023	At Dec 31, 2022	Average twelve months ended, Dec 31, 2022
South African Rand (USD:ZAR)	18.54	18.44	16.96	16.37

- a) *The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates ("IBORs") with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets. SARB has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves but has not been formally adopted by the SARB as the successor rate to JIBAR. Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group.*

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 preparation of financial statements requires judgments, estimates, and assumptions from management that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses. Actual results may diverge from these estimates and management's estimates and assumptions are reviewed continuously. Revisions to

(Expressed in United States Dollars, unless otherwise stated)

2. Accounting policies (continued)

a) Critical accounting estimates and judgements (continued)

accounting estimates are recognized on a prospective basis 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.

Judgements

Joint arrangements

The Group has applied IFRS 11 — Joint Arrangements 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 economic substance of the arrangement arising from the contractual terms agreed between the parties and other facts and circumstances plays a key role in determining the classification of a joint arrangement.

Kelltech Limited ("Kelltech") is the Group's primary joint arrangement, for which management has applied judgment in determining it should be accounted for as a joint venture under IFRS 11. Kelltech holds exclusive rights to use and sub-license certain technology for the processing of PGMs within the South African Development Community Region.

The Group holds 50% interest in Kelltech, the other 50% interest in Kelltech is held by Lifezone Limited, the developer and exclusive owner of the technology. Under the joint arrangement, any plant that is developed using the technology will be used by the Group to process its concentrate (which it has committed to provide) as well as the concentrate from other

Joint arrangements (continued)

third-party mining operations (depending on the size of the plant constructed and the source of material). Kelltech's current activities are in the research and development phase relating to the use of this technology including the design and commissioning of an integrated processing plant. The Group advanced a loan to Kelltech to fund feasibility studies, test work and other development costs. The joint arrangement with Kelltech is structured through a separate vehicle, and the right to use the technology belongs to Kelltech. The creditors of Kelltech would not have recourse to the joint venture parties. Joint ventures are accounted for using the equity method.

Impairment of non-current assets

Management uses the guidance in IAS 36 - Impairment of assets and IFRS 6 – Exploration for and evaluation of Mineral Resources, when assessing whether indicators for impairment exist for mining assets, intangible assets, and property, plant and equipment. Management applies judgment in considering whether there is an impairment indicator by taking into consideration the following: operating results for operations, the availability of capital funds for maintenance, the volatility in the ZAR:USD exchange rate and the changes in metal price forecasts.

Management estimates and uses certain key assumptions in calculating the recoverable amount using the fair value less cost of disposal method. This model relies on discounted cash flows, which uses key assumptions comprising both current and future PGM prices, ZAR:USD exchange rates, forecasted costs and weighted average cost of capital ("WACC") as the applied discount rate. On a periodic basis management updates life of mine ("LoM") plans to consider ways to optimize the value of projects over their lives which can impact the key assumptions noted above. Management performed sensitivity analyses and an impairment has been recognised during the year on the cash generating unit. Refer to note 31 for the details of the impairment assessment outcome.

Deferred tax assets

Management uses the guidance in IAS 12 — Income Taxes when assessing whether a deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Management estimates future taxable income using assumptions such as production volume, PGM prices, ZAR:USD exchange rates and inflation are based on the most recent information available from technical work undertaken and in the market. In fiscal years 2022 and 2021 management estimated that it is probable that foreseeable taxable profits will be available to be utilized against the temporary differences and henceforth, has recognized the full amount of its deferred tax assets. In the current fiscal year 2023, management is of the opinion that it is not probable that taxable profits will be available against which deductible temporary differences can be utilized and have therefore derecognized the deferred tax asset balance.

(Expressed in United States Dollars, unless otherwise stated)

2. Accounting policies (continued)**a) Critical accounting estimates and judgements (continued)***Stream prepayment*

The fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the platinum, palladium, rhodium and gold forward price curve using management's forecast model based on industry research obtained, a long-term price volatility between 23% and 46%, and a discount rate comprising the risk-free rate and the Company's credit spread, the LoM production schedule and expectations including expansion plans. Refer to note 18 for the detailed inputs and assumptions used.

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 unrealized gains on transactions between Group companies are eliminated. Unrealized 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 comprehensive income, statement of changes in equity and statement of financial position respectively.

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 ("functional currency"). The Group's main operating subsidiaries' functional currency is the South African Rand. The consolidated financial statements are presented in United States Dollars 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) relating to intermediary holding companies with foreign currency denominated loans, which are recognised in other comprehensive income.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

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);

(Expressed in United States Dollars, unless otherwise stated)

2. Accounting policies (continued)

c) Functional and presentation currency (continued)

- 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.

3. Changes in accounting policy and disclosures

Standards, interpretations and amendments to published standards effective for the year ended 31 December 2023 or early adopted by the Group:

The Group applied the following new and revised accounting standards, amendment to standards and new interpretations for the first time for their annual reporting period commencing January 1, 2023:

- Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

International Financial Reporting Standards and amendments issued with an effective date for accounting periods beginning on or after January 1, 2023, but that had no impact on the Group:

- IFRS 17, 'Insurance contracts'

The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. The effective date is annual periods beginning on or after January 1, 2023.

- Amendments to IFRS 17, 'Insurance contracts'

In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard. The effective date is annual periods beginning on or after January 1, 2023.

- Amendments to IAS 12 International Tax Reform—Pillar Two Model Rules

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. The effective date is annual periods beginning on or after January 1, 2023.

3. Changes in accounting policy and disclosures (continued)

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

- Amendment to IAS 1 – 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. The effective date is annual periods beginning on or after January 1, 2024.

- Amendments to IAS 1 – 'Non-current liabilities with covenants'

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The effective date is annual periods beginning on or after January 1, 2024.

- Amendments to IAS 7 and IFRS 7 – 'Supplier Finance Arrangements'

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The effective date is annual periods beginning on or after January 1, 2024.

- Amendments to IAS 21 – 'The Effect of Changes in Foreign Exchange Rates'

The amendment provides guidance on when a currency is exchangeable and how to determine the exchange rate when it is not. The effective date is annual periods beginning on or after January 1, 2025.

(Expressed in United States Dollars, unless otherwise stated)

4. Mining assets**Accounting Policy**

Exploration and evaluation costs, including the cost of acquiring licenses, 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, they are not depreciated.

When a license 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 annually or if (i) sufficient data does not exist to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount does not exceed the recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is 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 mining 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. Separately identifiable assets, that can be separated from a project and disposed of such as machinery, vehicles, buildings, or other equipment, are recognised as property, plant and equipment. Depreciation will only be recognised once an asset is ready for use as intended by management. Depreciation related to assets recognised as property, plant and equipment directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, will be capitalized against the project (exploration and evaluation asset) until commercial production is reached. Exploration expenditure deemed to be unsuccessful is recognised in profit or loss immediately.

On the acquisition of a subsidiary as part of a business acquisition as defined under IFRS 3 - Business Combinations, the acquisition method of accounting is used. Whereby the assets, liabilities and contingent liabilities acquired are measured initially at their fair values at the acquisition date.

Total mineral properties and rights asset capitalised are divided into a depreciable and non-depreciable component. The depreciable component is the property and rights asset that are fully developed and mined providing economic benefits to the Group through Revenue. The non-depreciable component is not yet developed. The mineral rights and properties are initially capitalised to the mineral rights and properties asset as a non-depreciable component. Annually, as part of the preparation of the updated reserve and resource statement and preparation of the updated LoM plan, a portion of resources will typically be converted to reserves as a result of ongoing resource definition drilling, resultant geological model updates and subsequent mine planning. Based on this conversion of resources to reserves, a portion of the historic cost is allocated from the non-depreciable component of the mineral rights asset to the depreciable component of the mineral properties and rights asset. Therefore, the category of non-depreciable mineral rights asset is expected to reduce and will eventually be fully allocated within the depreciable component of the mineral properties and rights asset. The mineral properties and rights are assessed for impairment annually (Note 31). Mineral properties and rights are amortized based on the units of production ("UOP") method (ore tonnes mined basis). Mineral properties and rights are subsequently measured at cost less accumulated impairment losses and amortization.

During 2022, management identified an error in the accounting treatment of the Company's Mineral properties and rights. Management performed an assessment on the mineral rights and properties balance and noted no amortization has been recognised on mineral properties and rights when commercial production commenced in 2011. An Out-of-Period adjustment was recognized in 2022, reducing the mineral properties balance by USD6.6 million and an increase in the amortization expense accordingly of which USD6.3 million related to prior periods. In evaluating the adjustment, the Company referred to determined, based on an assessment of materiality, that the magnitude of the adjustment is such that it is not probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the adjustment. Managements' analysis of the materiality of the adjustment was performed by reviewing quantitative and qualitative factors. We determined based on this analysis that the adjustment was not material to 2022 and any prior periods.

Sedibelo Resources Limited

(Registration number 54400)

Notes to the financial statements for the year ending December 31, 2023



(Expressed in United States Dollars, unless otherwise stated)

4. Mining assets (continued):

	2023 USD'000	2022 USD'000
Exploration and evaluation assets	10,401	15,444
Mineral properties and rights ^(a)	63,136	641,751
- Non-depreciable	54,247	626,424
- Depreciable	8,889	15,327
Balance at the end of the year	73,537	657,195

Reconciliation of mining assets:

	Exploration & evaluation assets USD'000	Non-depreciable mineral properties & rights ^(a) USD'000	Depreciable mineral properties & rights ^(a) USD'000	Total USD'000
COST				
Balance as at January 1, 2022	17,589	691,313	-	708,902
Reallocation from non-depreciable mineral properties and rights	-	(21,717)	21,717	-
Additions	1,052	-	-	1,052
Reclassifications ^(b)	(2,181)	-	-	(2,181)
Foreign exchange variance	(1,016)	(43,172)	-	(44,188)
Balance as at December 31, 2022	15,444	626,424	21,717	663,585
Reallocation from non-depreciable mineral properties and rights	-	(139,403)	139,403	-
Additions	519	-	-	519
Foreign exchange variance	(2,203)	(53,114)	(1,058)	(56,374)
Balance as at December 31, 2023	13,761	433,907	160,063	607,730

ACCUMULATED AMORTIZATION AND IMPAIRMENT

Balance as at January 1, 2022	-	-	-	-
Amortization	-	-	(282)	(282)
Out-of-period adjustment	-	-	(6,367)	(6,367)
Foreign exchange variance	-	-	259	259
Balance as at December 31, 2022	-	-	(6,390)	(6,390)
Amortization	-	-	(2,464)	(2,464)
Impairment ^(c)	(3,371)	(508,312)	(16,926)	(528,609)
Foreign exchange variance	11	128,652	(125,393)	3,270
Balance as at December 31, 2023	(3,359)	(379,660)	(151,174)	(534,192)

CARRYING AMOUNTS

Balance as at January 1, 2022	17,589	691,313	-	708,902
Balance as at December 31, 2022	15,444	626,424	15,327	657,195
Balance as at December 31, 2023	10,401	54,247	8,889	73,537

The Credit facility and Stream prepayment are secured on Mineral properties and rights. Refer note 29.2.

a) On November 29, 2012, the Group acquired the rights to explore, develop and mine the Sedibelo- and Magazynskraal properties, through the acquisition of its subsidiaries, Richtrau Proprietary Limited and Itereleng Bakgatla Mineral Resources Proprietary Limited. Prior to this date the Group also acquired Platmin South Africa Proprietary Limited ("Platmin SA"), resulting in the acquisition of various mining and prospecting rights in the Western- and Eastern Limb. The carrying value of mineral properties and rights of USD65 million (2022: USD642 million) reflected in the table above represents these depreciable and non-depreciable acquired rights in the disclosed regions.

b) Costs capitalized to the Sedibelo-Magazynskraal underground mining project were reclassified to Property, plant and equipment.

c) Refer to note 31 Impairment.

