



Sedibelo Resources Limited
(previously Sedibelo Platinum Mines Limited)

Condensed Consolidated Interim Financial Statements
for the three and six-months period ended June 30, 2022 and 2021

(As at June 30, 2022 and for the three and six months ended June 30, 2022 and 2021)
(Unaudited, expressed in US dollars, unless otherwise stated)

Sedibelo Resources Limited
Condensed consolidated interim statement of financial position
Unaudited as at June 30, 2022

(Expressed in United States Dollars, unless otherwise stated)

	Notes	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
ASSETS			
Non-current assets			
Mining assets	5	702,126	708,902
Intangible assets	6	30,287	30,540
Property, plant and equipment	7	108,235	92,625
Loans receivable	8	23,695	19,063
Restricted cash investments and guarantees	9.2	18,458	18,432
Deferred tax asset		65,186	76,138
Investment in joint venture	11	-	-
Total non-current assets		947,987	945,700
Current assets			
Inventories	10	14,775	10,208
Trade and other receivables		51,071	82,816
Loans receivable	8	632	637
Cash and cash equivalents	9.1	116,214	140,595
Total current assets		182,692	234,256
TOTAL ASSETS		1,130,679	1,179,956
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	12	2,549,583	2,549,583
Other components of equity		(622,613)	(616,842)
Accumulated loss		(845,372)	(831,400)
		1,081,598	1,101,341
Non-controlling interest		(7,913)	(7,687)
Total equity		1,073,685	1,093,654
Non-current liabilities			
Long-term borrowings	13	5,407	5,289
Decommissioning and rehabilitation provision	14	19,324	18,782
Share-based payment obligation	15	3,128	445
Total non-current liabilities		27,859	24,516
Current liabilities			
Share-based payment obligations	15	1,024	1,505
Trade payables and accrued liabilities		23,510	29,029
Revolving commodity facility	16	4,601	31,252
Total current liabilities		29,135	61,786
Total liabilities		56,994	86,302
TOTAL EQUITY AND LIABILITIES		1,130,679	1,179,956

The financial statements were authorized by Erich Clarke, on behalf of the Board of Directors, on August 29, 2022, and were signed on their behalf:



Erich Clarke
Director

Condensed consolidated interim statement of comprehensive income

Unaudited for the three and six months ended June 30, 2022 and 2021

(Expressed in United States Dollars, unless otherwise stated)

	Notes	For the three months ended		For the six months ended	
		Jun 30, 2022 USD'000	Jun 30, 2021 USD'000	Jun 30, 2022 USD'000	Jun 30, 2021 USD'000
Revenue	17	36,192	68,023	89,255	163,823
Cost of operations	18	(29,364)	(48,484)	(65,959)	(92,385)
Gross profit		6,828	19,539	23,296	71,438
Administrative and general expenses		(9,250)	(7,003)	(17,440)	(13,796)
Other income/(loss)		311	(2,785)	1,381	(2,728)
Foreign exchange gain/(loss)		5,838	(58)	2,062	386
Operating profit	19	3,727	9,693	9,299	55,300
Finance income		1,712	1,473	3,329	2,453
Finance costs		(829)	(1,234)	(1,813)	(2,797)
Share of (loss)/profit of investments accounted for using the equity method	11	(376)	135	(151)	(59)
Profit before income tax		4,234	10,067	10,664	54,897
Income tax		(6,551)	(3,542)	(9,786)	(16,807)
(Loss)/profit for the period		(2,317)	6,525	878	38,090
<i>Attributable to:</i>					
Owners of the parent		(2,242)	6,669	1,104	38,366
Non-controlling interest		(75)	(144)	(226)	(276)
(Loss)/profit for the period		(2,317)	6,525	878	38,090
Other Comprehensive income/(loss):					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on loan designated as net investment		15,855	(8,601)	(16,506)	(16,885)
Exchange differences on translation from functional to presentation currency		(143,037)	59,557	(5,791)	43,190
Other comprehensive share of investment accounted for using the equity method		1,831	45	1,430	(393)
Movement in other reserves		109	(43)	20	(21)
Other comprehensive (loss)/income - net of tax		(125,242)	50,958	(20,847)	25,891
Total comprehensive (loss)/income for the period		(127,559)	57,483	(19,969)	63,981
<i>Attributable to:</i>					
Owners of the parent		(127,484)	57,627	(19,743)	64,257
Non-controlling interest		(75)	(144)	(226)	(276)
Total comprehensive (loss)/income for the period		(127,559)	57,483	(19,969)	63,981
Earnings per share (cents)					
Basic (loss)/earnings per share	20	(0.07)	0.22	0.04	1.24
Diluted (loss)/earnings per share	20	(0.07)	0.22	0.04	1.24

