



Sedibelo Platinum Mines Limited

Condensed Consolidated Interim Financial Statements for the three-month period ended March 31, 2021 and March 31, 2020

*(December 2020 Audited, March 2021 & March 2020 Unaudited, expressed in United States dollars,
unless otherwise stated)*

Sedibelo Platinum Mines Limited

Condensed consolidated interim statement of financial position

as at March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

	Notes	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
ASSETS			
Non-current assets			
Mining assets	5	756,771	773,275
Intangible assets	6	32,747	33,564
Property, plant and equipment	7	89,351	92,498
Loans receivable		16,154	16,506
Restricted cash investments and guarantees	8.2	18,265	18,090
Deferred tax asset		99,748	101,949
Total non-current assets		1,013,036	1,035,882
Current assets			
Inventories	9	9,281	11,818
Trade and other receivables		127,434	133,893
Cash and cash equivalents	8.1	102,535	62,986
Total current assets		239,250	208,697
TOTAL ASSETS		1,252,286	1,244,579
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11	2,549,583	2,549,583
Other components of equity		(538,088)	(521,743)
Accumulated deficit		(829,411)	(865,651)
		1,182,084	1,162,189
Non-controlling interests			
		(7,258)	(7,126)
Total equity		1,174,826	1,155,063
Non-current liabilities			
Long-term borrowings	12.1	22,932	26,976
Decommissioning and rehabilitation provision	13	16,707	16,787
Total non-current liabilities		39,639	43,763
Current liabilities			
Short-term borrowings	12.2	14,097	14,408
Trade payables and accrued liabilities		23,724	26,134
Revolving commodity facility	14	-	5,211
Total current liabilities		37,821	45,753
Total liabilities		77,460	89,516
TOTAL EQUITY AND LIABILITIES		1,252,286	1,244,579

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, 2021

(Expressed in United States Dollars, unless otherwise stated)

	Notes	For the three months ended	
		Mar 31, 2021 USD'000	Mar 31, 2020 USD'000
Revenue	15	95,800	55,737
Cost of operations	16	(43,901)	(38,649)
Gross profit		51,899	17,088
Administrative and general expenses		(6,793)	(4,915)
Other income		57	25
Foreign exchange gain		444	4,480
Operating profit	17	45,607	16,678
Finance income		980	1,386
Finance costs		(1,563)	(2,334)
Share of loss of investments accounted for using the equity method		(194)	(438)
Profit before income tax		44,830	15,292
Income tax expense		-	-
PROFIT FOR THE PERIOD		44,830	15,292
<i>Attributable to:</i>			
Owners of the parent		44,962	15,456
Non-controlling interest		(132)	(164)
		44,830	15,292
Other Comprehensive (expense)/ income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on loan designated as net investment		(8,284)	61,477
Exchange differences on translation from functional to presentation currency		(16,367)	(277,643)
Other comprehensive share of investment accounted for using the equity method		(438)	225
Movement in other reserves		22	(511)
Other comprehensive expense - net of tax		(25,067)	(216,452)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD		19,763	(201,160)
<i>Attributable to:</i>			
Owners of the parent		19,895	(200,996)
Non-controlling interest		(132)	(164)
		19,763	(201,160)

Sedibelo Platinum Mines Limited

Condensed consolidated interim statement of changes in shareholders' equity for the three months ended March 31, 2021

(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, 2020	2,549,583	(1,100,208)	(1,021)	(457,107)	991,247	(6,608)	984,639
Profit/(loss) for the period	-	15,456	-	-	15,456	(164)	15,292
Other comprehensive income/(expense) for the period	-	60,966	225	(277,643)	(216,452)	-	(216,452)
Total comprehensive income/(expense)	-	76,422	225	(277,643)	(200,996)	(164)	(201,160)
Balance at March 31, 2020	2,549,583	(1,023,785)	(796)	(734,750)	790,252	(6,773)	783,479
Profit/(loss) for the period	-	181,256	-	-	181,256	(354)	180,902
Other comprehensive (expense)/income for the period	-	(23,121)	(223)	214,026	190,682	-	190,682
Total comprehensive income/(expense)	-	158,135	(223)	214,026	371,938	(354)	371,584
Balance at December 31, 2020	2,549,583	(865,651)	(1,019)	(520,724)	1,162,189	(7,126)	1,155,063
Profit/(loss) for the period	-	44,962	-	-	44,962	(132)	44,830
Other comprehensive (expense)/income for the period	-	(8,722)	22	(16,367)	(25,067)	-	(25,067)
Total comprehensive income/(expense)	-	36,240	22	(16,367)	19,895	(132)	19,763
Balance at March 31, 2021	2,549,583	(829,411)	(997)	(537,091)	1,182,084	(7,258)	1,174,826