(Expressed in United States Dollars, unless otherwise stated)

5. Intangible assets

Accounting Policy

Intangible assets that are acquired by the Group are stated at cost less accumulated amortization 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. Amortization 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
Development costs	Indefinite
Water pipeline	LoM

Development costs

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.

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 useful lives are assessed annually. The assets are assessed for impairment on an annual basis at each balance sheet date.

	2023 USD'000	2022 USD'000
CARRYING VALUE		
Water pipeline	8,287	19,767
ERP software	3,329	939
Computer software	504	591
Development costs	17	690
Balance at the end of the year	12,137	21,987

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Notes to the financial statements for the year ending December 31, 2023



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5. Intangible assets (continued)

Reconciliation of intangible assets:

	Water Pipeline ^(a) USD'000	ERP Software USD'000	Computer software USD'000	Development costs USD'000	Power and water rights ^(e) USD'000	Total USD'000
COST						
Balance as at January 1, 2022	25,654	110	2,080	8,675	18,560	55,079
Additions during the year	-	973	37	-	-	1,010
Other movements	(88) ^(b)	-	-	-	-	(88)
Foreign exchange variance	(1,597)	(46)	(133)	(237)	(1,158)	(3,171)
Balance as at December 31, 2022	23,969	1,037	1,984	8,438	17,402	52,830
Additions during the year	-	2,076	2,224	-	-	4,300
Reclassification ^(c)	-	545	(1,909)	-	-	(1,364)
Foreign exchange variance	(2,036)	(103)	(170)	(59)	(1,478)	(3,847)
Balance as at December 31, 2023	21,933	3,554	2,127	8,379	15,924	51,919
ACCUMULATED AMORTIZATION AND IMPAIRMENTS						
Balance as at January 1, 2022	(4,474)	(102)	(1,403)	-	(18,560)	(24,539)
Amortization for the year	(12)	-	(77)	-	-	(89)
Assets impaired	-	-	-	(7,748) ^(d)	-	(7,748)
Foreign exchange variance	284	4	87	-	1,158	1,533
Balance as at December 31, 2022	(4,202)	(98)	(1,393)	(7,748)	(17,402)	(30,843)
Amortization for the year	(269)	(228)	(115)	-	-	(611)
Write-off	-	91	-	-	-	91
Reclassification	-	-	971	-	-	971
Impairment ^(f)	(9,590)	-	(1,199)	(618)	-	(11,408)
Foreign exchange variance	415	9	114	4	1,478	2,020
Balance as at December 31, 2023	(13,646)	(226)	(1,623)	(8,362)	(15,924)	(39,782)
CARRYING AMOUNTS						
Balance as at January 1, 2022	21,180	8	677	8,675	-	30,540
Balance as at December 31, 2022	19,767	939	591	690	-	21,987
Balance as at December 31, 2023	8,287	3,329	504	17	-	12,137

- (a) The Company co-funded the cost to construct a water pipeline that brings water from the Vaalkop dam to the PPM site. The agreement gives the Company right of use for a set volume water per day over the LoM.
- (b) The amount relates to VAT input recovered from prior periods that was unclaimed at the time.
- (c) The reclassification was to computer hardware, under "other" in note 6.
- (d) The development costs previously capitalised against the Rados project was fully impaired during the 2022 financial year end, because of the Rados project being placed on production curtailment. The Rados project was intended to improve material recovery in the plant. Based on the current mining operations, the system was not fit to use at the low volumes of mining planned and as a result management made the decision to impair the asset.
- (e) These rights were impaired in 2012, due to the uncertainty regarding timing to develop, use and benefit from these rights. The impairment may be reversed in the event that management has certainty around the timing of development and use of benefits from the rights.
- (f) Refer to note 31 Impairment.

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment**Critical accounting estimates and judgements****Mineral Reserves and Mineral Resources**

The estimation of Mineral Reserves impacts the depreciation of certain categories of property, plant and equipment (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 Mineral Reserves and Mineral 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, 2016 Edition).

Factors impacting the determination of proved mineral reserves and probable mineral reserves are:

- variance in the grade of mineral reserves (i.e. differences between actual grades mined and grades modelled);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Expectations regarding future profitability would impact the decision to continue mining and consequently, the continued classification as proved and probable mineral reserves. These key estimates and judgments impact the Group's determination of its proved and probable mineral reserves and are reassessed and adjusted accordingly.

Carrying value of property, plant and equipment

Management has elected to depreciate deferred stripping, decommissioning assets, and producing mines using the ore tonnes mined as UOP methodology and plant and equipment using the ore tonnes processed UOP methodology. Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of LoM based on proved- and probable mineral reserves.

The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on proved- and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. Management uses judgment in revisions of the LoM of its operations by evaluating reputable forecasts of PGM market prices, the ZAR: USD exchange rate and in turn consults specialist consultants to assist with future mine planning which may impact the carrying value or rate of depreciation and amortization of property, plant and equipment.

Changes in proved- and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method. For purposes of calculating depreciation, the following LoM applies: Up to September 30, 2023 West Pit had a LoM 7 years (2022: 8 years) and up to November 30, 2023 East Pit had a LoM of 11 years (2022: 12 years). The open pits are mined as a single cash generating unit. The West pit cannot sustain plant production on its own and will be mined to supplement the East pit over the remaining LoM. The negative change in PGM prices had resulted in both these pits not being economically viable. Any changes in the LoM are accounted for prospectively as a change in estimate.

The Group reviews and tests the carrying value of long-lived assets annually or when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing the recoverable amounts to these carrying values.

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment (continued)**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.

Proceeds received from selling PGM's produced while the Company was preparing East Pit for its intended use were not deducted from the costs of the asset. The proceeds from the sales of such PGM's and the related costs were recognised directly in profit or loss.

Depreciation is calculated on a UOP method (ore tonnes mined basis) for 'Producing mines', 'Pre-stripping asset', 'Deferred stripping asset' and 'Decommissioning asset'. The UOP 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 orebody before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the LoM on a UOP basis.

Deferred – 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 bank cubic meters ("BCM's") of waste mined by the BCM's of ore mined.

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

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 cost 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.

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment (continued)

Accounting Policy (continued)

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	10 years
Plant and equipment	Units of production (ore tonnes processed)
Mining machinery (included in the plant and equipment category)	Machine hours
Buildings	20 years
Land	Indefinite
Other	
• Computer equipment	3 years
• Office equipment	6 years
• Furniture and fittings	6 years
• Motor vehicles	5 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:

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6. Property, plant and equipment (continued)

	Producing Mines USD'000	Plant construction and mine development USD'000	Pre- stripping assets USD'000	Deferred stripping assets USD'000	Decom- missioning assets USD'000	Right-of-use assets USD'000	Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
Balance as at January 1, 2022	5,682	20,174	107,231	46,332	9,040	4,284	155,988	3,762	7,105	359,598
Additions	-	88,919	-	-	-	-	11,420	2,805	2,404	105,548
Change in estimate	-	-	-	-	1,382	-	-	-	-	1,382
Reclassifications	-	2,181	-	-	-	-	-	-	-	2,181
Disposals/write offs	-	-	-	-	-	-	-	-	(38)	(38)
Foreign exchange variance	(355)	(4,809)	(6,690)	(2,891)	(618)	(357)	(10,178)	(343)	(451)	(26,692)
Balance as at December 31, 2022	5,327	106,465	100,541	43,441	9,804	3,927	157,230	6,224	9,020	441,979
Additions	-	82,623	-	-	-	-	6,371	176	2,953	92,123
Change in estimate	-	-	-	-	2,388	-	-	-	-	2,388
Reclassifications ^(b)	137,692	(137,692)	-	-	-	-	5,859	1,067	(5,561)	1,365
Disposals	-	-	-	-	-	-	(1,277)	-	(6)	(1,283)
Foreign exchange variance	(1,261)	(8,721)	(8,541)	(3,690)	(848)	(334)	(13,215)	(537)	(963)	(38,111)
Balance as at December 31, 2023	141,759	42,675	92,000	39,751	11,344	3,593	154,967	6,930	5,443	498,461
ACCUMULATED DEPRECIATION										
Balance as at January 1, 2022	(5,214)	-	(91,013)	(39,051)	(7,293)	(3,095)	(114,959)	(929)	(5,419)	(266,973)
Depreciation for the year	(110)	-	(1,316)	(595)	(109)	(126)	(3,000)	(119)	(560)	(5,935)
Disposals	-	-	-	-	-	-	-	-	7	7
Foreign exchange variance	330	-	5,730	2,461	459	194	7,234	63	364	16,835
Balance as at December 31, 2022	(4,994)	-	(86,599)	(37,185)	(6,943)	(3,027)	(110,725)	(985)	(5,608)	(256,066)
Depreciation for the year ^(a)	(4,235)	-	(307)	(126)	(225)	(155)	(2,423)	(210)	(227)	(7,909)
Reclassifications ^(b)	-	-	-	-	-	-	(1,462)	(13)	505	(971)
Impairment ^(c)	(131,848)	(40,850)	(12,527)	(5,632)	-	(620)	(20,467)	(2,030)	(1,295)	(215,267)
Disposals	-	-	-	-	-	-	295	-	6	300
Foreign exchange variance	1,221	240	7,434	3,193	591	323	7,296	94	2,638	23,030
Balance as at December 31, 2023	(139,855)	(40,610)	(92,000)	(39,751)	(6,577)	(3,479)	(127,486)	(3,143)	(3,981)	(456,883)
CARRYING AMOUNTS										
Balance at January 1, 2022	468	20,174	16,218	7,281	1,747	1,189	41,029	2,833	1,686	92,625
Balance at December 31, 2022	333	106,465	13,942	6,256	2,861	900	46,505	5,239	3,412	185,913
Balance at December 31, 2023	1,903	2,065	-	-	4,766	114	27,481	3,787	1,462	41,578

(Expressed in United States Dollars, unless otherwise stated)

6. Property, plant and equipment (continued)

The Credit facility (refer note 13) and stream prepayments (refer note 18) are secured by PPM's moveable assets included in Property, plant and equipment.

a) Depreciation includes depreciation capitalised to relating the Sedibelo-Magazynskraal underground project of USD1.2 million.

b) The reclassifications include the following:

- Reclassification from capital-in-progress to land and buildings and other property, plant and equipment once the assets were ready for use.
- Reclassification of the East pit cost capitalised in 'Plant construction and mine development' to 'Producing mines' after it reached steady state production on October 1, 2023. The East pit production for mining and processing volumes for the months of July to September 2023 was consistently at the planned monthly throughput, producing consistent levels of 4E ounces.

c) Refer to note 31 *Impairment*.

(Expressed in United States Dollars, unless otherwise stated)

7. Loans receivables

Accounting Policy

Loans receivables 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).

	2023 USD'000	2022 USD'000
Non-current assets		
Kelltech Limited ("Kelltech") ^(a)	-	11,544
Kellplant Proprietary Limited ("Kellplant") ^(b)	-	8,518
Magalies Water ^(c)	965	2,946
Current assets		
Phakamani Impact Capital (Pty) Ltd ("Phakamani") ^(d)	803	1,211
Balance at the end of the year	1,768	24,219

	2023 USD'000	2022 USD'000
Kelltech		
Balance at the beginning of the year	11,544	11,793
Interest accrued	1,104	644
ECL under IFRS 9 for the year	(15,896)	-
Investment in associate	3,930	-
Foreign exchange variance	(682)	(893)
Balance at the end of the year	-	11,544

	2023 USD'000	2022 USD'000
Kellplant		
Balance at the beginning of the year	8,518	2,621
Loan amounts advanced	-	5,525
Interest accrued	1,255	757
ECL under IFRS 9 for the year	(9,096)	-
Foreign exchange variance	(677)	(385)
Balance at the end of the year	-	8,518

	2023 USD'000	2022 USD'000
Magalies Water		
Balance at the beginning of the year	2,946	4,649
Repayment through use	(1,741)	(1,469)
Foreign exchange variance	(240)	(234)
Balance at the end of the year	965	2,946

(Expressed in United States Dollars, unless otherwise stated)

7. Loans receivables (continued)

- (a) The loan bears interest at the Secured Overnight Financing Rate ("SOFR") + 3%. Up to February 2022, the loan bore interest at the 3 Month USD London Inter-Bank Offered Rate ("LIBOR") rate. The change was a direct consequence of interest rate benchmark reform. The new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change) with no immediate gain or loss recognised. The loan is to be repaid from the proceeds generated by the Kell beneficiation plant through royalty payments. There is no certainty of financing for this project and the subsequent cashflows to Kelltech at this time and therefore the ability of Kelltech to repay its debts is uncertain;
- (b) The loan bears interest at South African prime overdraft rate plus 3.5%. The loan is to be repaid from the proceeds received from Debt- and Equity funding to Kellplant Proprietary Limited. There is no certainty of financing for this project at this time and therefore the ability of Kellplant to repay its debts is uncertain.

