



Sedibelo Platinum Mines Limited

Condensed Consolidated Interim Financial Statements
for the three month period ended March 31, 2019 and March 31, 2018
*(December 2018 Audited, March 2018 & March 2019 Unaudited, expressed in United States dollars,
unless otherwise stated)*

Sedibelo Platinum Mines Limited

Condensed consolidated interim statement of financial position

as at March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

	Notes	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
ASSETS			
Non-current assets			
Mining assets	5	769,127	778,082
Intangible assets	6	33,824	34,334
Property, plant and equipment	7	133,367	141,200
Loans receivable		16,653	16,553
Restricted cash investments and guarantees	8.2	18,959	18,607
Investment in associate	10	1,401	1,220
Total non-current assets		973,331	989,996
Current assets			
Inventories	9	9,109	7,844
Trade and other receivables		47,689	54,311
Cash and cash equivalents	8.1	40,959	38,093
Total current assets		97,757	100,248
TOTAL ASSETS		1,071,088	1,090,244
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11	2,549,583	2,549,583
Other components of equity		(501,173)	(492,703)
Accumulated deficit		(1,071,463)	(1,059,022)
		976,947	997,858
Non-controlling interests			
		(6,104)	(5,939)
Total equity		970,843	991,919
Non-current liabilities			
Long-term borrowings	12.1	43,893	42,964
Decommissioning and rehabilitation provision	13	20,264	20,098
Total non-current liabilities		64,157	63,062
Current liabilities			
Short-term borrowings	12.2	99	100
Trade payables and accrued liabilities		20,526	16,412
Revolving commodity facility	14	15,463	18,751
Total current liabilities		36,088	35,263
Total liabilities		100,245	98,325
TOTAL EQUITY AND LIABILITIES		1,071,088	1,090,244

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

Sedibelo Platinum Mines Limited

Condensed consolidated interim statement of comprehensive income for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

	Notes	For the three months ended	
		Mar 31, 2019 USD'000	Mar 31, 2018 USD'000
Revenue	15	35,488	34,666
Cost of operations	16	(40,150)	(44,378)
Gross loss		(4,662)	(9,712)
Administrative and general expenses		(5,602)	(5,874)
Other (expenses)/income		(103)	3,666
Foreign exchange loss		(2,057)	(834)
Operating loss	17	(12,424)	(12,754)
Finance income		2,687	814
Finance costs		(3,117)	(1,070)
Share of loss of investments accounted for using the equity method		(89)	(104)
Loss before income tax		(12,943)	(13,114)
Income tax expense		-	-
LOSS FOR THE PERIOD		(12,943)	(13,114)
<i>Attributable to:</i>			
Owners of the parent		(12,778)	(13,285)
Non-controlling interest		(165)	171
		(12,943)	(13,114)
Other Comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on loan designated as net investment		-	16,310
Exchange differences on translation from functional to presentation currency		(8,481)	47,024
Other comprehensive share of investment accounted for using the equity method		337	-
Movement in other reserves		11	(42)
Other comprehensive (loss)/income - net of tax		(8,133)	63,292
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(21,076)	50,178
<i>Attributable to:</i>			
Owners of the parent		(20,911)	50,007
Non-controlling interest		(165)	171
		(21,076)	50,178

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

Sedibelo Platinum Mines Limited

Condensed consolidated interim statement of changes in shareholders' equity for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