Sedibelo Platinum Mines Limited

Condensed consolidated interim cash flow statement

for the three months ended March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

		For the three months ended	
		Mar 31, 2021	Mar 31, 2020
	Notes	USD'000	USD'000
Cash flows from operating activities			
Profit before income tax		44,830	15,292
Depreciation of property, plant and equipment	7	1,685	3,553
Amortisation of intangible assets	6	136	120
Revolving commodity facility fair value adjustment	14	(71)	3,405
Share of loss of investments accounted for using the equity method	10	194	438
Unrealised foreign exchange gain		(444)	(4,456)
Finance income		(980)	(1,386)
Finance cost		1,563	2,334
<i>Operating profit before working capital changes</i>		46,913	19,300
Decrease / (Increase) in trade and other receivables		5,783	(5,241)
Decrease in trade and other payables		(3,645)	(2,156)
Decrease / (Increase) in inventories		2,271	(230)
<i>Cash generated from operations</i>		51,322	11,673
Interest paid		(189)	(490)
Interest received		723	767
<i>Net cash generated from operating activities</i>		51,856	11,950
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(629)	(443)
Additions to mining assets	5	(191)	(573)
Additions to intangible assets	6	(54)	(123)
Loans granted to related party		(514)	(880)
Loans repaid by external parties		416	-
Funds invested in restricted cash		(399)	(31)
<i>Net cash utilised in investing activities</i>		(1,371)	(2,050)
Cash flows from financing activities			
Interest paid on The Industrial Development Corporation ("IDC") of South Africa loan	12.1	(1,660)	-
Capital repayment on the IDC loan	12.1	(2,778)	-
Decrease in short-term borrowings		-	(13)
Proceeds from revolving commodity facility	14	13,871	23,911
Repayment of revolving commodity facility	14	(18,815)	(22,080)
<i>Net cash (utilised in) / generated from financing activities</i>		(9,382)	1,818
Net increase in cash and cash equivalents	8.1	41,103	11,695
Cash and cash equivalents at beginning of the year		62,986	43,393
Exchange loss on cash and cash equivalents		(1,554)	(10,542)
Cash and cash equivalents at end of the period		102,535	44,569

Sedibelo Platinum Mines Limited

Condensed consolidated interim cash flow statement

for the three months ended March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

1. General information

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

The Company is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. For the three months ended March 31, 2021, the Group made a profit of USD44.830 million (2020: USD15.292 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"), IFRIC ("International Financial Reporting Interpretations Committee") 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 three-month period ended March 31, 2021 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 IFRS and IFRIC interpretations 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 realise 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.

PPM has an agreement with Investec Bank Limited ("Investec") to provide a rand denominated revolving commodity finance facility of up to USD60.241 million (ZAR900 million) for the financing of concentrate deliveries. The outstanding balance bears interest at JIBAR plus 1.92% and is available up to March 31, 2022.

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

Operational risks that Management considered during the assessment included operating cash flows and short term PGM prices and ZAR:USD exchange rates. Capital expenditure (sustaining and growth) was included in line with the budget and Management's current plans. The significant improvement in the ZAR PGM basket price improved the Group's cash position and its cash generative ability. Based on current assumptions there is no reason for Management to believe that the Group cannot repay debt, expenses and/or obligations in accordance with the current terms of the relevant agreements.

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

2. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

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

	At Mar 31, 2021	Average three months ended Mar 31, 2021	At Dec 31, 2020	Average three months ended Mar 31, 2020
South African Rand (USD:ZAR)	14.94	14.96	14.62	15.35

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)
Right to use assets	2 - 5 years
Plant and equipment	Units of production (ore tonnes processed)
Buildings	20 years
Land	Indefinite
Other	
- Vehicles	5 years
- Computer equipment	3 years
- Office equipment	6 years
- Furniture and fittings	6 years
- Other equipment	5 years

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, 2020.

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, 2020, except for the adoption of the standards set out below.

New standards and amendments to standards and interpretations not yet adopted:

- IAS 1 (Amendments): Disclosure of accounting policies - applicable to annual periods beginning on or after January 1, 2023. Early adoption is permitted.
- IAS 8 (Amendments): Definition of accounting estimates - applicable to annual periods beginning on or after January 1, 2023.

