9. Loans and borrowings *(continued)*

9.2.1 Previous facility – ABSA/Standard Bank

The balance of the loan of R363m at 31 December 2016 related to a R800m facility that was concluded in the first quarter of 2015. R500m being a term facility repayable in 10 half yearly instalments expiring in March 2020 and R300m being a Revolving Credit Facility (RCF) expiring after 3 years in March 2018. The term facility was interest bearing at the Johannesburg Interbank Agreed Rate (JIBAR) plus a margin of 300 basis points and the RCF beared interest at JIBAR plus a margin of 280 basis points. At 31 December 2016, JIBAR was 7.3%.

The loans were secured by the following:
* A general notarial bond over movable plant and equipment;
* A cession of rights, title and interest of Merafe Ferrochrome's participation interest under the Pooling and Sharing Agreement with GOSA;
* A cession of rights, title and interest of the Wonderkop assets, Bokamoso assets, Lion I and Lion II assets; and
* A cession of bank accounts.

Further to the above security, there was a negative pledge in place over all Merafe Ferrochrome's assets.

The total debt that was outstanding at the end of December 2016 was settled during the financial year ended 31 December 2017 and the facilities were terminated.

There were no defaults on loan agreements in both the 2016 and 2017 financial year.

9.2.2 New facility – ABSA

A new unsecured revolving credit facility agreement was entered into with ABSA during the last quarter of 2017. Interest on the facility is calculatd at 3 months JIBAR plus a margin of 255 basis points. At 31 December 2017 none of the facility was utilised resulting in a loan balance of zero. A commitment fee of 0.65% per annum is payable on the unused portion of the facility which is payable quarterly in arrears.

	Group		Company	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000
10. Provisions				
Balance at beginning of year	**151 747**	139 351	**-**	**-**
Increase in other provisions	**130 413**	-	**-**	**-**
(Reversal)/Provisions made during the year	**(6 508)**	161	**-**	**-**
Unwinding of discount	**11 866**	12 235	**-**	**-**
Balance at end of year	**287 518**	151 747	**-**	**-**

10. Provisions *(continued)*

The carrying value of provisions at the end of the year includes the following:

	Group		Company	
	2017 R'000	2016 R'000	**2017 R'000**	2016 R'000
Provision for closure and restoration costs[1]	**157 105**	151 747	-	-
Provision for uncertain tax position[2]	**130 413**	-	-	-
	287 518	151 747	-	-

[1] The provision is for a liability for the rehabilitation of land involved in any prospecting or mining operations of the group and to discharge any liability which may arise in terms of the Atmospheric Pollution Prevention Act of 1965, the Environment Conservation Act, No 73 of 1989, the Minerals Act, No 50 of 1991, the Water Act, No 54 of 1956 and any such other legislation that may be enacted in the future. The environmental obligations and corresponding liability remains the sole responsibility of the Venture.

The estimated cost of rehabilitation are based on environmental plans in accordance with current technology, environmental and regulatory requirements and the measurements of an independent professional surveyor.

For purposes of calculating the provision, management have assumed a long-term inflation rate of 6% (2016: 6%) and a discount rate of 8.59% (2016: 8.02%). The timing of the outflows relating to the provision are uncertain but the expected timing of outflows ranges between five and thirty years.

The Venture engages an expert to estimate the cost of rehabilitation every three to five years. The last expert assessment for the mines was conducted during 2017 and the smelters in 2013.

[2] This amount relates to an uncertain tax position in Merafe Ferrochrome. In the prior year the amount was included in trade and other payables. Please refer to note 13.