An evaluation was performed of the ECL based on the loans' receivable as at December 31, 2023. Management assessed the loan to Kelltech and Kellplant and concluded that the loans may not be recoverable; the loan to Kelltech will be recovered from anticipated profits once the Kell beneficiation plant is commissioned and the Kellplant loan from Debt- and Equity funding. The timing of this is uncertain. An ECL for Kelltech and Kellplant of USD11 million and USD9 million, respectively have been recognised.

- (c) The loan is interest free, has variable terms of repayment calculated by amortising the loan based on the monthly units of water consumed.

The loan to Magalies Water will be recovered in full as the Company has the right to offset all water consumption against the loan advanced.

- (d) The loan was granted as part of a revolving loan scheme to qualifying Small, Medium and Micro Enterprises ("SMMEs"). The loan is interest free and will be repaid upon settlement of the loans granted by Phakamani to third parties. This loan revolves as new loans are granted and again repaid. At December 31, 2023 there is uncertainty of the recoverability of USD342 thousand because of the suspension of the open pit operations and consequently the services from suppliers owing this amount.

Management further assessed the loan to Phakamani and concluded that the loan may not be recovered in full since the loans were granted to vendors of the Group, with the repayment of the loans being linked to payments made by the Group to the relevant vendors. The suspension of the open pit operations in turn suspended any business and cashflow from PPM to the vendors. Their ability to repay these outstanding amounts is uncertain and therefore an ECL of USD342 thousand has been recognised.

8. Cash and cash equivalents, restricted 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 investments

Restricted investments and guarantees include long-term deposits with an original maturity of more than twelve (12) months or that are encumbered by guarantees for the purposes of mine rehabilitation and electricity supply and lease agreements. They are classified as restricted, due to these cash balances not being immediately available for use.

(Expressed in United States Dollars, unless otherwise stated)

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

8.1 Restricted investments and guarantees

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

	2023 USD'000	2022 USD'000
Balance at the end of the year	19,507	18,601

The DMPR 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 DMPR 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 LoM; and
- on a cash backed basis.

Eskom requires a guarantee to be furnished as security for the payment due on the electricity account.

As at December 31, 2023, the Group had USD30 million (2022: USD29 million) in guarantees to the DMPR and USD5 million (2022: USD6 million) to Eskom, of which USD20 million (2022: USD19 million) is funded.

8.2 Cash and cash equivalents

	2023 USD'000	2022 USD'000
Balance at the end of the year	17,725	155,376

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.

9. Inventories

Critical accounting estimates and judgements

Metal inventory is held in a wide variety of forms across the value chain reflecting the stage of refinement. Prior to production as final metal, the inventory is always contained within a carrier material. As such, inventory is typically sampled, and assays taken to determine the metal content and how this is split by metal. Measurement and sampling accuracy can vary quite significantly depending on the nature of the vessels and the state of the material. Management's judgement is applied to determine as accurately as possible at which stage of completion work in progress inventory is at each reporting date and estimates which costs should be included for valuation at the specific stage of completion.

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.

(Expressed in United States Dollars, unless otherwise stated)

9. Inventories (continued)

	2023 USD'000	2022 USD'000
Ore stockpiles	827	785
Work in progress	-	557
Chrome stockpiles ^(a)	-	30
Consumables	10,826	10,522
Balance at the end of the year	11,653	11,894

Refer to note 25 for the inventory cost that forms part of the cost of operations.

- (a) The proceeds from the sale of chrome are recognised as revenue. Although some inventory items are carried at net realisable value, this figure is not significant.

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. Refer to note 24 for the disclosure of commodity price adjustments.

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.

Initial Public Offering (IPO) costs

Qualifying transaction costs incurred in anticipation of an issuance of equity instruments across reporting periods are deferred to the balance sheet until the equity instrument is recognised. The deferred costs are reclassified as a deduction from equity when the equity instruments are recognised and recognised to profit and loss if the issuance of equity instruments doesn't take place.

	2023 USD'000	2022 USD'000
Trade receivables measured at fair value ^(a)	22,066	50,020
Trade receivables measured at amortised cost ^(a)	11,683	2,681
Other receivables ^(b)	76	12,058
<i>IPO related costs</i>	-	6,222
<i>Other</i>	76	5,836
Balance at the end of the year	33,826	64,759

(Expressed in United States Dollars, unless otherwise stated)

10. Trade and other receivables (continued)

- a) None of the trade receivables balances are past due.
- b) Other receivables include tax rebates and prepayments. Included in the comparative prepayments are costs relating to preparation for an IPO. IPO related costs were reclassified to profit or loss during 2023, because of the abandonment of the specific IPO workstream with uncertainty on when the markets will recover to facilitate an IPO of this nature.

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

	Number of shares	Amount USD'000
Balance at December 31, 2022	3,095,401,663	2,549,583
Balance at December 31, 2023	3,095,401,663	2,549,583

The Company invited shareholders to participate in a capital raise with the ambition to raise at least USD24 million through a combination of debt and equity. The price per share under the Subscription Agreements is USD 0.00323. The subscription price is calculated based on a deeply discounted pre-money valuation of the Group.

On January 15, 2025, shareholders subscribed to 3,115,446,749 ordinary shares in Sedibelo at a price of USD 0.00323 per share. Total capital raised through subscription is USD10.063 million. The issue of an additional 1,028,970,611 ordinary shares is still conditional on receiving South African Reserve Bank approval and compliance with the Bank Act. Refer note 34, Events after reporting period.

Each Equity Underwriter has been granted an equivalent number of Underwriter Options at the same exercise price as the price per share for this raise on the basis of one option issued for each share subscribed to. These options shall have a three-year term, although they will expire if not exercised immediately before a Change of Control Event (assuming this is within the three-year term).

Sedibelo's largest shareholder prior to the capital raise, the Bakgatla Ba Kgafela Tribe ("BBKT") has been granted options to subscribe to up to USD6 million on the same basis as the raise, receivable in two tranches of USD3 million each. The BBKT will be granted a period of 12 months to fund the first tranche, and should they be successful, they will be granted the second tranche, for a term that mirrors that of the Underwriter Options.

12. Non-controlling interests

Accounting policy

The Group initially 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.

	Dec 31, 2023 USD'000	Dec, 31 2022 USD'000
Mahube Mining Proprietary Limited	3,080	2,642
Tameng Mining and Exploration Proprietary Limited	4,936	4,610
Taung Platinum Exploration Proprietary Limited	957	889
Balance at the end of the year	8,973	8,141

(Expressed in United States Dollars, unless otherwise stated)

13. Credit facility

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Credit facility with Nedbank ^(a)	-	17,696
Credit facility with the IDC ^(b)	10,789	-
Balance at the end of the year	10,789	17,696
Short term	10,789	-
Long term	-	17,696

- a) On July 15, 2022, PPM, as borrower, and Nedbank, as lender and facility agent, entered into an agreement whereby it was granted a senior secured revolving credit facility in an aggregate amount equal to USD26.969 million (ZAR500 million) for a period of 3 (three) years. The facility had to be used for working capital purposes. Interest was calculated on each advance at JIBAR plus a margin. An interest period of 1 (one) month, 3 (three) months or 6 (six) months were selected upon the utilization request of the loan and interest accrued from the utilization date of the loan.

A commitment fee of 30% of a 3.5% margin per annum was payable on the available facility that has not been utilized and was payable on the last day of each successive period of three (3) months. The margin varied between 3.5% and 3.8% depending on the Company's status as a listed or unlisted entity as well as the amount of capital raised in such a listing on a recognized stock exchange. The fees were expensed as incurred.

The facility was subject to the Common Terms Agreement (refer section 29.2) entered into on July 15, 2022, between the Company, as borrower, and Nedbank, as lender, amongst others. The Company and certain of its subsidiaries have provided guarantees of obligations under the Nedbank facility agreement. As a result of certain covenants of the Common Terms Agreement being breached on June 30, 2023, Nedbank suspended the facility on August 15, 2023, and the outstanding amount of USD21.575 million (ZAR400 million) and interest accrued on the facility, was repaid on August 29, 2023. Nedbank has confirmed with PPM's agreement that the facility will remain in place in its current suspended form. PPM will not incur any commitment fees whilst it is suspended.

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Balance at the beginning of the period	17,696	-
Drawdown	5,426	18,403
Repayment	(21,705)	-
Interest (paid)/accrued	(10)	11
Subtotal	1,408	18,414
Foreign exchange variance	(1,408)	(718)
Balance at the end of the period	-	17,696

- b) On March 27, 2023, PPM, as borrower, and the IDC, as lender and Nedbank as facility agent, entered into an agreement whereby it was granted a senior secured revolving credit facility for an aggregate amount equal to USD26.969 million (ZAR500 million) for a period of 5 (five) years. The facility is to be used for working capital purposes. Interest is calculated monthly on each advance at JIBAR plus a margin of 4%. On March 31, 2023, a drawdown of USD10.787 million (ZAR200 million) was made.

The IDC credit facility is subject to the Common Terms Agreement (refer note 29.2) entered into on July 15, 2022, between PPM as the borrower and Nedbank as the lender amongst others. The IDC subscribed to the CTA on March 27, 2023.

On November 22, 2023, management received a waiver of the breach of covenants from the IDC that was effective until March 31, 2024. The IDC acceded a waiver extension sought and condoned the breach in Financial covenants for all measurement periods until March 31, 2025 (includes the June 2024 and December 2024 periods). The IDC levied a default interest, which is 2% higher per annum than the rate applied for the period the Company was in breach. A Waiver and forbearance letter in respect of this Facility Agreement was entered into. *Refer note 34, Events after reporting period.*

On January 15, 2025, as part of the capital raise of debt and equity, the IDC agreed to convert USD2.642 million (ZAR50 million) outstanding under Facility B into Sedibelo ordinary shares, at the same subscription price of USD0.00323 per share as the remainder of the equity raise, and which debt to equity conversion is conditional on the approval of the South African Reserve Bank. On the same date, the IDC entered into a new Facility C agreement with other lenders, pursuant to which the IDC converted the remaining outstanding amount under Facility B (USD7.927 million (ZAR150 million) and outstanding

(Expressed in United States Dollars, unless otherwise stated)

13. Credit facility (continued)

interest), to the new Facility C, which ranks senior to all other debt. Upon receipt of the South African Reserve Bank approval for the conversion of the USD2.642 million (ZAR50 million) into Sedibelo ordinary shares, Facility B will automatically terminate. *Refer note 34, Events after reporting period.*

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Balance at the beginning of the period	-	-
Drawdown	10,583	-
Transaction fees	270	-
Interest accrued	995	-
Interest paid	(995)	-
Commitment fees accrued	121	-
Commitment fees paid	(121)	-
Foreign exchange variance	(64)	-
Balance at the end of the period	10,789	-

14. Decommissioning and rehabilitation provision
Critical accounting estimates and judgements

The Group assesses its mine rehabilitation provision annually in accordance with the requirements of National Environmental Management Act, No. 107 of 1998, as amended. 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 of the decommissioning required, and costs of rehabilitation activities, impact of technological changes, future regulatory changes, cost increases and changes in discount rates.

Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, LoM estimates, and discount rates could affect the carrying amount of this provision.

Management exercises judgement in determining the remaining LoM at the date of reporting based on assumptions such as estimated future market prices for PGM's, the ZAR: USD exchange rate and choosing an appropriate discount rate, being the pre-tax risk-free rate based on current market assessments. 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 and the LoM period. 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.

(Expressed in United States Dollars, unless otherwise stated)

14. Decommissioning and rehabilitation provision (continued)

	2023 USD'000	2022 USD'000
DISCOUNTED		
Balance at the beginning of the year	20,774	18,782
Unwinding of discount (accretion)	1,951	1,910
Change in estimate and current period additions	2,388	1,382
Subtotal	25,113	22,074
Foreign exchange variance	(1,791)	(1,300)
Balance at the end of the year	23,321	20,774

Assumptions and inputs used in determining the asset retirement obligation:

	2023	2022
ZAR discount rate	11.75%	10.5%
Inflation rate ^(a)	5.5%	5.5%
LoM years ^(b) – West Pit	11	12
LoM years ^(c) – East Pit	11	12

Management performed sensitivity analyses on the assumptions and inputs used in determining the asset retirement obligation and concluded that these changes won't be material.

- (a) Inflation rate used is an inflation rate at a point in time based on the South African Consumer Price Index ("CPI").
- (b) The open pits are mined as a single cash generating unit. Due to the layout of the pits decommissioning and rehabilitation of the West Pit will only commence once the East Pit LoM comes to an end and as such the West Pit LoM is aligned to the East Pit for purposes of assessing the decommissioning and rehabilitation liability. Although it is not currently economically feasible to mine the West Pit, the applicable reserves have not diminished.
- (c) The LoM of the East Pit was reduced with one year. Although it is not currently economically feasible to mine the East Pit, the applicable reserves have not diminished.

15. 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 twelve (12) months after the reporting date.

	2023 USD'000	2022 USD'000
Loan from Corridor Mining Resources Proprietary Limited ^(a)	5,554	5,413
Balance at the end of the year	5,554	5,413

- (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.

(Expressed in United States Dollars, unless otherwise stated)

16. Cash-settled share-based payment obligations**Accounting policy**

The Group operates a cash-settled compensation plan in which certain employees of the Group participate. The cash-settled instruments entitle the employees to a cash payment. The right must be exercised on vesting date and will expire if not exercised on that date. The grant date fair value of the cash-settled instruments is recognised as an employee benefit expense over the vesting period based on the Group's estimate of the number of instruments that will eventually vest, with a corresponding increase in the share-based payment obligation. At each reporting date the obligation is remeasured to the fair value of the instrument, to reflect the potential outflow of cash resources to settle the liability, with a corresponding adjustment in profit or loss. Vesting assumptions for non-market conditions are reviewed at each reporting date to ensure they reflect current expectations.

Qualifying share-based payment expenses were capitalised to the balance sheet.

The fair value of the cash-settled instruments is measured by reference to the most recently conducted Group Equity Valuation, using the income approach, based on the net present value of the free cash flows of the entity, discounted by the WACC. The fair value per unit is determined by dividing the Group equity valuation by the total number of ordinary shares in issue on the award date. On December 5, 2023 the scheme rules changed to measure the cash-settled instruments at a fixed value of R8.68 per unit. This change resulted in a change in accounting recognition and all outstanding units at December 31, 2023 will be reported and measured as employee benefits in terms of IAS19 (Refer note 17).

16.1 Forfeitable units ("Bonus Units") – as part of the short-term incentive scheme

The Remuneration Committee grants an award of Bonus Units annually to match 50% (fifty percent) of the annual Short-term bonus awarded to participating employees.

The total annual short-term bonus is determined by reference to the actual performance rating of the individual and the Group against predetermined targets for the preceding cycle and is comprised of cash. The number of bonus units awarded are calculated as a percentage of the prior years annual bonus divided by the grant date fair value per unit. The Bonus Units vest after a three-year period, subject to continued employment. Early vesting takes place upon retirement and retrenchment. Both these events triggered early vesting of some units. As a result of a section 189 retrenchment process in terms of the South African Labour Relations Act early vesting was triggered for units belonging to employees affected by the section 189 process.

16.2 Conditional units ("Performance Units" and "Milestone Awards") – for the long-term incentive scheme

The Remuneration Committee grants an award of Performance Units annually to eligible employees as part of its long-term incentive scheme. The number of Performance Units awarded to an employee is based on the employee's annual guaranteed pay and job grade combined with a factor related to the Group's assessed performance rating over a three-year period and using the relevant grant price calculation (as for the Bonus Units) at the award date, with ultimate vesting of those awards subject to performance conditions as approved by the Remuneration Committee.

Performance conditions applicable to Performance Units

The number of units that vest depends on the extent to which the Group has performed over the intervening three-year period relative to five performance criteria. These performance criteria are among the most widely acceptable vesting performance measures suited to aligning the outcome of long-term incentive awards with shareholders' interests.

The number of the Performance Units awarded that will finally vest three years after the award date will range between 0% (zero percent) and 150% (one-hundred-and fifty percent) depending on the extent to which the performance criteria have been met.

(Expressed in United States Dollars, unless otherwise stated)

16. Cash-settled share-based payment obligations (continued)**16.2. Conditional units (“Performance Units” and “Milestone Awards”) – for the long-term incentive scheme (continued)**

The performance conditions are listed below:

Condition	% Weighting
Relative total shareholder return	30%
Absolute total shareholder return	30%
Operating cash flow/Equity	30%
Improvement in B-BBEE	5%
CO ₂ , water usage and tailings dams	5%

The Remuneration Committee awarded additional Conditional Units to eligible Key Management Personnel (“Milestone awards”) to reflect and reward the closing of strategic transactions. The number of Units awarded to an employee is based on the employee’s annual guaranteed pay and job grade using the relevant grant price calculation (as for the Bonus Units) at the award date. These Units will vest on a pro-rata basis depending on the extent to which the Performance Condition has been fulfilled, with ultimate vesting of these awards subject to performance conditions, a maximum vesting limit and weighting as approved by the Remuneration Committee.

The milestones are listed below:

Milestone

Capital raise > USD 100 million

Listing by independent Initial Public Offering IPO or merger with listed entity

Merger with unlisted entity

On March 24, 2021, the Board of directors of Sedibelo Resources Limited approved the adoption of the *Sedibelo Platinum Mines Long-term Incentive 2021 Plan* with effect from July 1, 2021.

In June 2022, the Board of directors approved the issuance of cash-settlement units to non-executive directors under the Sedibelo Resources Limited Long-term Incentive Plan 2021 (as amended on 1 June 2022 and 5 December 2023). Non-executive directors are eligible to receive annual awards, based on the annual base fee payable to non-executive directors provided that the non-executive has served as a non-executive for the Board for a continuous period of twelve (12) months. The base fee was USD 100k per annum, for the 2022 financial year, and will be reviewed annually by the Executive Directors considering prevailing US inflation and market practice. The base fee for the Chairman of the board was USD 200k per annum, for the 2022 financial year.

On December 5, 2023 the Board of directors approved the issuance of cash-settlement units to executive management to compensate them for remuneration adjustments made, reducing remuneration from October 1, 2023 until the Company’s operating conditions will be deemed to have returned to normal upon the occurrence of either a positive EBITDA for a continuous period of 6 (six) months of at least ZAR250 million, the raising of external cash or facilities for the Group to the total amount of at least USD50 million, retrenchment or a change of control. Vesting will occur upon one of the aforementioned events.

On December 5, 2023 the scheme rules changed to measure the cash-settled instruments at a fixed value of ZAR 8.68 per unit. This change resulted in a change in the nature of the share-based payment arrangement to an employee benefit in the scope of IAS 19 Employee Benefits.

The fair value immediately prior to the change was measured at a fair value of ZAR8.68. The fair value at date of modification was fixed to ZAR8.68. The derecognition of the share-based payment will not have a result on the profit/(loss) of the Group.

(Expressed in United States Dollars, unless otherwise stated)

16. Cash-settled share-based payment obligations (continued)
16.2. Conditional units (“Performance Units” and “Milestone Awards”) – for the long-term incentive scheme (continued)

The following table summarises the movements relating to the share-based payment scheme:

	2023 USD'000	2022 USD'000
Balance at the beginning of the year	6,600	1,950
Cash-settled share-based payment recognised	6,083	5,688
Cash-settled share-based payment paid	(1,074)	(723)
Cancellation of share-based payments ^(a)	(2,443)	-
Foreign exchange variance	(477)	(315)
Accelerated vesting	(8,689)	-
Balance at the end of the year	-	6,600
Less: Current portion of share-based liability	(1,775)	(717)
Accelerated vesting	1,775	-
Non-current portion of share-based payment liability	-	5,883

(a) Performance related and IPO milestone units were cancelled in 2023 because of not meeting performance criteria set and the Company abandoning the IPO workstream as a result of market conditions.

The following table summarises the cash-settled instruments issued to Key Management Personnel and directors:

	2023 ^(a) USD'000	2022 USD'000
<i>Compensation of Directors:</i>		
Executive director		
Chief Executive Officer - E Clarke (resigned 1 January 2024)	-	845
<i>Compensation of key Management personnel:</i>		
Chief Operating Officer - C Badenhorst (Appointed Chief Executive Officer 1 January 2024)		486
Chief Financial Officer - E Maritz	-	417
Chief ESG Officer – L Bethlehem (Voluntary Severance, November 30, 2023)	-	153
Executive Corporate Affairs and Human Capital - C Phephenyane	-	155

(b) Please refer to note 17 for the employee benefits issued to Key Management Personnel and directors during the current financial year.

17. Employee Benefits
Accounting policy

Until December 5, 2023 the Group operated a cash-settled compensation plan in which certain employees of the Group participated. On December 5, 2023 the scheme rules changed to measure the cash-settled instruments at a fixed value of ZAR 8.68 per unit. This change resulted in a change in the nature of the share-based payment arrangement to an employee benefit within the scope of IAS 19 Employee Benefits. The cash-settled instruments entitled the employees to a cash payment.

Forfeitable units (“Bonus Units”) – as part of the short-term incentive scheme

The Remuneration Committee grants an award of Bonus Units annually to match 50% (fifty percent) of the annual Short-term bonus awarded to participating employees. The total annual short-term bonus is determined by reference to the actual performance rating of the individual and the Group against predetermined targets for the preceding cycle and is comprised of cash. The number of bonus units awarded are calculated as a percentage of the prior years annual bonus divided by the grant date fair value per unit. The Bonus Units vest after a three-year period, subject to continued employment.

(Expressed in United States Dollars, unless otherwise stated)

17. Employee Benefits (continued)
Accounting policy (continued)
Conditional units ("Performance Units" and "Milestone Awards") – for the long-term incentive scheme

The number of units that vest depends on the extent to which the Group has performed over the intervening three-year period relative to five performance criteria. These performance criteria are among the most widely acceptable vesting performance measures suited to aligning the outcome of long-term incentive awards with shareholders' interests.

The number of the Performance Units awarded that will finally vest three years after the award date will range between 0% (zero percent) and 150% (one-hundred-and fifty percent) depending on the extent to which the performance criteria have been met.

The performance conditions are listed below:

Condition	% Weighting
Relative total shareholder return	30%
Absolute total shareholder return	30%
Operating cash flow/Equity	30%
Improvement in B-BBEE	5%
CO ₂ , water usage and tailings dams	5%

Short-term employee benefits

Short-term employee benefits are recognised as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

	2023 USD'000	2022 USD'000
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability	-	-
Long term employee benefit liability	8,689	-
Total employee benefit liability	8,689	-
	2023 USD'000	2022 USD'000
Non-current employee benefit liability ^(a)	6,914	-
Current employee benefit liability	1,775	-
Total employee benefit liability	8,689	-

(a) Discounting has not been applied to the non-current employee benefit liability due to the liability being fair valued before recognition as a non-current employee benefit liability.