Sedibelo Resources Limited

Condensed consolidated interim statement of changes in shareholders' equity

Unaudited for the three and six months ended June 30, 2022 and 2021



(Expressed in United States Dollars, unless otherwise stated)

	Share capital (a)	Accumulated loss	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 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	-	38,366	-	-	38,366	(276)	38,090
Other comprehensive income/(loss) for the period	-	(17,278)	(21)	43,190	25,891	-	25,891
Total comprehensive income/(loss)	-	21,088	(21)	43,190	64,257	(276)	63,981
Balance at June 30, 2021	2,549,583	(844,563)	(1,040)	(477,534)	1,226,446	(7,402)	1,219,044
(Loss)/profit for the period	-	(4,633)	-	-	(4,633)	(285)	(4,918)
Other comprehensive (loss)/income for the period	-	17,796	104	(138,372)	(120,472)	-	(120,472)
Total comprehensive income/(loss)	-	13,163	104	(138,372)	(125,105)	(285)	(125,390)
Balance at December 31, 2021	2,549,583	(831,400)	(936)	(615,906)	1,101,341	(7,687)	1,093,654
Profit/(loss) for the period	-	1,104	-	-	1,104	(226)	878
Other comprehensive (loss)/income for the period	-	(15,076)	20	(5,791)	(20,847)	-	(20,847)
Total comprehensive (loss)/income	-	(13,972)	20	(5,791)	(19,743)	(226)	(19,969)
Balance as June 30, 2022	2,549,583	(845,372)	(916)	(621,697)	1,081,598	(7,913)	1,073,685

(a) Note 12

Sedibelo Resources Limited
Condensed consolidated interim cash flow statement
Unaudited for the six months ended June 30, 2022 and 2021

(Expressed in United States Dollars, unless otherwise stated)

		For the six months ended	
		Jun 30,	Jun 30,
		2022	2021
	Notes	USD'000	USD'000
Cash flows from operating activities			
Profit before income tax		10,664	54,897
Depreciation of property, plant and equipment	7	2,913	4,091
Amortization of intangible assets	6	(32)	277
Revolving commodity facility fair value adjustment	16	(919)	(421)
Share of loss of investments accounted for using the equity method	11	151	59
Share-based payments	15	2,367	-
Loss on disposal of mining assets		-	3,141
Profit on disposal of fixed assets		(16)	-
Unrealized foreign exchange gain		(1,244)	(362)
Finance income		(3,329)	(2,453)
Finance cost		1,813	2,797
<i>Operating profit before working capital changes</i>		12,368	62,026
Decrease in trade and other receivables		35,342	39,711
Decrease in trade and other payables		(5,216)	(2,852)
(Increase)/Decrease in inventories		(5,043)	1,909
<i>Cash generated from operations</i>		37,451	100,794
Interest paid		(245)	(391)
Interest received		2,634	1,910
<i>Net cash generated from operating activities</i>		39,840	102,313
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(21,520)	(1,764)
Disposal of property, plant and equipment		49	-
Additions to mining assets	5	(8,528)	(396)
Disposal of mining assets		-	7
Additions to intangible assets	6	(398)	(158)
Funds invested in restricted cash		-	(808)
Loans granted to related party		(3,818)	(554)
Loans repaid by external parties		732	476
<i>Net cash utilized in investing activities</i>		(33,483)	(3,197)
Cash flows from financing activities			
Interest paid on The Industrial Development Corporation ("IDC") of South Africa loan ^(a)		-	(1,944)
Capital repayment on the IDC loan ^(a)		-	(37,158)
Proceeds from revolving commodity facility	16	64,955	37,142
Repayment of revolving commodity facility	16	(93,906)	(18,815)
<i>Net cash utilized in financing activities</i>		(28,951)	(20,775)
Net (decrease)/increase in cash and cash equivalents		(22,594)	78,341
Cash and cash equivalents at beginning of the year		140,595	62,986
Exchange (loss)/gain on cash and cash equivalents		(1,787)	3,447
Cash and cash equivalents at end of the period	9.1	116,214	144,774

(a) The loan with the IDC was settled in full on June 1, 2021.