The Group performed an assessment of the above amendments and concluded that these amendments as noted, do not have a material impact based on the nature of the Group's business

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

5. Mining assets

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Exploration and evaluation assets	20,794	21,071
Mineral properties and rights	735,977	752,204
Balance at the end of the period	756,771	773,275

	Exploration & evaluation assets USD'000	Mineral properties & rights ^(a) USD'000	TOTAL USD'000
Balance at January 1, 2020	19,781	778,614	798,395
Additions	1,708	-	1,708
Foreign exchange variance	(418)	(26,410)	(26,828)
Balance at December 31, 2020	21,071	752,204	773,275
Additions	191	-	191
Foreign exchange variance	(468)	(16,227)	(16,695)
Balance at March 31, 2021^(a)	20,794	735,977	756,771

a) Long term borrowings are secured on Mineral properties and rights to the value of ZAR200 million (USD13 million). Refer to note 12.

6. Intangible assets

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Water pipeline	22,839	23,435
ERP software	3	6
Computer software	669	683
Research and development	9,236	9,440
Balance at the end of the period	32,747	33,564

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

(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, 2020	28,801	124	1,802	9,767	18,560	59,054
Additions during the year	67	-	408	4	-	479
Assets scrapped	-	-	(98)	-	-	(98)
Foreign exchange variance	(969)	(4)	(9)	(331)	-	(1,313)
Balance at December 31, 2020	27,899	120	2,103	9,440	18,560	58,122
Additions during the period	6	-	48	-	-	54
Foreign exchange variance	(600)	(6)	(46)	(204)	-	(856)
Balance at March 31, 2021	27,305	114	2,105	9,236	18,560	57,320
ACCUMULATED AMORTISATION						
Balance at January 1, 2020	4,208	113	1,433	-	18,560	24,314
Amortisation for the year	341	4	116	-	-	461
Assets scrapped	-	-	(98)	-	-	(98)
Foreign exchange variance	(85)	(3)	(31)	-	-	(119)
Balance at December 31, 2020	4,464	114	1,420	-	18,560	24,558
Amortisation for the period	88	-	48	-	-	136
Foreign exchange variance	(86)	(3)	(32)	-	-	(121)
Balance at March 31, 2021	4,466	111	1,436	-	18,560	24,573
CARRYING AMOUNTS						
Balance at January 1, 2020	24,593	11	369	9,767	-	34,740
Balance at December 31, 2020	23,435	6	683	9,440	-	33,564
Balance at March 31, 2021	22,839	3	669	9,236	-	32,747

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

(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	Right to use 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, 2020	6,399	11,788	120,773	52,183	14,785	5,017	167,399	3,357	7,048	388,749
Additions	-	1,390	-	-	61	227	3,575	163	500	5,916
Disposals	-	-	-	-	-	(289)	-	-	(471)	(760)
Change in estimate	-	-	-	-	(6,418)	-	-	-	-	(6,418)
Foreign exchange variance	(217)	(235)	(4,097)	(1,770)	(626)	(162)	(5,314)	(94)	(151)	(12,666)
Balance at December 31, 2020	6,182	12,943	116,676	50,413	7,802	4,793	165,660	3,426	6,926	374,821
Additions	-	383	-	-	-	159	34	18	35	629
Change in estimate	-	-	-	-	(90)	-	-	-	-	(90)
Foreign exchange variance	(133)	(279)	(2,513)	(1,089)	(169)	(102)	(3,578)	(74)	(155)	(8,092)
Balance at March 31, 2021	6,049	13,047	114,163	49,324	7,543	4,850	162,116	3,370	6,806	367,268
ACCUMULATED DEPRECIATION										
Balance at January 1, 2020	5,330	-	95,968	41,038	8,412	3,424	117,107	763	5,614	277,656
Additions	351	-	4,173	1,912	224	163	6,317	125	485	13,750
Disposals	-	-	-	-	(562)	-	-	-	-	(562)
Change in estimate	-	-	-	-	-	(247)	-	-	(464)	(711)
Foreign exchange variance	(141)	-	(2,718)	(1,166)	(272)	(103)	(3,260)	(13)	(137)	(7,810)
Balance at December 31, 2020	5,540	-	97,423	41,784	7,802	3,237	120,164	875	5,498	282,323
Depreciation for the period	18	-	222	98	18	67	1,196	38	136	1,793
Change in estimate	-	-	-	-	(108)	-	-	-	-	(108)
Foreign exchange variance	(120)	-	(2,106)	(902)	(169)	(70)	(2,588)	(19)	(117)	(6,091)
Balance at March 31, 2021	5,438	-	95,539	40,980	7,543	3,234	118,772	894	5,517	277,917

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2021

(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	Right to use 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, 2020	1,069	11,788	24,805	11,145	6,373	1,593	50,292	2,594	1,434	111,093
Balance at December 31, 2020	642	12,943	19,253	8,629	-	1,556	45,496	2,551	1,428	92,498
Balance at March 31, 2021	611	13,047	18,624	8,344	-	1,616	43,344	2,476	1,289	89,351

(a) Tailings dam is included in plant and equipment.

