INDEPENDENT ASSURANCE REPORT

Independent limited assurance report in relation to selected sustainability disclosures and key performance indicators presented in Northam Platinum Limited's annual integrated report for the year ended 30 June 2016

TO THE DIRECTORS OF NORTHAM PLATINUM LIMITED

Report on selected key performance indicators

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the selected key performance indicators (KPIs) described below and Northam's self-declared GRI "in accordance" assertion, as presented by management in the 2016 annual integrated report of Northam Platinum Limited (Northam) for the year ended 30 June 2016 ("the report"), are not prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G4 guidelines and management's internally developed criteria ("the criteria") for reporting the selected KPIs, as set out below. This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject matter

The subject matter of our limited assurance engagement is:

a) the selected KPIs set out in the table below, which are marked with an 'LA' on the relevant pages of the report. The selected sustainability disclosures and KPIs have been prepared by Northam applying the criteria, which information accompanies the performance information set out on the relevant pages of the report.

Area	Key performance indicator	Reporting criteria
Maintain legislative and regulatory compliance	Percentage of historically disadvantaged South Africans (HDSAs) in management Percentage of women in core mining jobs	G4-LA12 and internally developed criteria
Creating and maintaining safe workplaces	Reportable injury incident rate (RIIR) and lost-time injury incident rate (LTIIR)	G4-LA6 and internally developed criteria
Establishing and maintaining constructive communication channels with employees and representative bodies	Percentage of employees covered by collective bargaining agreements Number of strikes and lock-outs exceeding one week's duration, by operation	G4-LA4 and internally developed criteria G4-MM4 and internally developed criteria
Environmental stewardship and resource conservation	Energy usage (direct and indirect) and GHG emissions (Scope 1 and 2) Percentage of water recycled at operations	G4-EN3, EN4, EN15 and EN16 and internally developed criteria G4-EN10 and internally developed criteria
	Significant environmental incidents SO_2 emissions Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	G4-EN24 and internally developed criteria G4-EN29 and internally developed criteria
Ensuring stakeholders benefit from the value generated by the company	SLP expenditure Housing project	G4-EC1 and internally developed criteria

and, in addition, whether anything has come to our attention that would cause us to believe that:

b) Northam's self-declared GRI "in accordance" assertion does not comply in all material respects with the relevant GRI G4 guideline requirements for making that assertion.

Our scope excludes all other disclosures or KPIs in the report not included in the table above.

Directors' responsibilities

The directors, being the responsible party, are responsible for the selection, preparation and presentation of the sustainability information subject to assurance in accordance with the GRI G4 guidelines and management's internally developed criteria, for selection of reporting criteria that are appropriate for the purpose of reporting the sustainability information in the report, and for ensuring that those criteria are available/made available (as applicable) to the users of the report. This responsibility includes ensuring that:

- stakeholders and stakeholder requirements, material issues, and commitments with respect to sustainability and carbon footprint performance are identified;
- Northam' sustainability context responds to the principles of materiality, stakeholder inclusivity and completeness; and
- the sustainability information subject to assurance is prepared in accordance with the GRI G4 "core" guidelines, including appropriate disclosure(s) in the report stating whether the sustainability information has been prepared in accordance with the GRI G4 "core" reporting guidelines.

The directors are also responsible for determining Northam's objectives in respect of reporting sustainability information and for establishing and maintaining appropriate information systems and related internal controls to enable preparation and presentation of the sustainability information subject to assurance free from material misstatement, whether due to fraud or error.

The directors are also responsible for the preparation of the information pertaining to specified greenhouse gas emissions in accordance with the *Greenhouse Gas Protocol: A corporate accounting and reporting standard* (GHG Protocol).

In addition, the directors' responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the information on specified greenhouse gas emissions, and the preparation and presentation of the selected KPIs in the report, free from material misstatement whether due to fraud or error.