(Expressed in United States Dollars, unless otherwise stated)

1. General information

Sedibelo Resources Limited (the "Company") previously known as Sedibelo Platinum Mines Limited 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 Group's subsidiary, Tameng Mining and Exploration Proprietary Limited, is a development stage, natural resources company, engaged in the exploration and development of the ("Mphahlele") property on the Eastern Limb of the Bushveld Complex in the Republic of South Africa.

The Company is registered in Guernsey and reports in accordance with the provisions of The Companies (Guernsey) Law, 2008. For the six months ended June 30, 2022, the Group made a profit of USD878 thousand (2021: USD38.090 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 periods presented.

a) Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim financial reporting and IFRIC ("International Financial Reporting Interpretations Committee") interpretations applicable to companies reporting under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with 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.

There are no changes in these accounting policies for the six-month period ended June 30, 2022.

Going concern

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim financial reporting and IFRIC interpretations as issued by the 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 consolidated interim financial statements.

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 USD55 million (ZAR900 million) for the financing of concentrate deliveries. The outstanding balance bears interest at JIBAR plus 0.50% and is available up to March 31, 2023.

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

(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 Jun 30, 2022	Average six months ended Jun 30, 2022	Average three months ended Jun 30, 2022	At Dec 31, 2021	Average six months ended Jun 30, 2021	Average three months ended Jun 30, 2021
South African Rand (USD:ZAR)	16.25	15.41	15.57	15.90	14.55	14.13

Property, plant and equipment

Depreciation and amortization 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

Producing mines
Pre-stripping costs
Plant construction and mine development
Deferred stripping costs
Decommissioning assets
Leased assets
Plant and equipment
Buildings
Land
Other
- Vehicles
- Computer equipment
- Office equipment
- Furniture and fittings
- Other equipment

Useful life

Units of production (ore tonnes mined)
Units of production (ore tonnes mined)
Units of production (ore tonnes mined)
Units of production (ore tonnes mined)
Units of production (ore tonnes mined)
10 years
Units of production (ore tonnes processed)
20 years
Indefinite
5 years
3 years
6 years
6 years
5 years

3. Estimates

The preparation of condensed consolidated 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, 2021.

4. Change in accounting policy

There were no changes in the accounting policies applied since the issue of the audited consolidated financial statements for the year ended December 31, 2021.

(Expressed in United States Dollars, unless otherwise stated)

5. Mining assets

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Exploration and evaluation assets	25,359	17,589
Mineral properties and rights	676,767	691,313
Balance as at the end of the period	702,126	708,902

	Exploration & evaluation assets USD'000	Mineral properties & rights USD'000	TOTAL USD'000
Balance as at January 1, 2021	21,071	752,204	773,275
Additions	874	-	874
Disposals ^(a)	(2,786)	-	(2,786)
Foreign exchange variance	(1,570)	(60,891)	(62,461)
Balance as at December 31, 2021	17,589	691,313	708,902
Additions	8,528	-	8,528
Foreign exchange variance	(759)	(14,545)	(15,304)
Balance as at June 30, 2022	25,358	676,768	702,126

a) Exploration data relating to Grootboom, an Eastern Limb exploration project was sold to a third party.

6. Intangible assets

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
CARRYING VALUE		
Water pipeline	20,801	21,180
ERP software	382	8
Computer software	609	677
Research and development	8,495	8,675
Balance at the end of the period	30,287	30,540

(Expressed in United States Dollars, unless otherwise stated)

6. Intangible assets (continued)

Reconciliation of intangible assets:

	Water pipeline USD'000	ERP software USD'000	Computer software USD'000	Research and develop- ment USD'000	Power and water rights USD'000	TOTAL USD'000
COST						
Balance as at January 1, 2021	27,899	120	2,103	9,440	18,560	58,122
Additions	15	2	168	-	-	185
Foreign exchange variance	(2,260)	(12)	(191)	(765)	-	(3,228)
Balance as at December 31, 2021	25,654	110	2,080	8,675	18,560	55,079
Additions	-	398	-	-	-	398
Foreign exchange variance	(548)	(24)	(55)	(180)	-	(807)
Balance as at June 30, 2022	25,106	484	2,025	8,495	18,560	54,670
ACCUMULATED AMORTIZATION						
Balance as at January 1, 2021	4,464	114	1,420	-	18,560	24,558
Amortization	370	-	100	-	-	470
Foreign exchange variance	(360)	(12)	(117)	-	-	(489)
Balance as at December 31, 2021	4,474	102	1,403	-	18,560	24,539
Amortization	(75) ^(a)	- ^(b)	43	-	-	(32)
Foreign exchange variance	(94)	1	(30)	-	-	(123)
Balance as at June 30, 2022	4,305	103	1,416	-	18,560	24,384
CARRYING AMOUNTS						
Balance as at January 1, 2021	23,435	6	683	9,440	-	33,564
Balance as at December 31, 2021	21,180	8	677	8,675	-	30,540
Balance as at June 30, 2022	20,801	382	609	8,495	-	30,287