	Share capital	Accumulated deficit	Other reserves	Foreign currency translation reserve	Subtotal	Non-controlling interest	Total equity
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Balance at January 1, 2018	2,549,583	(943,334)	(1,373)	(413,244)	1,191,632	(1,639)	1,189,993
Loss for the period	-	(13,285)	-	-	(13,285)	171	(13,114)
Other comprehensive income/(loss) for the period	-	16,310	(42)	47,024	63,292	-	63,292
Total comprehensive income	-	3,025	(42)	47,024	50,007	171	50,178
Balance at March 31, 2018	2,549,583	(940,309)	(1,415)	(366,220)	1,241,639	(1,468)	1,240,171
Loss for the period	-	(17,469)	-	-	(17,469)	(4,471)	(21,940)
Other comprehensive income/(loss) for the period	-	(101,244)	417	(125,485)	(226,312)	-	(226,312)
Total comprehensive (loss)/income	-	(118,713)	417	(125,485)	(243,781)	(4,471)	(248,252)
Balance at December 31, 2018	2,549,583	(1,059,022)	(998)	(491,705)	997,858	(5,939)	991,919
Loss for the period	-	(12,778)	-	-	(12,778)	(165)	(12,943)
Other comprehensive (loss)/income for the period	-	337	11	(8,481)	(8,133)	-	(8,133)
Total comprehensive (loss)/income	-	(12,441)	11	(8,481)	(20,911)	(165)	(21,076)
Balance at March 31, 2019	2,549,583	(1,071,463)	(987)	(500,186)	976,947	(6,104)	970,843

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

Sedibelo Platinum Mines Limited

Condensed consolidated interim cash flow statement

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

		For the three months ended	
		Mar 31, 2019	Mar 31, 2018
	Notes	USD'000	USD'000
Cash flows from operating activities			
Loss before income tax		(12,943)	(13,114)
Depreciation of property, plant and equipment	7	8,084	9,223
Amortisation of intangible assets	6	191	175
Impairment reversal	6	-	(3,421)
Revolving commodity facility fair value adjustment	14	761	(532)
Share of loss of investments accounted for using the equity method	10	89	104
Unrealised foreign exchange loss		1,806	840
Mining rights write off	5	175	-
Finance income		(2,687)	(814)
Finance cost		3,117	1,070
<i>Operating loss before working capital changes</i>		(1,407)	(6,469)
Decrease in trade and other receivables		6,442	7,148
Increase in trade and other payables		4,431	1,284
Increase in inventories		(1,371)	(958)
Increase in short-term borrowings		-	10
<i>Cash generated from operations</i>		8,095	1,015
Interest paid		(470)	(580)
Interest received		1,095	89
<i>Net cash generated from operating activities</i>		8,720	524
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,660)	(1,733)
Purchases of mining assets	5	-	(157)
Additions to intangible assets	6	(71)	(76)
Disposal of intangible assets	6	-	9
Loans repaid by external parties		17	458
Funds invested in restricted cash		(193)	(641)
<i>Net cash utilised in investing activities</i>		(1,907)	(2,140)
Cash flows from financing activities			
Repayment of finance lease liability		-	(284)
Loans received	12.1	-	42,228
Proceeds from revolving commodity facility	14	22,656	21,942
Repayment of revolving commodity facility	14	(26,217)	(27,164)
<i>Net cash (utilised in)/generated from financing activities</i>		(3,561)	36,722
Net increase in cash and cash equivalents	8.1	3,252	35,106
Cash and cash equivalents at beginning of the year		38,093	6,323
Exchange (loss)/gain on cash and cash equivalents	8.1	(386)	561
Cash and cash equivalents at end of the period		40,959	41,990

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

1. General information

Sedibelo Platinum Mines Limited (“the Company”) and its subsidiaries (“the Group”) is a mining group engaged in the acquisition, exploration, development and operation of Platinum Group Metals (“PGM”) properties in South Africa. Through its 100% owned subsidiary, Pilanesberg Platinum Mines Proprietary Limited, the Group has established the Pilanesberg Platinum Mines (“PPM”) on the Western Limb of the Bushveld Complex.

The Company is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. For the three months ended March 31, 2019, the Group made a loss of USD12.943 million.

2. Summary of significant accounting policies

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

a) Basis of preparation

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

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

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

The financial information is presented in US dollars (“USD”) and all monetary results are rounded to the nearest thousand (USD’000) except when otherwise indicated.