Long term borrowings are secured on Plant and equipment to the value of ZAR600 million (USD40 million) and on all moveable assets to the value of ZAR100 million (USD7 million). Refer to note 12.

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2021

(Expressed in United States Dollars, unless otherwise stated)

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

8.1 Cash and cash equivalents

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Cash at bank	102,535	62,986
Balance at the end of the period	102,535	62,986

Cash at banks earns interest at fixed and floating rates. Cash is deposited at 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.

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

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Balance at the end of the period	18,265	18,090

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

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

As at March 31, 2021, the Group had USD32 million (2020: USD32 million) in guarantees to the DMRE and ESKOM, of which USD18 million (2020: USD18 million) is funded.

9. Inventories

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Ore stockpiled	84	2,862
Work in progress	55	472
Chrome stockpile	326	333
Consumables	8,816	8,151
Balance at the end of the period	9,281	11,818

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Notes to the condensed consolidated interim financial statements

for the three months ended March 31, 2021

(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, 2021 USD'000	Dec 31, 2020 USD'000
January 1 st	-	-
Share of loss from associate	(194)	(1,130)
Share of other comprehensive loss	(438)	(214)
Foreign exchange gain/(loss) on investment in associate	259	(466)
Impaired against loan receivable	373	1,810
Investment in associate value	-	-

Details of associate

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

Summarised balance sheet	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Non-current assets	7,989	8,116
Current assets	708	736
Non-current liabilities	(13,020)	(12,420)
Current Liabilities	(115)	(504)
<i>The above assets and liabilities include the following:</i>		
Cash and cash equivalents	706	736
Net asset value	(4,438)	(4,072)
SPM ownership interest	50%	50%

Summarised statement of comprehensive loss	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Loss for the period	(388)	(2,260)
Other comprehensive expense	(876)	(932)
Total comprehensive expense	(1,264)	(3,192)

The above loss for the period includes the following:

Finance income	1	7
Finance expense*	(90)	(346)

*Including interest accrued to the Group

Sedibelo Platinum Mines Limited

Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

(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, 2020	3,095,401,663	2,549,583
Balance at March 31, 2021	3,095,401,663	2,549,583

12. Borrowings

12.1 Long term borrowings

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Loan from Corridor Mining Resources Proprietary Limited ^(a)	5,338	5,365
Loan from the IDC ^(b)	17,594	21,611
Balance at the end of the period	22,932	26,976

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 was utilised to sustain mining operations.

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

This loan is secured to the value of:

- ZAR200 million (USD13 million) over Mineral properties and rights;
- ZAR600 million (USD40 million) over plant and equipment at PPM; and
- ZAR100 million (USD7 million) over all moveable assets of PPM.

12.2 Short term borrowings

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Loan from IDC ^(b)	14,097	14,408
Balance at the end of the period	14,097	14,408

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13. Decommissioning and rehabilitation provision

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
DISCOUNTED		
Balance at the beginning of the year	16,787	22,163
Unwinding of discount (accretion)	375	1,724
Change in estimate	(90)	(6,418)
Subtotal	17,072	17,469
Foreign exchange variance	(365)	(682)
Balance at the end of the period	16,707	16,787

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 DMRE, 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 asset retirement obligation has been determined using a Rand discount rate of 9.1% (2020: 9.1%) and an inflation rate of 3.3 % (2020: 3.3%) over the expected LoM (Life of Mine) of 7 years and 9 months' (2020: 8 years) for the West Pit and 9 years and 9 months for the East Pit (2020: 10 years).

14. Revolving commodity facility

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

	Mar 31, 2021 USD'000	Dec 31, 2020 USD'000
Balance at the beginning of the year	5,211	19,895
Repayment of drawdown	(18,815)	(81,890)
Drawdown from the facility during the period	13,871	69,228
Fair value adjustments to the balances	(71)	211
Interest paid	96	1,042
Subtotal	292	8,486
Exchange rate variance	(292)	(3,275)
Balance at the end of the period	-	5,211

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(Expressed in United States Dollars, unless otherwise stated)

15. Revenue

	For the three months ended	
	Mar 31, 2021 USD'000	Mar 31, 2020 USD'000
4E Minerals	87,925	51,758
Other minerals	7,875	3,979
Total revenue	95,800	55,737