(Expressed in United States Dollars, unless otherwise stated)

17. Employee Benefits (continued)

The following table summarises the employee benefits issued to Key Management Personnel and directors:

	2023 USD'000	2022 ^(a) USD'000
<i>Compensation of Directors:</i>		
Non-executive directors	1,276	-
Executive director		
Chief Executive Officer - E Clarke (resigned 1 January 2024)	1,088	-
<i>Compensation of key Management personnel:</i>		
Chief Operating Officer - C Badenhorst (Appointed Chief Executive Officer 1 January 2024)	574	-
Chief Financial Officer - E Maritz	445	-
Chief ESG Officer – L Bethlehem (Voluntary Severance, November 30, 2023)	-	-
Executive Corporate Affairs and Human Capital - C Phephenyane	184	-
Chief Legal Officer – J Naginski	431	-

(a) Please refer to note 16 for the cash-settled instruments issued to Key Management Personnel and directors during the previous financial year.

18. Stream prepayment
Accounting policy

The stream prepayment was recognised as a financial liability at fair value through profit and loss in terms of IFRS 9. Financial liabilities are initially measured at fair value when the Group becomes a party to their contractual arrangements. Transaction costs are included in the initial measurement of financial liabilities, except for financial liabilities classified at fair value through profit or loss. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

The fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the platinum, palladium, rhodium and gold forward price curve using management's SFA Oxford forecast, a long-term price volatility between 23% and 47%, and a discount rate comprising the risk-free rate and the Company's credit spread, the LoM production schedule and expectations including expansion plans.

The gain or loss related to the Company's own credit risk is recorded in other comprehensive income/(loss) and includes the impact of the difference between the Company's own credit risk at the time of entering into the long-term debt and the statement of financial position date.

The Group entered into streaming agreements with affiliates of Orion Resource Partners ("Orion") made up of platinum-, palladium-, gold- and rhodium streams. Orion advanced the following loan credit facilities to the Group:

- Platinum stream: USD40.2 million
- Palladium and gold stream: USD28.7 million
- Rhodium stream: USD31.1 million

In consideration for the stream prepayment, the Group shall sell and deliver to a metal account of Orion metal credits purchased on the London Bullion Market equal to the value of a certain percentage (designated metal percentage) of refined metals produced by the Group monthly.

The Company will receive a monthly cash payment equal to 20% of the value of the metal credits delivered to Orion and the remaining 80% will be utilized against the credit facility.

The following designated metal percentages are applicable to each stream:

- Platinum stream: 4.55%
- Palladium and gold stream: 5.75%

(Expressed in United States Dollars, unless otherwise stated)

18. Stream prepayment (continued)

- Rhodium stream: See table below:

Monthly Avg. Rh Price (USD/oz)	Less than or equal to 5,000	Greater than 5,000 and less than 10,000	Equal to 10,000	Greater than 10,000 and less than 15,000
Designated metal %	4.30%	4.30% and 2.11%	2.11%	2.11% and 1.44%

The applicable designated metal percentage will reduce with the occurrence of the following events:

- By 50% if the Company pays a buy back fee on any of the first five anniversaries of the date when the stream prepayment was received;
- By 75% after 4,664,704 ounces of the refined metals have been produced; and
- By 87.5% after 4,664,704 ounces of the refined metals have been produced and the mining area is below the depth of seven hundred metres (700m) from the surface.

The agreements will be effective for forty (40) years and thereafter shall automatically be extended for successive twenty (20) year periods unless there are no active mining activities, in which case these agreements shall terminate at the end of the initial term or such additional term, as applicable. The agreements may also be terminated by the Company or Orion on mutual written consent or by either party in the case of an event of default.

Significant assumptions and inputs used in the Monte Carlo simulation model:

	2023	2022
Commodity price forecast	Refer table below	Refer table below
Discount rate ^(a)	11.16%	11.14%
Long-term price volatility	23% - 47%	23% - 46%
LoM production schedules	Refer to note 31	Refer to note 31

a) The midpoint of the US treasury rates (as obtained by Capital IQ) of 4.16% (2022: 4.14%) plus a credit spread of 7%.

The following commodity price forecast were used:

Commodity price (US\$/oz)	Spot price	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033+
Platinum	995	1,000	1,350	1,500	1,550	1,600	1,650	1,700	1,750	1,850	2,000
Palladium	1,109	1,100	900	750	600	550	500	450	430	440	450
Rhodium	4,415	4,500	3,800	3,500	3,250	3,000	3,100	3,200	3,300	3,400	3,500

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Non-current portion of the stream prepayment	47,763	86,587
Current portion of the stream prepayment	-	4,478
Balance at the end of the year	47,763	91,065

(Expressed in United States Dollars, unless otherwise stated)

18. Stream prepayment (continued)

The stream prepayment comprised of the following as at December 31, 2023:

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Opening balance	91,065	-
Stream prepayment received	-	100,000
Day one fair value adjustment	-	60,814
Fair value at initial recognition	91,065	160,814
Deferred day one fair value adjustment	-	(60,814)
Principal repayment	(5,622)	(1,994)
Fair value adjustment ^(a)	(39,587)	(8,018)
Fair value adjustments recognised in profit or loss	(58,182)	(8,271)
Fair value adjustments recognised in OCI	17,698	-
Amortising of day one fair value adjustment ^(b)	898	253
Subtotal	45,856	89,988
Exchange rate variance ^{(c) re}	1,907	1,077
Balance at the end of the year	47,763	91,065

- (a) The fair value movement for the current period are due to the fluctuations in the significant assumptions and inputs used in the Monte Carlo simulation model as at initial recognition and year end as follows:

	December 31, 2023	December 31, 2022	Initial recognition
Spot price			
- Platinum	995	1,074	850
- Palladium	1,109	1,789	1,825
- Rhodium	4,415	12,240	13,890
Growth rates			
- Platinum	0.50%	-8.12%	24.14%
- Palladium	-0.84%	-18.12%	35.34%
- Rhodium	1.91%	-20.21%	23.69%
Credit spread ⁽ⁱ⁾	7%	7%	7%
Long-term price volatility	23% - 47%	23% - 46%	23% - 46%

The growth rates were computed based on the PGM price forecast included in the model for each respective period.

- (i) The Fair value adjustment impact of taking a 9% credit spread sensitivity into account is a USD19,022 million greater positive fair value adjustment. This 2% increase in the credit spread would reduce the outstanding stream balance at December 31, 2023 to USD26.834 million.
- (b) The day one fair value adjustment will be recognized over the period of the agreements (based on the % ounces delivered over the term of the agreements).
- (c) The foreign exchange loss is because of the stream prepayment paid to Sedibelo Group Services Proprietary Limited ("SGS") which functional currency is the ZAR.

(Expressed in United States Dollars, unless otherwise stated)

19. 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 twelve (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 twelve (12) months of the reporting date, then they are discounted.

	2023 USD'000	2022 USD'000
Trade payables	811	5,115
Accrued expenses	13,570	18,508
Balance at the end of the year	14,381	23,623

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

20. Revolving commodity facility

Investec Bank Limited ("Investec") approved a Rand denominated revolving commodity finance facility of up to USD27.500 million (ZAR509.850 million) for the financing of concentrate deliveries. The outstanding balance bears interest at JIBAR plus 1.50% (JIBAR + 0.50% up to November 2022) and was available up to March 31, 2024.

In terms of this facility Investec Bank Limited will finance up to 91% of Company's platinum, palladium and rhodium deliveries. PPM cedes on an out-and-out basis to Investec all rights to payments under its offtake agreements with Impala Limited and Northam Platinum Limited 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.

	2023 USD'000	2022 USD'000
Balance at the beginning of the year	20,157	31,252
Repayment of drawdown	(82,786)	(133,133)
Drawdown from the facility during the year	76,223	122,209
Fair value adjustments to the balances outstanding	73	(613)
IFRS 9 Fair value adjustment	1,409	953
Interest accrued	953	1,093
Subtotal	16,029	21,761
Exchange rate variance	(1,764)	(1,604)
Balance at the end of the year	14,266	20,157

21. Income tax expense

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.

(Expressed in United States Dollars, unless otherwise stated)

21. Income tax expense (continued)
Accounting policy (continued)
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 realized, 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 realized 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 realized.

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.

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.

	2023 USD'000	2022 USD'000
Income tax (expense)		
<i>Current tax</i>		
Current tax on profit for the year	(47)	(6)
Total current tax (expense)	(47)	(6)
<i>Deferred tax</i>		
(Decrease) / increase to the deferred tax asset	(59,430)	(7,099)
(Increase) / decrease to the deferred tax liability	-	(612)
Total deferred tax expense	(59,430)	(7,711)
Income tax (expense)	(59,477)	(7,717)

Income tax rates

On February 23, 2022, the South African corporate income tax rate changed from 28% to 27%, effective for years of assessment ending on or after March 31, 2023. The Group's effective tax rate expense in the year ended December 31, 2023, was 7.53% (2022 rate expense: 923%).

Deferred tax

In 2020, the Group recognised a previously unrecognised deferred tax asset as a result of PPM's return to profitability which was an indication that it was probable that the deferred tax asset would be realised in the foreseeable future. Additionally, Sedibelo Group Services ("SGS") recognised a deferred tax liability in regard to the stream prepayment (Refer to note 18). These are separate legal entities and the deferred tax cannot be off-set.

(Expressed in United States Dollars, unless otherwise stated)

21. Income tax expense (continued)

A reconciliation of income tax expense applicable to the profit 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:

	Note	2023 USD'000	2022 USD'000	2023 ^(a) %	2022 %
Current Tax (expense)/credit at corporate tax rate		213,234	(234)		
Corporate tax rate				27.00	28.00
Tax effects of:					
<i>Permanent differences:</i>					
Expenses of a capital nature/subject to capital gains tax		(311)	(41)	(0.04)	4.90
Expenses not in production of income/not deductible for income tax		(20,597)	(4,519)	(2.61)	540.55
Income not taxable		17,071	4	2.16	(0.48)
Special deductions for income tax		2	19	0.00	(2.27)
Utilization of tax losses previously unrecognised		(3,168)	878	(0.40)	(105.02)
Finalization of prior period's tax		2,568	(1,657)	0.33	(198.21)
Prior year tax paid received		-	-	-	-
Temporary differences/tax losses for which no deferred tax asset was recognised		(120,824)	(356)	(15.30)	42.58
Tax rate change from 28% to 27%		-	(2,465)	-	294.86
Foreign income tax allowances and rate differentials		(147,453)	654	(18.67)	(78.23)
Effective total tax (expense)		(59,477)	(7,717)		
Effective tax rate expense				7.53	923.10

(a) The current period reconciliation includes an impairment, an expected credit loss on assets and a fair value gain which resulted in a permanent difference. During the current period the group recognised permanent differences of USD3.829 million.

As at the year end, the Group had not recognised the following temporary differences and tax losses (separate legal entities that do not meet the criteria to recognise a deferred tax asset):

	2023 USD'000	2022 USD'000
Unredeemed capital expenditure available for utilisation against future mining taxable income	417,114	20,483
Temporary differences	11,197	1
Tax losses carried forward utilisable against taxable income	573,714	445,213
Balance total	1,002,025	465,697
The unrecognised deferred tax asset @ 27% at the end of the year	270,547	125,738

The tax losses carried forward, noted above, only relates to the South African entities and do not have an expiry date.

A deferred tax asset was recorded in prior years, as it was probable that the temporary difference will reverse in the foreseeable future at PPM based on the below:

- An increase in PGM prices, specifically platinum, palladium and rhodium;
- An improved operating result from PPM as a cash generating unit ("CGU"); and
- Third year of cash generated from operations.

In the financial year 2023, the deferred tax asset was derecognised as it is not probable that future taxable profits will be available against which the temporary differences/tax losses can be offset.