There are no changes in these accounting policies for the period ended March 31, 2019, except as disclosed in Note 4 below “Changes in accounting policy”.

Going concern

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

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

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

To improve cash flows, management continues to pursue operational improvements and efficiencies. The Group continues to utilise the loan facility PPM obtained from the Industrial Development Corporation of South Africa Limited (“IDC”) for short-term funding cash flow requirements.

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

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

2. Summary of significant accounting policies (continued)

b) Accounting policies

The accounting policies adopted are consistent with those used in the Sedibelo Platinum Mines Limited annual financial statements for the year ended December 31, 2018, except as described below.

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

	At Mar 31, 2019	Average three months ended Mar 31, 2019	At Dec 31, 2018	Average three months ended Mar 31, 2018
South African Rand (USD:ZAR)	14.60	14.01	14.43	11.96

Property, plant and equipment

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

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

3. Estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2018.

4. Change in accounting policy including initial adoption

There were no other changes in the accounting policies applied since the issue of the audited consolidated financial statements for the year ended December 31, 2018, except for the adoption of the standards set out below.

New and amended standards and interpretations effecting for the year

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

Impact assessment

The Group performed an assessment of the lease agreements and concluded that IFRS 16 does not have a material impact based on the nature of the lease agreements. IFRS 16 is effective for year-ends beginning on or after January 1, 2019.

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

5. Mining assets

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Exploration and evaluation assets	15,779	16,136
Mineral properties	725,559	733,910
Mineral rights	27,789	28,036
Balance at the end of the period	769,127	778,082

	Exploration & evaluation assets USD'000	Mineral properties ^(a) USD'000	Mineral rights ^(a) USD'000	TOTAL USD'000
Balance at January 1, 2018	18,257	855,289	32,673	906,219
Additions	525	-	-	525
Foreign exchange variance	(2,646)	(121,379)	(4,637)	(128,662)
Balance at December 31, 2018	16,136	733,910	28,036	778,082
Write off ^(b)	(175)	-	-	(175)
Foreign exchange variance	(182)	(8,351)	(247)	(8,780)
Balance at March 31, 2019	15,779	725,559	27,789	769,127

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

(b) The Loskop prospecting rights located on the Eastern Limb expires in July 2019. The Group has taken a decision to relinquish these rights.

6. Intangible assets

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Water pipeline	24,004	24,347
ERP software	26	31
Computer software	344	391
Research and development	9,450	9,565
Balance at the end of the period	33,824	34,334

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

6. Intangible assets (continued)

Reconciliation of intangible assets:

	Water pipeline	ERP Software	Computer software	Research and development	Power and water rights	TOTAL
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
COST						
Balance at January 1, 2018	32,012	140	1,468	11,052	23,824	68,496
Additions during the year	638	-	254	85	-	977
Change in estimate ^(a)	-	-	-	-	(3,421)	(3,421)
Foreign exchange variance	(4,591)	(19)	(235)	(1,572)	(1,843)	(8,260)
Balance at December 31, 2018	28,059	121	1,487	9,565	18,560	57,792
Additions during the year	32	-	39	-	-	71
Foreign exchange variance	(317)	(1)	(18)	(115)	-	(451)
Balance at March 31, 2019	27,774	120	1,508	9,450	18,560	57,412
ACCUMULATED AMORTISATION AND IMPAIRMENT						
Balance at January 1, 2018	3,853	79	1,035	-	23,824	28,791
Amortisation for the year	448	24	227	-	-	699
Change in estimate ^(a)	-	-	-	-	(3,421)	(3,421)
Foreign exchange variance	(589)	(13)	(166)	-	(1,843)	(2,611)
Balance at December 31, 2018	3,712	90	1,096	-	18,560	23,458
Amortisation for the year	104	5	82	-	-	191
Foreign exchange variance	(46)	(1)	(14)	-	-	(61)
Balance at March 31, 2019	3,770	94	1,164	-	18,560	23,588
CARRYING AMOUNTS						
Balance at January 1, 2018	28,159	61	433	11,052	-	39,705
Balance at December 31, 2018	24,347	31	391	9,565	-	34,334
Balance at March 31, 2019	24,004	26	344	9,450	-	33,824