- (a) The depreciation was adjusted to incorporate the correct remaining life of mine. The adjustment relates to 2021 and is not considered material.
- (b) A new ERP system is being developed. The cost will only be amortized once it is complete and the asset is brought into use.

Sedibelo Resources Limited
Notes to the condensed consolidated interim financial statements
Unaudited for the six months ended June 30, 2022

(Expressed in United States Dollars, unless otherwise stated)

7. Property, plant and equipment

	Producing Mines USD'000	Plant construction & mine development USD'000	Pre- stripping cost USD'000	Deferred stripping cost USD'000	Decommis- sioning asset USD'000	Leased assets USD'000	Plant and equipment (a) USD'000	Land and buildings USD'000	Other USD'000	Total USD'000
COST										
Balance as at January 1, 2021	6,182	12,943	116,676	50,413	7,802	4,793	165,660	3,426	6,926	374,821
Additions	-	6,797	-	-	-	-	5,737	645	876	14,055
Change in estimate	-	-	-	-	1,868	-	-	-	40	1,908
Reclassification	-	2,007	-	-	-	(148)	(2,007)	-	148	-
Disposals/write offs	-	-	-	-	-	-	-	-	(188)	(188)
Foreign exchange variance	(500)	(1,573)	(9,445)	(4,081)	(630)	(361)	(13,402)	(309)	(697)	(12,666)
Balance as at December 31, 2021	5,682	20,174	107,231	46,332	9,040	4,284	155,988	3,762	7,105	359,598
Additions	-	18,858	-	-	-	-	1,473	-	1,189	21,520
Disposals	-	-	-	-	-	-	-	-	(40)	(40)
Foreign exchange variance	(119)	(1,404)	(2,247)	(971)	(190)	(183)	(3,346)	(77)	(120)	(8,657)
Balance as at June 30, 2022	5,563	37,628	104,984	45,361	8,850	4,101	154,115	3,685	8,134	372,421
ACCUMULATED DEPRECIATION										
Balance as at January 1, 2021	5,540	-	97,423	41,784	7,802	3,237	120,164	875	5,498	282,323
Depreciation	133	-	1,593	701	132	134	4,977	136	586	8,392
Change in estimate	-	-	-	-	(6)	-	-	-	-	(6)
Reclassification	-	-	-	-	-	(12)	-	-	12	-
Disposals	-	-	-	-	-	-	-	-	(173)	(173)
Foreign exchange variance	(459)	-	(8,003)	(3,434)	(635)	(264)	(10,182)	(82)	(504)	(23,563)
Balance as at December 31, 2021	5,214	-	91,013	39,051	7,293	3,095	114,959	929	5,419	266,973
Depreciation	48	-	575	258	48	67	1,517	63	337	2,913
Disposals	-	-	-	-	-	-	-	-	(7)	(7)
Foreign exchange variance	(110)	-	(1,939)	(832)	(155)	(134)	(2,435)	(20)	(68)	(5,693)
Balance as at June 30, 2022	5,152	-	89,649	38,477	7,186	3,028	114,041	972	5,681	264,186
CARRYING AMOUNTS										
Balance as at January 1, 2021	642	12,943	19,253	8,629	-	1,556	45,496	2,551	1,428	92,498
Balance as at December 31, 2021	468	20,174	16,218	7,218	1,747	1,189	41,029	2,833	1,686	92,625
Balance as at June 30, 2022	411	37,628	15,335	6,884	1,664	1,073	40,074	2,713	2,453	108,235

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

8. Loans receivable

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Non-current assets		
Kelltech Limited ^(a)	15,073	11,793
Kellplant Proprietary Limited ^(b)	4,765	2,621
Magalies Water ^(c)	3,857	4,649
	23,695	19,063
Current assets		
Phakamani Impact Capital (Pty) Ltd ("Phakamani") ^(d)	632	637
	632	637
Balance at the end of the period	24,327	19,700

- (a) The loan bears interest at the Secured Overnight Financing Rate ("SOFR") + 3%. The loan bore interest at the 3 Month USD LIBOR rate up to February 2022. The change was a direct consequence of interest rate benchmark reform and 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.
- (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.
- (c) The loan is interest free, has variable terms of repayment calculated by amortising the loan based on the monthly units of water consumed.
- (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 will revolve as new loans are granted and again repaid.