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21. Income tax expense (continued)

De-reconciliation of deferred tax asset recognised in prior years, for the year ending December 31, 2023 for PPM:

	2023 USD'000	2022 USD'000
Unredeemed capital expenditure available for utilisation against future mining taxable income	363,826	336,094
Temporary differences		
Property, plant and equipment	(40,288)	(94,033)
Mining assets	(130)	(80,265)
Other	13,691	3,427
Tax losses carried forward utilisable against taxable income	99,954	73,909
Re-recognition of deferred tax asset	(437,054)	-
Balance total	-	239,132
The deferred tax asset @ 27% at the end of the year	-	64,566
Deferred tax asset not recognised	118,005	

De-reconciliation of deferred tax liability recognised in prior years, for the year ending December 31, 2023 for SGS:

	2023 USD'000	2022 USD'000
Opening balance	(2,169)	1,147
Temporary differences		
Other	15,071	(3,316)
Tax losses carried forward utilisable against taxable income	-	-
Total	12,902	(2,169)
Deferred tax asset not recognised / (liability) @ 27% at the end of the year	3,483	(589)

22. Earnings per share

Accounting Policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue for basic earnings per share.

Diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares for diluted earnings per share.

22.1. Basic and diluted earnings per share

	2023	2022
Number of ordinary shares in issue outside the Group (note 11)	3,095,401,663	3,095,401,663
Weighted average number of ordinary shares in issue for basic earnings	3,095,401,663	3,095,401,663
Weighted average number of ordinary shares in issue for diluted earnings ^(a)	3,095,401,663	3,095,401,663
	USD'000	USD'000
(Loss)/profit attributable to the owners of the Company	(848,401)	6,473
Basic (loss)/earnings per share (cents)	(27.41)	(0.21)
Diluted (loss)/earnings per share (cents)	(27.41)	(0.21)

(a) The Group currently has no potentially dilutive instruments in place.

(Expressed in United States Dollars, unless otherwise stated)

23. Segmental information

Accounting Policy

The Chief Executive Officer's office consisting of the Chief Executive Officer ("CEO"), Chief Financial Officer, Chief Operating Officer, Chief ESG Officer and Corporate Affairs and Human Capital Executive are the chief operating decision maker ("CODM") within the meaning of IFRS 8 and uses the information and recommendations received from the CEO and his Management team. Operating segments were determined based on the reports reviewed by the CODM that are used to make strategic decisions.

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

Mining operation: The Group derived all revenue from the sale of PGM's to Impala Platinum Limited ("Impala"), with minor Chrome sales (less than 1%) at the spot market. All PGM's are processed by PPM's PGM concentrator.

Administrative operations: These are not deemed to be a segment by Management and is considered to form part of the main Mining operating segment due to the fact that these are support operations to the Mining segment.

Management assesses the performance of the operating segment on EBITDA.

The segment information provided to the CODM for the reportable segment for the years ended December 31, 2023, and December 31, 2022 were as follows:

Amounts in USD'000	Mining 2023	Mining 2022
External revenues	115,140	167,447
Depreciation and amortization	(10,983)	(12,673)
Income tax (expense)/credit	(59,477)	(7,717)
EBITDA	(781,769)	7,443

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

Reportable segment reconciliation of profit/(loss) for the year to EBITDA:

	2023 USD'000	2022 USD'000
(Loss)/profit for the year	(849,233)	(7,078)
Income tax expense/(credit)	59,477	7,717
Depreciation and amortization	10,983	12,673
Net finance (income)/costs	(2,997)	(5,869)
Total EBITDA for reportable segment	(781,769)	7,443
Non-Cash items		
Impairment of assets	(755,283)	(7,748)
Amounts in USD'000	Mining 2023	Mining 2022
Total assets	211,732	1,204,510
Total liabilities	124,764	185,917

(Expressed in United States Dollars, unless otherwise stated)

24. 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. Commodity price adjustments 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. All revenues reported are from Impala and minor chrome sales at the spot market.

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

	2023 USD'000	2022 USD'000
Revenue		
Platinum	50,867	43,354
Palladium	25,323	40,870
Rhodium	23,766	65,402
Gold	3,527	3,109
Revenue from 4E Minerals	103,482	152,735
Other minerals	18,268	22,200
Total revenue from contracts with customers	121,751	174,935
Commodity price adjustment	(6,609)	(7,488)
Total revenue as per statement of profit or loss	115,140	167,447

25. Cost of operations

Included in cost of operations:

	2023 USD'000	2022 USD'000
<i>On-mine operations</i>		
Total Materials and mining costs	(38,095)	(59,977)
<i>Concentrator plant operations</i>		
Materials and other costs	(27,463)	(30,563)
Utilities	(16,673)	(14,841)
<i>Beneficiation</i>		
Smelting and refining costs	(6,375)	(9,362)
<i>Other</i>		
Transport	(372)	(266)
Salaries	(19,243)	(21,469)
Third Party RoM material purchased	(2,926)	-
Sub-total	(111,147)	(136,478)
Amortization and depreciation of operating assets (Note 4, 5 and 6)	(10,476)	(11,976)
Inventory adjustments	1,157	892
Total cost of operations	(120,465)	(147,562)

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26. Operating profit

	2023 USD'000	2022 USD'000
<i>Operating profit includes:</i>		
Administrative and general expenses	(44,756)	(30,630)
<i>Amortization and depreciation (Note 4, 5 and 6)</i>	(1,146)	(697)
<i>Audit fees (Note 30)</i>	(748)	(399)
<i>Community projects</i>	(4,200)	(2,857)
<i>Consulting and professional fees</i>	(7,847)	(4,703)
<i>Consumables</i>	(59)	(461)
<i>Employee expenses</i>	(17,915)	(13,218)
<i>Employee expenses – termination benefits</i>	(552)	-
<i>IT related costs</i>	(1,398)	(773)
<i>Insurance fees</i>	(861)	(1,271)
<i>Learnerships & bursaries</i>	(720)	(507)
<i>Other administrative and general expenses</i>	(6,261)	(2,937)
<i>Rehabilitation management fees</i>	(304)	(259)
<i>Royalty expense</i>	(705)	(697)
<i>Security</i>	(2,040)	(1,851)
Other income/(expenses)	(879)	1,971
Expected credit losses	(25,080)	-
Fair value gain (Note 18)	58,182	8,018
Impairment of assets (Note 31)	(755,283)	(7,748)
Foreign exchange gain/(loss)	(8,321)	4,187
	(776,137)	(24,201)

27. Related party disclosures

27.1. Controlled Entities

	2023 %	2022 %
Details of controlled entities are as follows:		
Born Free Investments 144 Proprietary Limited (Deregistered on March, 10 2023)	-	100.00
Clidet no. 832 Proprietary Limited	100.00	100.00
C&L Mining and Resources Proprietary Limited	100.00	100.00
Hodos Holdings Limited (Deregistered on January 30, 2023)	-	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.á.r.l.	100.00	100.00
Osier Corporation Limited (Deregistered on November 24, 2023)	-	100.00
Platinum Investor Consortium Proprietary Limited	100.00	100.00
Pilanesberg Platinum Mines Proprietary Limited	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
Sedibelo Group Services 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

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

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27. Related party disclosures (continued)

27.1. Controlled Entities (continued)

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

27.2. Compensation of Directors and key Management personnel of the Group

	Total	Short-term benefits Employee benefits	Bonuses Salary	
	USD'000	USD'000	USD'000	USD'000
2023				
<i>Compensation of Directors:</i>				
Non-executive directors	941	-	941	-
Executive director:				
Chief Executive Officer – E Clarke (Resigned 1 January 2024)	1,075	321	754	-
Subtotal	2,016	321	1,696	-
Chief Operating Officer – C Badenhorst (Appointed Chief Executive Officer 1 January 2024)	559	152	407	-
Chief Financial Officer – E Maritz	426	118	308	-
Chief ESG Officer – L Bethlehem (Voluntary Severance, November 30, 2023) ^(a)	586	143	443	-
Chief Human Capital Officer – C Phephenyane	294	63	231	-
Chief Legal Officer – J Naginski	373	-	373	-
Subtotal	2,238	477	1,761	-
Total remuneration of Directors and key Management Personnel	4,254	798	3,456	-

A six-month's notice and severance payment are included under short term salary benefits. Refer to note 17 - "Employee Benefits" for employee benefits issued in 2023.

	Total	Short-term benefits Share-based payment	Bonuses Salary	
	USD'000	USD'000	USD'000	USD'000
2022				
<i>Compensation of Directors:</i>				
Non-executive directors	970	-	970	-
Executive director:				
Chief Executive Officer – E Clarke	1,360	348	737	275
Subtotal	2,330	348	1,707	275
Chief Operating Officer – C Badenhorst	742	171	401	170
Chief Financial Officer – E Maritz	575	133	310	132
Chief ESG Officer – L Bethlehem	436	-	311	125
Chief Human Capital Officer – C Phephenyane	409	71	247	91
Chief Legal Officer – J Naginski	598	-	288	310
Subtotal	2,761	375	1,557	828
Total remuneration of Directors and key Management Personnel	5,090	723	3,203	1,164

(Expressed in United States Dollars, unless otherwise stated)

27. Related party disclosures (continued)

27.3. Investment in joint venture

Accounting Policy

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 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 joint ventures are equity-accounted using the results of their most recent audited annual financial statements or unaudited management accounts. Any losses from the joint venture are brought to account in the consolidated financial statements until the interest in such joint venture is written down to zero. Thereafter, losses are accounted for only insofar as the Group is committed to providing financial support to such joint venture.

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 SRL Group	Equity
				Dec 31, 2023 USD'000
				Dec 31, 2022 USD'000
January 1				-
Share of loss from joint venture				(11,082)
Foreign exchange loss/(profit) on investment in joint venture				(362)
Share of other comprehensive income/(expense)				1,669
Application of Equity Accounting on loan receivable				9,775
Investment in joint venture value				-

Details of joint venture

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

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Summarised balance sheet		
Non-current assets	-	16,451
Current assets	2,037	5,383
Non-current liabilities	(17,207)	(15,546)
Current Liabilities	(10,528)	(10,090)
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	1,833	4,279
Net liabilities value	(25,698)	(3,802)
SRL ownership interest	50%	50%

	Dec 31, 2023 USD'000	Dec 31, 2022 USD'000
Summarised statement of comprehensive expense		
Loss for the year	(22,164)	(1,826)
Other comprehensive income/(expense)	3,338	(513)
Total comprehensive expense	(18,825)	(2,339)
<i>The above loss for the year includes the following:</i>		
Finance income	123	98
Finance expense*	(1,223)	(608)

* Including interest accrued to the Group.

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27. Related party disclosures (continued)

27.4. Loans receivable

	2023 USD'000	2022 USD'000
Loan to Kelltech Limited		
Opening balance	11,544	11,793
Interest accrued	1,104	620
Loans advanced	-	-
Foreign exchange (loss)/gain	(682)	(9)
Application of Equity Accounting on loan receivable	(1,596)	(860)
Expected credit loss	(10,370)	-
Balance at the end of the year	-	11,544
	2023 USD'000	2022 USD'000
Loan to Kellplant Proprietary Limited		
Opening balance	8,518	2,621
Interest accrued	1,255	861
Loans advanced	-	5,446
Foreign exchange loss	(678)	(410)
Expected credit loss	(9,095)	-
Balance at the end of the year	-	8,518

Refer note 7 for the terms of the loan.

28. Related party transactions and balances

	2023 USD'000	2022 USD'000
<i>Related party transactions with:</i>		
Kelltech Limited Group	2,574	9,174
Kelltech Limited ^(a)	1,104	608
Kelltechnology SA RF Proprietary Limited ("KellSA") ^(b)	100	157
Kellplant Proprietary Limited ^(c)	1,370	8,409
Lifeline ^(d)	(852)	(3,270)
The Pallinghurst Group ^(e)	(17)	(84)
The IDC – Kell SA – shareholders loan ^(f)	-	(3,408)
The IDC – Credit facility to PPM ^(g)	(12,145)	-
<i>Related party balances – amounts owing by/(to):</i>		
Kelltech Limited Group	31	20,935
Kelltech Limited ^(a)	-	12,404
Kelltechnology SA RF Proprietary Limited ^(b)	28	13
Kellplant Proprietary Limited ^(c)	3	8,518
Lifeline ^(d)	(1,442)	(1,046)
The IDC – Kell SA – shareholders loan ^(f)	(3,120)	(3,408)
The IDC – Credit facility to PPM ^(g)	(10,789)	-

- a) Orkid S.á.r.l., a subsidiary of SRL, has a 50% shareholding in Kelltech. The Group provides loans to Kelltech for developmental and working capital purposes and interest is charged on these loans. An expected credit loss for the full amount (USD10 million) of the loan was recognised, reducing the balance to USDnil.