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

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

7. Property, plant and equipment

	Producing Mines USD'000	Plant construction and mine development USD'000	Pre- stripping cost USD'000	Deferred stripping cost USD'000	Decom- missioning asset USD'000	Leased ^(b) assets USD'000	^(a) Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
COST										
Balance at January 1, 2018	7,298	10,360	137,734	59,512	11,976	6,068	183,887	3,824	6,630	427,289
Additions	-	1,382	-	-	-	-	2,994	-	587	4,963
Change in estimate	-	-	-	-	4,260	(642)	-	-	-	3,618
Disposals	-	-	-	-	-	-	-	-	(11)	(11)
Foreign exchange variance	(1,036)	(1,601)	(19,547)	(8,446)	(1,768)	(810)	(26,377)	(543)	(1,021)	(61,149)
Balance at December 31, 2018	6,262	10,141	118,187	51,066	14,468	4,616	160,504	3,281	6,185	374,710
Additions	-	325	-	-	-	-	1,113	-	222	1,660
Foreign exchange variance	(71)	(126)	(1,334)	(576)	(163)	(52)	(1,853)	(37)	(75)	(4,287)
Balance at March 31, 2019	6,191	10,340	116,853	50,490	14,305	4,564	159,764	3,244	6,332	372,083
ACCUMULATED DEPRECIATION										
Balance at January 1, 2018	3,833	-	82,481	34,760	8,162	3,409	91,364	592	4,794	229,395
Depreciation for the year	996	-	12,009	5,338	627	286	20,125	133	825	40,339
Disposals	-	-	-	-	-	-	-	-	(11)	(11)
Foreign exchange variance	(634)	-	(12,834)	(5,417)	(1,208)	(515)	(14,747)	(97)	(761)	(36,213)
Balance at December 31, 2018	4,195	-	81,656	34,681	7,581	3,180	96,742	628	4,847	233,510
Depreciation for the year	205	-	2,461	1,099	131	17	3,968	31	172	8,084
Foreign exchange variance	(54)	-	(995)	(424)	(91)	(37)	(1,208)	(8)	(61)	(2,878)
Balance at March 31, 2019	4,346	-	83,122	35,356	7,621	3,160	99,502	651	4,958	238,716

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

7. Property, plant and equipment (Continued)

	Producing Mines USD'000	Plant construction and mine development USD'000	Pre- stripping cost USD'000	Deferred stripping cost USD'000	Decom- missioning asset USD'000	Leased assets USD'000	^(a) Plant and equipment USD'000	Land and buildings USD'000	Other USD'000	TOTAL USD'000
CARRYING AMOUNTS										
Balance at January 1, 2018	3,465	10,360	55,253	24,752	3,814	2,659	92,523	3,232	1,836	197,894
Balance at December 31, 2018	2,067	10,141	36,531	16,385	6,887	1,436	63,762	2,653	1,338	141,200
Balance at March 31, 2019	1,845	10,340	33,731	15,134	6,684	1,404	60,262	2,593	1,374	133,367

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

(b) Eskom finalised the substation project cost for Pilanesberg during Q3 of 2018. The project was finalised below its estimated cost and a credit note, of which USD0.642 million relates to the leased asset, was received from ESKOM.

Long term borrowings are secured on Plant and equipment to the value of ZAR600 million (USD43 million) and on all moveable assets to the value of ZAR100 million (USD7 million).