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

9.1 Cash and cash equivalents

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Cash at bank	116,214	140,595
Balance at the end of the period	116,214	140,595

Cash at banks predominantly earns interest at 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 due to short maturity.

For the purpose of the condensed consolidated interim 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.

Sedibelo Resources Limited
Notes to the condensed consolidated interim financial statements
 Unaudited for the six months ended June 30, 2022

(Expressed in United States Dollars, unless otherwise stated)

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

9.2 Restricted cash investments and guarantees

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

	Jun, 2022 USD'000	Dec 31, 2021 USD'000
Balance at the end of the period	18,458	18,432

The DMRE requires rehabilitation guarantees for all prospecting and mining rights. These rehabilitation guarantees primarily relate to the mining and prospecting 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 June 30, 2022, the Group had USD30.268 million (December 31, 2021: USD30.916 million) in guarantees to the DMRE and USD5.939 million (December 31, 2021: USD6.066 million) to ESKOM, of which USD18.458 million (December 31, 2021: USD18.432 million) was funded.

10. Inventories

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Ore stockpiled	3,890	209
Work in progress	71	643
Chrome stockpile	275	313
Consumables	10,539	9,043
Balance at the end of the period	14,775	10,208

11. Investment in joint venture

Management has 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 joint venture

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Balance at the beginning of the period	-	-
Share of loss from joint venture	(151)	(786)
Share of other comprehensive profit/(loss)	1,430	(90)
Foreign exchange gain on investment in joint venture	114	250
Application of equity accounting on loan receivable	(1,393)	626
Balance at the end of the period	-	-

Details of joint venture

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

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Summarized balance sheet		
Non-current assets	13,847	10,096
Current assets	5,841	1,839
Non-current liabilities	(15,152)	(14,927)
Current Liabilities	(6,759)	(2,471)
Net liability value	(2,223)	(5,463)
SRL ownership interest	50%	50%

The above assets and liabilities include the following:

Cash and cash equivalents	5,597	1,982
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	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Summarized statement of comprehensive expense		
Loss for the period	(301)	(1,572)
Other comprehensive income/(expense)	2,860	(180)
Total comprehensive income/(expense)	2,559	(1,752)

The above loss for the period includes the following:

Finance income	38	21
Finance expense*	(227)	(390)

*Including interest accrued to the Group

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12. Share capital

12.1. Common shares authorized

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

12.2. Common shares issued

	Number of shares	Amount USD'000
Balance as at December 31, 2021	3,095,401,663	2,549,583
Balance as at June 30, 2022	3,095,401,663	2,549,583

13. Borrowings

Long-term borrowings

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Loan from Corridor Mining Resources Proprietary Limited	5,407	5,289
Balance at the end of the period	5,407	5,289

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 the Group.

14. Decommissioning and rehabilitation provision

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
DISCOUNTED		
Balance at the beginning of the period	18,782	16,787
Unwinding of discount (accretion)	986	1,597
Change in estimate	-	1,868
Subtotal	19,768	20,252
Foreign exchange variance	(444)	(1,470)
Balance at the end of the period	19,324	18,782

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.

Assumptions and inputs used in determining the asset retirement obligation:

	Jun 30, 2022	Dec 31, 2021
ZAR discount rate (%)	7.4	7.4
Inflation rate (%)	4.4	4.4
Life of Mine – West Pit (current operating open pit)	6 years	6 years and 6 months
Life of Mine – East Pit (a developing open pit)	7 years and 6 months	7 years and 6 months

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15. Cash-settled share-based payment obligations

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Balance at the beginning of the period	1,950	-
Cash-settled share-based payment recognized in the current period	2,367	1,954
Foreign exchange variance	(165)	(4)
Balance at the end of the period	4,152	1,950
Less: Current portion of share-based payment liability	(1,024)	(1,505)
Non-current portion of share-based payment liability	3,128	445

16. Revolving commodity facility

In terms of this facility Investec will finance up to 91% of PPM's platinum, palladium and rhodium 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. The outstanding balance bears interest at JIBAR plus 0.50% and is available up to March 31, 2023.