(Expressed in United States Dollars, unless otherwise stated)

28. Related party transactions and balances (continued)

- b) Kelltech has a 66.7% shareholding in KellSA. The Group provides KellSA with administration, management and other services for which it charges a monthly fee of USD5,576.52. Costs such as audit-, secretarial- and consulting fees incurred by the group on behalf of Kell SA was recharged accordingly.
- c) KellSA has a 100% shareholding in Kellplant. The Group provides Kellplant with administration, project management and other services for which it charged a monthly fee of USD80,972.95 up to January 31, 2023. In addition, the Group provided Kellplant with an unsecured bridging loan (see note 27.4) on which interest is charged. An expected credit loss for the full amount (USD9 million) of the loan was recognised, reducing the balance to USDnil. Costs such as audit-, secretarial- and consulting fees incurred by the group on behalf of Kellplant was recharged accordingly.
- d) Lifezone holds the remaining 50% shares in Kelltech. Lifezone is the holder of the Kell technology being implemented through the construction of a plant at PPM and provides the group with technical services related to this technology. On a monthly basis, Lifezone charges Kell SA and Kellplant a fee of USD53,173.19 and USD129,679.60 respectively for these services. In January 2023, the contract with Kellplant ended. The outstanding balance also includes a loan that Lifezone provided to Kell SA in 2014.
- e) The Pallinghurst Group is associated with Pallinghurst EMG African Queen LP, a company that is a minor shareholder of SRL. The Pallinghurst Group incurred expenses on behalf of the Company which were reimbursed by the Company.
- f) On March 31, 2022, the Industrial Development Corporation of South Africa Limited ("IDC") entered into a commercial shareholders' loan agreement with Kell SA to fund the construction of the Kell Plant. The first amount of ZAR 57,809,291 (USD 3,214,860) was drawn down on April 4th, 2022.
- g) The IDC provided a revolving credit facility of ZAR500 million (USD26.969 million) to PPM on March 30, 2023 of which ZAR200 million (USD10.787 million) is drawn. The loan incurs interest and commitment fees which is paid quarterly in arrears.

29. 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.

For trade and other receivables due in less than twelve (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.

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)
Accounting policy (continued)

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.

29.1. 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 current market prices.
- **Stream prepayment**
The fair value of the stream prepayment is measured at fair value through profit or loss based on unobservable market data. Refer to note 18 for the detailed inputs and assumptions used.
- **Trade receivables**
The fair value for trade receivables is 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:

	2023 USD'000		2022 USD'000	
	Level 2	Level 3	Level 2	Level 3
Financial assets measured at fair value				
- Trade Receivables-Metal sales	22,066	-	50,020	-
Financial liabilities measured at fair value				
- Revolving commodity Facility	14,266	-	20,157	-
- Stream prepayment	-	47,763	-	91,065

The Group has no financial instruments measured at Level 1 per the fair value hierarchy.

Valuation processes of the stream prepayment

The fair value of the stream obligation is classified within Level 3 of the fair value hierarchy. The fair value of the streams was valued using a Monte Carlo simulation model which uses forecasts that are unobservable inputs. These unobservable inputs of the model are based on observable inputs of forecast precious metals price, precious metal price volatilities and risk-adjusted discount rates. Refer to note 18 for the detailed inputs and assumptions used.

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)
29.1 Accounting classification and measurement of fair values (continued)
Valuation processes of the stream prepayment (continued)

The valuation of the stream prepayment was prepared by an independent valuation specialist under the direct oversight of the Chief Financial Officer of the Company. Key valuation inputs are provided to the independent valuation expert by management. The results of the valuation process are discussed with the independent valuation specialist by the Chief Financial Officer.

The following table summarises the sensitivity of the stream prepayment held at balance sheet date to movements in the commodity prices and risk-free rate used as the discount rate, 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.

	2023 USD'000	2022 USD'000
Impact on Statement of financial position		
5% increase in commodity prices	(3,895)	(5,820)
7.5% decrease in commodity prices	5,871	8,580
1% increase in the risk-free rate	9,207	13,726
1% decrease in the risk-free rate	(10,638)	(14,504)

Fair value of financial assets and liabilities measured at amortised cost

	2023 USD '000	2022 USD '000
Restricted investments and guarantees	19,507	18,601
Loans receivable	1,768	24,219
Trade receivables	11,683	2,681
Cash and cash equivalents	17,725	155,376
Total financial assets	50,683	200,877
Credit facility	10,789	17,696
Long-term borrowings	5,554	5,413
Trade payables and accrued liabilities	14,382	23,623
Total financial liabilities	30,725	46,732

The fair value of the financial assets and liabilities carried at amortised cost is approximately equal to their carrying amounts. This is due to the short-term nature of all current assets with the non-current assets being the restricted investment portfolio that is invested in a fixed deposit account, and the loans receivables, both being linked to market-related interest rates.

29.2. 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 (12) months in detail, taking into consideration the impact of market conditions,

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)

29.2 Risk management activities (continued)

Controlling and managing risk in the Group (continued)

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.

Intercreditor and Common Terms Agreement

On July 15, 2022, PPM, Nedbank and the Orion Purchasers, amongst others, entered into an intercreditor agreement (the "Intercreditor Agreement") governing, amongst other things, the rights and interests of the various parties to the Common Security Package (as defined below) upon enforcement. In consideration for (i) the prepayments made under the Orion Stream Agreements; and (ii) senior debt facilities made available from time to time (including the revolving facility to be made available under the Nedbank Facility Agreement) PPM and certain other entities within the Group, have granted certain security interests in favor of a special purpose company (the "Security SPV") to be held on a common basis to secure the obligations of PPM (and, where applicable, related affiliates, including SGS as seller under the Orion Stream Agreements) owing to, as applicable, the Orion Purchasers, Nedbank and any other relevant senior creditors under senior debt facilities from time to time (together, the "Common Security Package").

The Common Security Package is structured on a shared basis governed by the Intercreditor Agreement terms. The rights of the Orion Purchasers under the Orion Stream Agreements will be second-ranking to the rights of Nedbank, the IDC and any other senior debt lenders that may be party to the Common Terms Agreement from time to time. The Common Security Package, a, is comprised of:

- a General Notarial Bond to be provided by PPM in respect of its moveable assets;
- a Cession in Security to be granted by PPM, Richtrau and SGS in respect of certain intangible assets;
- a Special Notarial Bond to be granted by PPM in respect of certain specified assets;
- a Mining Rights Mortgage Bond to be granted by PPM in respect of its mining rights;
- a Mortgage Bond to be granted by PPM in respect of certain immoveable property;

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)

29.2. Risk management activities (continued)

Intercreditor and Common Terms Agreement (continued)

- a Security Assignment to be granted by PPM and SGS in respect of certain intra-group agreements;
- an Obligor Cession and Pledge in Security to be granted by PPM, *inter alia*, in respect of certain of the shares and claims held by the security providers; and
- any future security that forms part of the Common Security Package.

29.3. Financial risk

29.3.1. Credit Risk

Credit risk is the risk that the financial asset counterparty may default or not meet its obligations timeously. 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 material concentration of credit risk lies within trade- and other receivable with no material concentration in cash & cash equivalents, restricted investments and guarantees or loans. The total carrying amount of trade- and other receivable, cash & cash equivalents, loans and restricted investments and guarantees represents the Group's maximum credit exposure.

The maximum exposure to credit risk is as follows:

GROUP	2023 USD'000	2022 USD'000
Restricted investments and guarantees	19,507	18,601
Loans receivable	1,768	24,219
Trade receivables	11,683	52,701
Cash and cash equivalents	17,725	155,376
Total financial assets	50,683	250,897

The ageing of trade receivables at December 31, 2023 was as follows:

GROUP	2023 USD'000	2022 USD'000
Less than 1 month	5,820	12,732
Between 1-3 months	22,222	37,805
Between 3-6 months	5,791	2,164
Total trade receivables	33,833	52,701

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:

	2023 USD'000	2022 USD'000
AA+	10,425	26,243
AA	23,644	115,134
BBB+	3,163	32,600
Total cash and cash equivalents and restricted investments and guarantees	37,232	173,977

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)

29.3 Financial risk (continued)

29.3.2. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the value of the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximising long-term returns.

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. At year end 9% of total cash was held 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 2023.

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	
	2023	2022	2023	2022
USD 1 = ZAR	18.44	16.37	18.54	16.96

The group's exposure to foreign currency risk at the end of the reporting period was as follows:

	2023 USD'000	2022 USD'000
Cash and cash equivalents	3,157	135,237
Loans receivables	-	15,474
Balance at the end of the year	3,157	150,711

The following table summarises the sensitivity of financial instruments held at balance sheet date to movements in the exchange rate of the USD: ZAR, 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.

	2023 USD'000	2022 USD'000
Impact on statement of profit/loss (pre-tax)		
USD/ZAR strengthening by 10% (20% in 2022)	316	30,142
USD/ZAR weakening by 30%	(947)	(45,213)

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.

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29. Financial instruments (continued)**29.3. Financial risk (continued)****29.3.2. Market Risk (continued)***Commodity price risk (continued)*

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 whereby Investec 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 USD1.409 million (2022: USD953 thousand).

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

	Average for the year ended Dec 31, 2023	Average for the year ended Dec 31, 2022
4E basket price in USD	1,458	2,243
USD 1 = ZAR	18.44	16.36
4E basket price in ZAR	26,774	36,510

In addition to the Revolving credit facility, trade receivables of USD22.066 million (2022: USD50.020 million) are exposed to movements in commodity prices. Fair value adjustments on trade receivables are recognised in revenue.

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)	2023 USD'000	2022 USD'000
Increase by 30% in 4E basket price (10% in 2022)	14,582	3,020
Decrease by 10% in 4E basket price (20% in 2022)	(4,861)	(6,040)

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 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.

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)	2023 USD'000	2022 USD'000
Increase of 1% in prime overdraft rate (2% in 2022)	129	1,206
Decrease of 0.5% in prime overdraft rate (3% in 2022)	(64)	(603)

(Expressed in United States Dollars, unless otherwise stated)

29. Financial instruments (continued)
29.3. Financial risk (continued)
29.3.2. Market Risk (continued)
Interest rate risk (continued)

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.

29.3.3. 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 Group invests excess funds in deposit structures and accounts and fixed income funds.

Management is of the view that, given the headroom in the fair value of the assets over the fair value of the liabilities, the Group is technically solvent as at December 31, 2023 and at the date of these financial statements. The ability of the Group to repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the ability to realise cash through a combination of disposals of non-core assets, or part thereof, and the successful raising of equity. The liquidity dependencies indicate that a material liquidity uncertainty exists, that may cast doubt on the Group's ability to continue as a going concern. Management and the Board have no intention to liquidate the business, other than the orderly disposals that may be necessary to reduce debt and improve cash flows. Management and the Board remains focused on and committed to the turnaround strategy and repayment of debt as it becomes due. There is a material uncertainty related to events or conditions that may cast significant doubt on the Groups ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management and the Board has concluded that the Group is able to discharge liabilities in the normal course of business and are therefore of the opinion that the going concern assumption is appropriate in the preparation of the financial statements.