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

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

8.1 Cash and cash equivalents

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Cash at bank	40,959	38,093
Balance at the end of the period	40,959	38,093

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

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

8.2 Restricted cash investments and guarantees

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

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Balance at the end of the period	18,959	18,607

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

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

As at March 31, 2019, the Group had USD32.402 million in guarantees to the DMR and Eskom, of which USD18.959 million is funded.

9. Inventories

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Ore stockpiled	63	218
Work in progress	1,416	257
Consumables	7,630	7,369
Balance at the end of the period	9,109	7,844

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Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

10. Investment in associate

Management have accounted for its interest in KellTech Limited as a joint venture through the equity method of accounting due to the nature of the joint arrangement. The joint venture has share capital consisting solely of ordinary shares, which is held directly by the Group:

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

Investment in associate

	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
January 1	1,220	2,911
Share of loss from associate	(89)	(1,542)
Share of other comprehensive income	337	-
Foreign exchange loss on investment in associate	(67)	(149)
Investment in associate value	1,401	1,220

Details of associate

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

Summarised balance sheet	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
Non-current assets	8,125	8,322
Current assets	698	1,493
Non-current liabilities ^(a)	(9,001)	(8,967)
Current Liabilities	(18)	(19)
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	432	1,170
Net asset value	(196)	829
SPM ownership interest	50%	50%

(a) USD 8.941 million of the non-current liabilities are amounts payable to SPM Group.

Summarised statement of comprehensive loss

	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
Revenue	-	-
Loss for the year	(178)	(1,699)
Other comprehensive income/(loss)	674	(1,017)
Total comprehensive income/(loss)	496	(2,716)
<i>The above loss for the year includes the following:</i>		
Finance income	6	39
Finance expense	(112)	(415)

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Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2019

(Expressed in United States Dollars, unless otherwise stated)

11. Share capital

11.1 Common shares authorised

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

11.2 Common shares issued

	Number of shares	Amount USD'000
Balance at December 31, 2018	3,095,401,663	2,549,583
Balance at March 31, 2019	3,095,401,663	2,549,583

12. Borrowings

12.1 Long term borrowings

	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
Loan from Corridor Mining Resources Proprietary Limited ^(a)	4,606	4,543
Loan from Industrial Development Corporation of South Africa Limited ("IDC") ^(b)	39,287	38,421
Balance at the end of the period	43,893	42,964

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

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

b) PPM secured a loan of ZAR500 million from the IDC in 2018. The proceeds from this loan are utilised to sustain mining operations.

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

This loan is secured to the value of:

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

12.2 Short term borrowing

	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
Loan from Lexshell 703 Proprietary Limited ^(a)	99	100
Balance at the end of the period	99	100

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

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for the three months ended March 31, 2019

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13. Decommissioning and rehabilitation provision

	Mar 31, 2019 USD'000	Dec 31, 2018 USD'000
DISCOUNTED		
Balance at the beginning of the year	20,098	16,800
Unwinding of discount (accretion)	399	1,636
Change in estimate	-	4,260
Subtotal	20,497	22,696
Foreign exchange variance	(233)	(2,598)
Balance at the end of the period	20,264	20,098
UNDISCOUNTED		
Balance at the beginning of the year	22,802	24,353
Change in estimate	-	1,855
Subtotal	22,802	26,208
Foreign exchange variance	(336)	(3,406)
Balance at the end of the period	22,466	22,802

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

The estimated undiscounted liability for the asset retirement obligation at March 31, 2019, is USD22.466 million (2018: USD22.802 million). The asset retirement obligation has been determined using a Rand discount rate of 7.9% (2018: 7.9%) and an inflation rate of 4.8% (2018: 4.8%) over the expected life of mine which is 4 years (2018: 4 years).

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14. Revolving commodity facility

PPM entered into a revolving commodity facility with Investec Bank Limited ("Investec") to provide a Rand denominated revolving commodity finance facility of up to ZAR400 million (USD29 million) for the financing of concentrate deliveries. The facility bears interest at JIBAR plus 2.3% and is available up to March 31, 2020, when PPM intends to renew it.