	Jun 30, 2022 USD'000	Dec 31, 2021 USD'000
Balance at the beginning of the period	31,252	5,211
Repayment of drawdown	(93,906)	(85,523)
Drawdown from the facility during the period	64,955	114,344
Fair value adjustments to the balances	(188)	(956)
IFRS 9 Fair value adjustment	1,107	1,029
Interest accrued	576	619
Subtotal	3,796	34,724
Exchange rate variance	805	(3,472)
Balance at the end of the period	4,601	31,252

17. Revenue

	For the three months ended		For the six months ended	
	Jun 30, 2022 USD'000	Jun 30, 2021 USD'000	Jun 30, 2022 USD'000	Jun 30, 2021 USD'000
Platinum	9,094	23,183	19,742	39,484
Palladium	12,178	17,688	23,720	32,902
Rhodium	16,454	30,107	37,851	77,010
Gold	897	1,471	1,690	2,376
Revenue from 4E minerals	38,621	72,449	83,003	151,772
Other minerals	6,772	7,682	15,380	14,248
Total revenue from contracts with customers	45,394	80,132	98,383	166,020
Commodity price adjustment	(9,201)	(12,109)	(9,128)	(2,197)
Total revenue as per statement of profit or loss	36,192	68,023	89,255	163,823

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

The decrease in revenue is a result of:

- A decrease in the 4E basket prices, for the three months ended June 30, 2022: USD2,297 (2021: USD 3,061) and for the six months ended June 30, 2022: USD2,402 (2021: USD3,127), mostly attributable to:

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17. Revenue (continued)

- The change in the Platinum price, for the three months ended June 30, 2022: USD958 (2021: USD1,183) and for the six months ended June 30, 2022: USD994 (2021: USD1,171).
 - The change in the Palladium price, for the three months ended June 30, 2022: USD2,094 (2021: USD2,792) and for the six months ended June 30, 2022: USD2,209 (2021: USD2,596).
 - The change in the Rhodium price, for the three months ended June 30, 2022: USD15,552 (2021: USD23,933) and for the six months ended June 30, 2022: USD16,270 (2021: USD22,598).
- Lower ounces sold and dispatched, attributable to lost time as result of community unrest, heavy rainfall and Section 54 notices issued by the DMRE.

18. Cost of operations

	For the three months ended		For the six months ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	USD'000	USD'000	USD'000	USD'000
On-mine operations				
Total materials and mining costs ^(a)	(14,287)	(24,659)	(31,502)	(44,661)
Concentrator plant operations				
Materials and other costs	(6,800)	(8,302)	(13,548)	(15,829)
Utilities	(3,468)	(5,141)	(6,973)	(8,729)
Beneficiation				
Smelting and refining costs	(1,843)	(3,474)	(3,986)	(6,604)
Transport	(60)	(132)	(137)	(260)
Salaries	(5,143)	(4,652)	(10,430)	(9,382)
Sub-total	(31,601)	(46,360)	(66,576)	(85,465)
Amortization and depreciation of operating assets	(1,313)	(2,321)	(2,471)	(4,006)
Inventory adjustments	3,550	197	3,088	(2,914)
Total cost of operations	(29,364)	(48,484)	(65,959)	(92,385)

(a) Plant shutdowns were the biggest contributor to the decrease in costs. Refer to note 17 & 25.

19. Operating profit

	For the three months ended		For the six months ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	USD'000	USD'000	USD'000	USD'000
Operating profit/(loss) includes:				
Admin and general expenses	(9,250)	(7,003)	(17,440)	(13,796)
Amortisation and depreciation	(221)	(226)	(410)	(362)
Audit fees	(181)	(222)	(409)	(330)
Community projects	(978)	(796)	(1,637)	(1,736)
Consulting and professional fees	(552)	(772)	(1,760)	(1,547)
Consumables	(143)	(283)	(303)	(693)
Employee expenses	(3,896)	(2,197)	(6,991)	(4,619)
Insurance fees	(589)	(450)	(907)	(863)
IT related costs	(212)	(223)	(375)	(383)
Learnerships & bursaries	(95)	(143)	(146)	(323)
Other admin and general expenses	(1,229)	(873)	(2,303)	(1,537)
Royalty expense	(298)	(364)	(643)	(525)
Security	(856)	(454)	(1,556)	(878)
Foreign exchange gain/(loss)	5,838	(58)	2,062	386
Other income/(expenses) ^(a)	311	(2,785)	1,381	(2,728)

(a) Other income includes charges for administration, project management and other services paid by the Kell group totalling USD1.497 million. The 2021 figures include a loss on mining assets sold of USD3.141 million.