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

	Contractual cash flows USD'000	Less than 6 months USD'000	Between 6-12 months USD'000	Between 12-24 months USD'000	Between 25-60 months USD'000	Greater than 60 months USD'000
Balances at December 31, 2023						
Credit facility ^(a)	12,151	-	12,151	-	-	-
Long-term borrowings ^(a)	6,179	-	-	-	-	6,179
Revolving commodity facility	14,266	14,266	-	-	-	-
Stream prepayment ^(b)	829,599	-	-	-	25,567	804,031
Trade payables and accrued liabilities	14,382	14,382	-	-	-	-
Total financial liabilities	876,576	28,648	12,151	-	25,567	810,210
Balances at December 31, 2022						
Credit facility ^(a)	19,554	-	-	-	19,554	-
Long-term borrowings ^(a)	5,982	-	-	5,982	-	-
Revolving commodity facility	20,157	20,157	-	-	-	-
Stream prepayment ^(b)	666,070	3,625	4,282	8,561	28,007	621,595
Trade payables and accrued liabilities	23,623	23,623	-	-	-	-
Total financial liabilities	735,386	47,405	4,282	14,543	47,561	621,595

(a) Contractual cash flows include interest payments.

(b) This commitment represents the contractual undiscounted cash flows which is linked to future production inflows.

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29. Financial instruments (continued)

29.3. Financial risk (continued)

29.3.4. 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.

	2023 USD'000	2022 USD'000
Credit facility	10,789	17,696
Long-term borrowings	5,554	5,413
Revolving commodity facility	14,266	20,157
Employee benefits	1,775	-
Stream prepayment	47,763	91,065
Cash and cash equivalents	(17,725)	(155,376)
Net cash / (debt)	62,422	(21,045)
Total equity	86,968	1,018,593
Total capital	149,390	997,548
Gearing ratio	0.42	0.021

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.

30. Auditors' Remuneration

	2023 USD'000	2022 USD'000
Fee payable to Group's auditors and its associates for the audit of the parent company and consolidated financial statements	312	55
Fees payable to Group's auditors and its associates for other services:		
- The audit of the Group's subsidiaries	436	344
- IPO related costs capitalised (Refer note 10)	-	812
	748	1,211

31. Impairment

Management estimates and uses certain key assumptions in calculating the recoverable amount under the "fair value less cost of disposal" model. This model relies on discounted cash flows, which uses key assumptions comprising both current and future PGM prices, ZAR: USD exchange rates, forecasted costs, discount rates, and inflation, which is based on the most recent information available in the market. On a periodic basis management updates LoM plans to consider ways to optimize the value of projects over their lives which can impact the key assumptions. The indicative values from these LoM plans did indicate impairment to the impairments as recognised in 2023.

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31. Impairment (continued)

The assumptions and inputs used in the determination of the recoverable amount of non-current assets for the impairment assessment are as follows:

	Dec 31, 2023 USD '000
Basis of determining recoverable amount	Fair value less cost to sell
Fair value hierarchy	Level 2
Key assumptions:	
Long term real discount rate (ZAR) ("WACC") ^(a)	15.65%
South African consumer price index (inflation rate)	6.7%
4E Basket price (long term)	USD1,984
Carrying amount	126,917
Impairment	(755,283)
Key assumption sensitivities:	
Impact on calculation of Net Present Value ("NPV"):	
Current NPV	135,190
Increase in WACC rate of 1% (decrease in value)	98,817
Decrease in WACC rate of 1% (increase in value)	162,182
Increase in exchange rates of 5% (increase in value)	190,118
Decrease in exchange rates of 3% (decrease in value)	102,123
Increase in Platinum Price of 10% (increase in value)	202,068
Decrease in Platinum Price of 8% (decrease in value)	81,469

(a) Global market conditions, the increased cost of debt and South African country risk resulted in a higher ZAR post-tax WACC of 15.65%.

A USD758.366 million impairment was recognised for the twelve-month period ended December 31, 2023.

The Group impairment for the twelve-month period ended December 31, 2023, comprised:

	Note(s)	Dec 31, 2023 USD '000
Mining assets	5	528,609
Intangible assets	6	11,408
Property, plant and equipment	7	215,267
Total impairment		755,283

Property, plant and equipment relating to the West pit specific, was impaired during 2023. This impairment of USD35.712 million is included in the full year impairment. The weaker metal prices in combination with the high stripping required to mine in the West pit does not yield in profitable ounces. A decision was made to stop all stripping activity in the West pit and discontinue mining from October 2023 until circumstances change to mine the West pit profitably. All assets across the different asset classes relating to the West pit was fully impaired, including, producing mines, the pre-stripping asset and the deferred stripping assets.

The general impairment recognised for the Group during 2023 was allocated between the various asset classes based on carrying value of the asset classes for the various companies at the time of the impairment calculation. Assets which are highly marketable, and still new had been excluded from the impairment allocation. The impairment was allocated as follows:

- First to Mineral properties that was acquired on Group level in an asset for share transaction in 2012.
- The remaining impairment was allocated across other asset classes on a pro-rata basis, based on the carrying amount of each asset class.

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31. Impairment (continued)

- Impairment was allocated to each asset class and then allocated on a pro-rata basis to individual assets per asset class based on their carrying amounts.

32. Contingencies and commitments

32.1. Contingencies

At December 31, 2023, the Group had bank and other guarantees of USD37.2 million (2022: USD35 million) from which it is anticipated that no material liabilities will arise in addition to amounts already provided.

32.2. Commitments

The Group's contractual obligations are as follows:

Commitments as at December 31, 2023

Contractual obligations USD'000	Total	< 1 year	1-3 years	After 3 years
Mining costs ^(a)	-	-	-	-
Open Purchase orders	2,463	2,463	-	-
Total Contractual Obligations	2,463	2,463	-	-

Commitments as at December 31, 2022

Contractual obligations USD'000	Total	< 1 year	1-3 years	After 3 years
Mining costs ^(a)	43,839	43,839	-	-
Open Purchase orders	24,098	24,098	-	-
Total Contractual Obligations	67,937	67,937	-	-

- (a) 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.

33. Climate change related considerations

The Group is cognisant of the need to reduce and eventually eliminate Greenhouse Gas emissions from our processes. Our ambition is to achieve net zero total emissions no later than 2040. In order to achieve this, the Group has the following initiatives under way:

(i) Renewable Energy

The Group continues to evaluate the use of renewable energy for PPM and has considered the procurement of 47MW of wind power through a wheeling arrangement and the potential to build a solar plant, at or adjacent to PPM.

(ii) Kell Plant

The Group reserves an option to construct a Kell Plant at PPM, employing cost- and energy efficient Kell technology upon confirmation of the efficiency of the technology via a Bankable Feasibility Study. Kell technology is expected to reduce energy consumption significantly when compared with the traditional smelting process. It is also expected to reduce emissions of SO₂ and other pollutants. The Kell Plant project would only be pursued once financing therefor has been procured and mining operations resume.

(Expressed in United States Dollars, unless otherwise stated)

34. Events after the reporting date

The Group has no adjusting post balance sheet events to report. The following non adjusting post balance sheet events occurred:

Restructuring at operations

Phase 2 of a restructuring process commenced in December 2023. Notices in terms of Section 189A of the Labour Relations Act 66 of 1995 were issued to all employees. This process was concluded on January 29, 2024. A total of 363 permanently employed were affected.

Asset sales outside the normal course of business occurred subsequent to year-end. The asset sales were approved by the board in March 2024. Prior to the board approval, there were no active plans to dispose of any assets and engagement with potential buyers being informal. Once board approval was obtained, assets were actively marketed.

Capital raise

On January 20, 2025, the Company announced the successful completion of an emergency capital raise of approximately USD19 million, constituted by way of a USD9 million senior secured debt facility agreement (the "Debt Raise"), and the issue of USD10 million of equity in the form of new ordinary Company shares (the "Equity Raise", and together with the Debt Raise, the "Capital Raise").

A further USD1 million of equity could be subscribed to by existing shareholders, some of which is subject to receiving South African Reserve Bank approval in respect of South African participants. This further equity subscription would increase the total Equity Raise to USD11 million and the total Capital raise to USD20 million.

The Capital Raise proceeds will be used for general working capital requirements and to progress the development of the Group.

The Capital Raise proceeds have been fully received by the Company.

The Equity Raise

The Equity Raise was subscribed to by certain existing and new shareholders of the Company residing outside of Canada by means of a private placement. The Equity Raise was executed at a price of USD0.00323 per Company ordinary share (the "Subscription Price"), valuing the Company (pre-raise) at a significantly discounted valuation of USD10 million. Equity Raise participants have been granted underwriter options to subscribe to further Company shares at the Subscription Price, on the basis of one Option issued for each Share subscribed to. The pricing of the Equity Raise was determined following a series of consultations with the Company's major shareholders.

The Debt Raise

On January 15, 2025, a Senior Secured loan agreement entered into among Orion Blue Crane LLC ("Orion"), Pallinghurst PGM Limited ("PPGM"), and the IDC as lenders, the Company's wholly owned operating subsidiary PPM as Borrower, and the Company and other entities of the Sedibelo Group as Guarantors ("Facility C") became unconditional. Orion has committed USD8 million and PPGM USD1 million as USD Tranche Loans under Facility C, which amounts have been fully drawn down by PPM. Each of the USD Tranche Lenders have been granted lenders' options to subscribe to Sedibelo shares at the Subscription Price for up to 50% of the amount of their loans drawn down under Facility C. Facility C USD Tranche Loans have an annual interest rate of SOFR plus 13%, capped at 18%, with all interest and principal being due at the end of the 2-year Facility C term.

IDC's Participation

The IDC, as both a shareholder and lender to the Company has given its support to the Capital Raise by agreeing to convert the ZAR200 million principal amount outstanding under the existing Facility B secured facility as follows:

- (i) ZAR50 million shall be converted into Company ordinary shares at the Subscription Price, such conversion being conditional on the IDC receiving South African Reserve Bank approval thereon, and

(Expressed in United States Dollars, unless otherwise stated)

34. Events after the reporting date (continued)

Capital raise (continued)

- (ii) the remaining ZAR150 million of principal under Facility B and accrued interest up to transaction closing date, on Facility B will be rolled over into Facility C as a Facility C ZAR Tranche loan which will bear an annual interest rate of JIBAR plus 13%, capped at 21%, with all principal and interest thereon to be repaid at the end of the 2-year term of Facility C.

Bakgatla Ba Kgafela Participation

The Company's largest shareholder prior to the Capital Raise, the Bakgatla Ba Kgafela Tribe (the "BBKT") has been granted options (the "BBKT Options") by the Company to subscribe for up to USD3 million in Company shares at the Subscription Price for a period of one year, and the right to receive further options to subscribe for further Company shares, during a second one year period, at the Subscription Price in the number of options exercised during the first one year option period.

Forbearance and Intercreditor Agreement

The IDC, Orion and other entities of the Orion group which are parties to the Stream Agreements with the Company, have entered into an Amendment, Waiver and Forbearance Agreement with the Company and PPM in relation to the Sedibelo Group's senior secured financing and Stream agreements, covering past and future potential events of default, and during the 2-year term of Facility C.

Furthermore, the Intercreditor Agreement entered into on July 15, 2022 among entities of the Orion Group, the IDC, PPM, the Company and other entities of the Sedibelo Group, has been amended further to a Revised and Restated Intercreditor Agreement, providing for, inter alia, the senior ranking of Facility C Lenders above all other secured creditors of the Sedibelo Group for so long as any amounts remain outstanding under Facility C.

Bridge Loan

In order for the Company to meet its short-term payment obligations, in December 2024, PPGM entered into an unsecured Loan Agreement with the Company for an amount of USD2 million ("Bridge Loan"), the repayment of which will be made by way of offset against PPGM's equity subscription under its Equity Subscription Agreement.

Erich Clarke has stepped down as Executive Chairman from December 1, 2024 to continue as an executive director. Arne Frandsen has been appointed Chairman from December 1, 2024.

Kgosi Molefe John Pilane and Mark Langa have been appointed as representatives of the BBKT to the Sedibelo Board of Directors on December 1, 2024.