In terms of this facility Investec Bank Limited will finance up to 91% of PPM's platinum, palladium and gold deliveries. PPM cedes on an out-and-out basis to Investec all rights to payments under its offtake agreements with Northam and Impala (2018), only Impala for the three months ending March 31, 2019, until the corresponding liability is settled. This facility is repaid within 3 months upon which the funds are again available for draw-down. On settlement date, the drawdown is revalued using average commodity prices and exchange rates for the calendar month before settlement date.

	As at Mar 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Balance at the beginning of the period	18,751	17,530
Repayment of drawdown	(26,217)	(81,440)
Drawdown from the facility during the period	22,656	82,555
Fair value adjustments to the balances	761	1,258
Interest accrued	351	1,232
Subtotal	16,302	21,135
Exchange rate variance	(839)	(2,384)
Balance at the end of the period	15,463	18,751

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15. Revenue

	For the three months ended	
	As at Mar 31, 2019 USD'000	As at Mar 31, 2018 USD'000
4E Minerals	31,569	30,253
Other minerals	3,919	4,413
Total revenue	35,488	34,666

All revenue is from Impala Platinum Limited and minor chrome sales at the spot market.

16. Cost of operations

	For the three months ended	
	As at Mar 31, 2019 USD'000	As at Mar 31, 2018 USD'000
On-mine operations		
Total materials and mining costs	(14,856)	(15,166)
Concentrator plant operations		
Materials and other costs	(7,964)	(8,691)
Utilities	(3,060)	(3,318)
Beneficiation		
Smelting and refining costs	(2,947)	(3,128)
Transport	(132)	(143)
Salaries	(4,227)	(4,743)
<i>Sub-total</i>	(33,186)	(35,189)
Amortisation and depreciation of operating assets	(7,990)	(9,083)
Inventory adjustments	1,026	(106)
Total cost of operations	(40,150)	(44,378)

17. Operating loss

	For the three months ended	
	As at Mar 31, 2019 USD'000	As at Mar 31, 2018 USD'000
<i>Operating loss includes:</i>		
Employee expenses	(2,640)	(2,465)
Impairment reversal	-	3,421
Audit fees	(27)	(68)
Consulting and professional fees	(92)	(340)
Royalty expense	(219)	(220)
Amortisation and depreciation	(285)	(315)
Foreign exchange loss	(2,057)	(834)

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18. Financial risk management and Financial instruments

18.1 Financial risk factors

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

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements as at December 31, 2018. There have been no changes in the risk management policies since year end.

18.2 Liquidity risk

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

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

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

	Presented USD'000	Less than 6 months USD'000	Between 6 - 12 months USD'000	Greater than 12 months USD'000
Balances at March 31, 2019				
Long-term borrowings	43,893	-	-	43,893
Short-term borrowings	99	99	-	-
Trade payables and accrued liabilities	20,526	20,526	-	-
Revolving commodity facility	15,463	15,463	-	-
Total financial liabilities	79,981	36,088	-	43,893
Balances at December 31, 2018				
Long-term borrowings	42,964	-	-	42,964
Short-term borrowings	100	100	-	-
Trade payables and accrued liabilities	16,412	16,412	-	-
Revolving commodity facility	18,751	18,751	-	-
Total financial liabilities	78,227	35,263	-	42,964

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Notes to the condensed consolidated interim financial statements

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18. Financial risk management and Financial instruments (continued)

18.3 Fair value estimation

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

The different valuation methods have been defined as follows:

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

The following tables presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2019.