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

16. Cost of operations

	For the three months ended	
	Mar 31, 2021 USD'000	Mar 31, 2020 USD'000
On-mine operations		
Total materials and mining costs	(20,003)	(16,349)
Concentrator plant operations		
Materials and other costs	(7,527)	(7,913)
Utilities	(3,588)	(3,048)
Beneficiation		
Smelting and refining costs	(3,129)	(3,129)
Transport	(128)	(139)
Salaries	(4,730)	(4,804)
<i>Sub-total</i>	(39,105)	(35,382)
Amortisation and depreciation of operating assets	(1,685)	(3,448)
Inventory adjustments	(3,111)	181
Total cost of operations	(43,901)	(38,649)

17. Operating profit

	For the three months ended	
	Mar 31, 2021 USD'000	Mar 31, 2020 USD'000
<i>Operating profit includes:</i>		
Employee expenses	(2,422)	(2,256)
Audit fees	(108)	(46)
Consulting and professional fees	(767)	(183)
Royalty expense	(161)	(273)
Amortisation and depreciation	(136)	(225)
Foreign exchange gain	444	4,480

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Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

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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, 2020. 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 cashflow maturity analysis of payables at the reporting date was as follows:

GROUP	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, 2021				
Long-term borrowings	26,259	-	-	26,259
Short-term borrowings	14,097	3,524	10,573	-
Trade payables and accrued liabilities	23,724	23,724	-	-
Revolving commodity facility	-	-	-	-
Total financial liabilities	64,080	27,248	10,573	26,259
Balances at December 31, 2020				
Long-term borrowings	30,758	-	-	30,758
Short-term borrowings	14,408	3,602	10,806	-
Trade payables and accrued liabilities	26,134	26,134	-	-
Revolving commodity facility	5,211	5,211	-	-
Total financial liabilities	76,511	34,947	10,806	30,758

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Notes to the condensed consolidated interim financial statements for the three months ended March 31, 2021

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18. Financial risk management and Financial instruments (continued)

18.3 Fair value estimation

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

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

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

GROUP	2021			2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	USD'000	USD'000	USD'000	USD'000	USD'000	SD'000
Financial liabilities measured at fair value						
Revolving Commodity Facility	-	-	-	5,211	-	-
Financial assets measured at fair value						
Trade Receivables – Metal sales	125,286	-	-	132,222	-	-
Balance at the end of the period	125,286	-	-	137,433	-	-

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

	Mar 31, 2021 USD '000	Dec 31, 2020 USD '000
Restricted cash investments and guarantees	18,265	18,090
Loans receivable	16,154	16,506
Trade receivables	589	933
Cash and cash equivalents	102,535	62,986
Total financial assets	136,954	98,915
Long-term borrowings	22,932	28,976
Short-term borrowings	14,097	14,408
Trade payables and accrued liabilities	23,724	26,314
Total financial liabilities	60,753	67,518

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

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(Expressed in United States Dollars, unless otherwise stated)

19. Contingencies and commitments

19.1 Contingencies

- At March 31, 2021, the Group had bank and other guarantees of USD32 million (2020: USD32 million) from which it is anticipated that no material liabilities will arise in addition to amounts already provided.
- PPM entered into an agreement with Impala Refining Services Limited for the right of first refusal to supply PGM concentrate produced by PPM from the properties, Ruighoek 169JP, Vogelstruisnek 173JP and Palmietfontein 208JP. Should Platmin South Africa Proprietary Limited (“Platmin SA”) elect not to accept the terms proposed by Impala Refining Services Limited, a break fee of USD2,090,000 in aggregate will be payable to Impala Refining Services Limited.
- Platmin SA has an obligation, which cannot be quantified, pro rata to its shareholding in Mahube Mining Proprietary Limited to provide funding to Tameng Mining and Exploration Proprietary Limited to undertake the necessary exploration and development on the Mphahlele project. The consequence of not contributing accordingly, results in the dilution of Platmin SA’s shareholding.
- The East Pit development at PPM is planned to commence in 2021, as soon as the outstanding conditions precedent are met to secure access to the adjacent mining property.

19.2 Commitments

The Group’s contractual obligations are as follows:

Commitments as at March 31, 2021

Contractual obligations USD’000	Notes	Total	< 1 year	1-3 years	After 3 years
Mining costs ⁽¹⁾		14,456	14,456	-	-
Open Purchase orders		7,410	7,410	-	-
Total Contractual Obligations		21,866	21,866	-	-

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

Commitments as at March 31, 2020

Contractual obligations USD’000	Notes	Total	< 1 year	1-3 years	After 3 years
Mining costs ⁽¹⁾		12,551	12,551	-	-
Open Purchase orders		4,491	4,491	-	-
Total Contractual Obligations		17,042	17,042	-	-

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

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.