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20. Earnings per share

20.1 Basic and diluted earnings per share

	For the three months ended		For the six months ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Number of ordinary shares in issue outside the Group (note 12)	3,095,401,663	3,095,401,663	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	3,095,401,663	3,095,401,663
Weighted average number of ordinary shares in issue for diluted earnings	3,095,401,663	3,095,401,663	3,095,401,663	3,095,401,663
	USD'000	USD'000	USD'000	USD'000
(Loss)/profit attributable to the owners of the Company	(2,242)	6,669	1,104	38,366
Basic (loss)/earnings per share (cents)	(0.07)	0.22	0.04	1.24
Diluted (loss)/earnings per share (cents)	(0.07)	0.22	0.04	1.24

20.2 Headline earnings per share

Reconciliation of profit attributable to the owners of the Company to headline earnings:

	For the three months ended		For the six months ended	
	Jun 30, 2022 USD'000	Jun 30, 2021 USD'000	Jun 30, 2022 USD'000	Jun 30, 2021 USD'000
(Loss)/Profit attributable to the owners of the Company	(2,242)	6,669	1,104	38,366
<i>Effect of remeasurement items net of tax</i>				
Profit on disposal of fixed assets	(16)	-	(16)	-
Loss on mining assets sold	-	3,141	-	3,141
Tax effect	4	(879)	4	(879)
Headline (loss)/earnings	(2,251)	8,931	1,092	40,628
Headline (loss)/earnings per share (cents)	(0.07)	0.29	0.04	1.24
Diluted Headline (loss)/earnings per share (cents)	(0.07)	0.29	0.04	1.24

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21. Financial risk management and financial instruments

21.1 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 financial statements as at June 30, 2022. There have been no changes in the risk management policies since year end.

21.2 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.

The Company invests excess funds in fixed deposit structures.

The contractual 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 as at June 30, 2022				
Long-term borrowings	5,853	-	-	5,853
Trade payables and accrued liabilities	23,228	23,228	-	-
Revolving commodity facility	4,601	4,601	-	-
Total financial liabilities	33,682	27,829	-	5,853
Balances as at December 31, 2021				
Long-term borrowings	5,672	-	-	5,672
Trade payables and accrued liabilities	29,031	29,031	-	-
Revolving commodity facility	31,252	31,252	-	-
Total financial liabilities	65,955	60,283	-	5,672

(Expressed in United States Dollars, unless otherwise stated)

21.3 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 the ruling market prices.
- **Trade receivables**
The fair value for trade receivables is measured at fair value through profit or loss (metal sales) based on the 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:

	Jun 30, 2022 USD'000			Dec 31, 2021 USD'000		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities measured at fair value						
Revolving commodity facility	-	4,601	-	-	31,252	-
Financial assets measured at fair value						
Trade receivables – Metal sales	-	39,724	-	-	77,783	-

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

	Jun 30, 2022 USD '000	Dec 31, 2021 USD '000
Restricted cash investments and guarantees	18,458	18,432
Loans receivable	24,327	19,700
Trade receivables	4,190	540
Cash and cash equivalents	116,214	140,595
Total financial assets	163,189	179,267
Long-term borrowings	5,407	5,289
Trade payables and accrued liabilities	23,228	29,029
Total financial liabilities	28,635	34,318

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. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

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22. Segmental information

The segment information provided to the Chief Operating Decision Maker (“CODM”) for the reportable segment for the period ended June 30, 2022, is as follows:

	For the three months ended		For the six months ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	USD'000	USD'000	USD'000	USD'000
Mining				
External revenues	36,192	68,023	89,255	163,823
Depreciation and amortization	1,534	2,547	2,881	4,368
Income tax expense	6,551	3,542	(9,786)	(16,807)
EBITDA	4,885	12,375	12,029	59,609

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

Reportable segment reconciliation of profit for the year to EBITDA:

	For the three months ended		For the six months ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	USD'000	USD'000	USD'000	USD'000
Mining				
(Loss)/profit for the year	(2,317)	6,525	878	38,090
Income tax	6,551	3,542	9,786	16,807
Depreciation and amortization	1,534	2,547	2,881	4,368
Net finance (income)/costs	(883)	(239)	(1,516)	344
Total EBITDA for reportable segment	4,885	12,375	12,029	59,609

	As at Jun 30, 2022	As at Jun 30, 2021
	USD'000	USD'000
Mining		
Total assets	1,130,679	1,179,956
Total liabilities	56,994	86,302

23. Related party balances disclosure

	As at Jun 30, 2022	As at Dec 31, 2021
	USD '000	USD '000
Loan to Kelltech Limited ^(a)	15,073	11,793
Loan to Kellplant Proprietary Limited ^(a)	4,765	2,621
Loan from Corridor Mining Resources Proprietary Limited ^(b)	(5,407)	(5,289)

a) Refer note 8 for the terms of the loans.

b) Refer note 13 for the terms of the loan.