	Level	Fair value As at Mar 31, 2019 USD '000	Fair value As at Dec 31, 2018 USD '000
Revolving commodity facility	1	15,463	18,751
Total financial liabilities		15,463	18,751

GROUP	Level	Fair value As at Mar 31, 2019 USD '000	Fair value As at Dec 31, 2018 USD '000
Financial assets			
Trade receivables	1	45,387	52,771
Total financial assets		45,387	52,771

18.4 Fair value of financial assets and liabilities measured at amortised cost

	As at Mar 31, 2019 USD '000	As at Dec 31, 2018 USD '000
Restricted cash investments and guarantees	18,959	18,607
Loans receivable	16,654	16,553
Other receivables	2,302	1,540
Cash and cash equivalents	40,959	38,093
Total financial assets	78,874	74,793
Long-term borrowings	48,893	42,964
Short-term borrowings	99	100
Trade payables and accrued liabilities	20,526	16,412
Total financial liabilities	69,518	59,476

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

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19. Contingencies and commitments

19.1 Contingencies

- At March 31, 2019, the Group had bank and other guarantees of USD32.402 million (2018: USD40.434 million) from which it is anticipated that no material liabilities will arise in addition to amounts already provided.
- Pilanesberg Platinum Mines Proprietary Limited entered into an agreement with Impala Refining Services Limited for the right of first refusal to supply PGM concentrate produced by Pilanesberg Platinum Mines Proprietary Limited from the properties, Ruighoek 169JP, Vogelstruisnek 173JP and Palmietfontein 208JP. Should Platmin South Africa Proprietary Limited ("Platmin SA") elect not to accept the terms proposed by Impala Refining Services Limited, a break fee of USD2.090 million in aggregate will be payable to Impala Refining Services Limited.
- Platmin SA has an obligation, which cannot be quantified, pro rata to its shareholding in Mahube Mining Proprietary Limited to provide funding to Tameng Mining and Exploration Proprietary Limited to undertake the necessary exploration and development on the Mphahlele project. The consequence of not contributing accordingly, results in the dilution of Platmin SA's shareholding.

19.2 Commitments

The Group's contractual obligations are as follows:

Commitments as at March 31, 2019

Contractual obligations USD'000	Notes	Total	< 1 year	1-3 years	After 3 years
Employee entitlements ⁽¹⁾		1,044	1,044	-	-
Corporate building lease ⁽²⁾		418	209	209	-
Asset Retirement Obligation ⁽³⁾	13	20,264	-	-	20,264
Mining costs ⁽⁴⁾		8,714	8,714	-	-
Open Purchase orders		5,133	5,133	-	-
Total Contractual Obligations		35,573	15,100	209	20,264

- (1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
- (2) This includes the contractual monthly payments for the rental of the Company's corporate office. This agreement was renewed to come to an end on May 31, 2021.
- (3) The amount of USD20.264 million represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM and Sedibelo at the end of life of mine, in accordance with the mining license and approved EMP.
- (4) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations for the required notice period, should the contract with the main mining contractor be cancelled.

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19. Contingencies and commitments (Continued)

19.2 Commitments (Continued)

Commitments as at March 31, 2018

Contractual obligations USD'000	Notes	Total	< 1 year	1-3 years	After 3 years
Employee entitlements ⁽¹⁾		1,945	1,945	-	-
Corporate building lease ⁽²⁾		63	63	-	-
Substation lease ⁽³⁾		986	986	-	-
Asset Retirement Obligation ⁽⁴⁾	14	18,155	-	-	18,155
Mining costs ⁽⁵⁾		6,502	6,502	-	-
Open Purchase orders		7,413	7,413	-	-
Total Contractual Obligations		35,064	16,909	-	18,155

- (1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
- (2) This includes the contractual monthly payments for the rental of the Company's corporate office. This agreement comes to an end on May 31, 2018
- (3) These amounts constitute the minimum lease payments due to ESKOM for the substation and related infrastructure supplied at PPM.
- (4) The amount of USD18.155 million represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM and Sedibelo at the end of life of mine, in accordance with the mining license and approved EMP.
- (5) 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.

20. Events after the reporting date

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