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24. Contingencies and commitments

24.1. Contingencies

There were no changes in the contingencies since the issue of the audited consolidated financial statements for the year ended December 31, 2021.

24.2. Commitments

The Group's contractual obligations are as follows:

Commitments as at June, 2022

Contractual obligations USD'000	Note	Total	< 1 year	1-3 years	After 3 years
Mining costs	(1)	12,003	12,003	-	-
Open Purchase orders		47,871	47,871	-	-
Total Contractual Obligations		63,204	63,204	-	-

Commitments as at December 31, 2021

Contractual obligations USD'000	Note	Total	< 1 year	1-3 years	After 3 years
Mining costs	(1)	30,352	30,352	-	-
Open Purchase orders		10,398	10,398	-	-
Total Contractual Obligations		40,750	40,750	-	-

(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.

25. Events after the reporting date

Streaming Agreements

The Group entered into streaming agreements with affiliates of Orion Resource Partners ("Orion"). The agreements were signed on July 15, 2022 and comprise platinum-, palladium and gold- and rhodium streams. In terms of the agreements, Orion will advance the following prepayments to the Group:

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

In consideration for the prepayment amount, the Group will sell and deliver to a metal account of Orion metal credits purchased on the London Bullion Market, equal to a certain percentage of refined metals produced by the Group, on a monthly basis. Orion will pay for each ounce equal to 20% of the market price for these metals, with the remaining 80% being offset against the prepayment. 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.

The conditions precedent under the Orion Stream Agreements were met on July 15, 2022, and disbursement of the prepayment amounts under the Orion Stream Agreements took place on July 29, 2022.

The Group is in the process of determining the financial accounting of the agreements.

25. Events after the reporting date (continued)

Nedbank Facility Agreement

On July 15, 2022, the Company and Nedbank entered into the Nedbank Facility Agreement pursuant to which, inter alia, Nedbank will make available, subject to the fulfilment of certain conditions precedent, a revolving facility of up to R500 million available for three years, to be used for working capital purposes. Interest on each advance is based on JIBAR plus a margin. The Nedbank Facility Agreement is subject to the Common Terms Agreement entered into on July 13, 2022, between PPM as the borrower and Nedbank as lender, amongst others. The Company and certain of its subsidiaries have provided guarantees of PPM's obligations under the Nedbank Facility Agreement.

Intercreditor Agreement

On July 15, 2022, the Group, Nedbank and the Orion, amongst others, entered into an intercreditor agreement governing, amongst other things, the rights and interests of the various parties to certain security interests held on a common basis to secure the obligations of the Group, owing to, as applicable, the Orion Purchasers, Nedbank and any other relevant senior creditors under senior debt facilities from time to time. The security interests comprise, amongst others, mortgages over certain mining rights and other properties and notarial bonds.

Right of First Refusal Agreement

On July 15, 2022, the Group and Orion entered into a right of first refusal agreement concerning any royalty, stream, participation or production interest and related assets, or any agreements that are similar to a royalty, stream, participation or production interest agreement in respect of any and all marketable metal bearing minerals produced by the Group subject to certain terms and conditions and commencing from the date the prepayment is made in terms of the streaming agreements.

July and August 2022 production

On July 18, 2022, during a routine tailings storage facility ("TSF") inspection, an abnormally high rate of release from the penstock outflow pipe was identified, resulting in management's decision to stop concentrator operations to curb the outflow of slurry from the plant to stop incremental material entering the TSF and stopping the flow of water into the decant towers.

Preliminary assessments established that the cause for the malfunction was a penstock ring failure in one of the secondary decant towers. The repair work took 18 days to complete, during which time the concentrator was out of operation. Management is in the process of determining the total cost of the repairs. The remaining annual plant maintenance scheduled for August 2022 was conducted during this period.

Management does not believe the production shortfall during the duration of the closure will result in an impairment of the Cash Generating Unit; however, the production cessation has had, and will continue to have a material impact on our production and sales in July and August 2022, and results of operations for the third quarter of 2022.