Inherent limitations

Non-financial performance information is subject to inherent limitations given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality control

We have complied with the independence and all other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Ernst & Young Inc. applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform the assurance engagement and to express our limited assurance conclusion based on the work performed, stating whether anything has come to our attention that causes us to believe that the selected KPIs as presented in the report are not prepared, in all material respects, in accordance with the GRI G4 guidelines and the criteria for reporting the selected KPIs.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than the Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require us to comply with ethical requirements and to plan and perform our engagement to obtain limited assurance about whether the selected sustainability disclosures and KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with these standards involves assessing the suitability in the circumstances of Northam's use of the GRI G4 guidelines and management's internally developed reporting criteria as the basis of preparation of the sustainability information subject to assurance, assessing the risks of material misstatement of the selected sustainability disclosures and KPIs, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances,

INDEPENDENT ASSURANCE REPORT CONTINUED

and evaluating the overall presentation of the selected sustainability disclosures and KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures that will be performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to reporting the sustainability information subject to assurance;
- Obtained an understanding of, and assessing the materiality determination process;
- Tested the processes and systems used to generate, collate, aggregate, monitor and report the sustainability information subject to assurance;
- Inspected supporting documentation on a sample basis;
- Performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in preparing the sustainability information subject to assurance;
- Compared Northam's GRI index, referenced in the report to the GRI G4 guidelines' "in accordance" with criteria for a core report
- Evaluated whether the sustainability information subject to assurance presented in the report is consistent with our overall knowledge and experience of sustainability management and performance at Northam, and that Northam's presentation of the information is appropriate for management to assert that the information is prepared and presented in accordance with the GRI G4 guidelines

Our procedures did not include testing controls or performing procedures in relation to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability information subject to assurance has been presented, in all material respects, in accordance with the criteria.

We are not responsible for reporting on any transactions or events related to the sustainability information subject to assurance beyond the period covered by our limited assurance engagement.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

a) the selected KPIs identified above in the subject matter paragraph, as presented in the report are not prepared, in all material respects, in accordance with the criteria; and

b) Northam's self-declared GRI "in accordance" assertion does not comply in all material respects with the relevant GRI G4 guideline requirements for making that assertion.

Other matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the report.

The maintenance and integrity of Northam Platinum Limited's website is the responsibility of management of Northam. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes either to the selected sustainability disclosures and KPI information as presented in the report or to our report for our independent limited assurance engagement that may have occurred since the initial date of presentation on the Northam website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs and Northam's self-declared GRI "in accordance" assertion, to the directors of Northam in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Northam Platinum Limited, for our work, for this report, or for the conclusion we have reached.

Ernst & Young Inc.

Director – Mike Herbst
Registered Auditor
Chartered Accountant (SA)

102 Rivonia Road
Sandton
2196

30 September 2016

2016 KPIs IDENTIFIED FOR LIMITED ASSURANCE

Area of materiality	Key performance indicator	Relevant capital input, definition and page reference	Reporting criteria
Maintain legislative and regulatory compliance	Percentage of HDSAs in management	H **HUMAN CAPITAL – page 44** *HDSAs in management:* The total number of HDSA employees in management, including women (from junior management to top management), expressed as a percentage of total number of employees (including contractors)	G4-LA12 and internally developed criteria
	Percentage of women in core mining jobs	H **HUMAN CAPITAL – page 44** The total number of women in mining as a percentage relative to the total number of employees	G4-LA12 and internally developed criteria
	Lost-time and reportable injury incident rates (RIIR and LTIIR)	H **HUMAN CAPITAL – page 44** *Lost time injury or LTI:* An injury that prevents an employee from performing normal duties on the next scheduled shift. This includes reportable injuries. LTIIR: The number of LTIs multiplied by 200,000 and divided by the total number of hours worked. *Reportable injury or RI:* An injury which incapacitates the injured employee for a 14-day period, or an injury which results in the loss of a limb or part thereof or in a permanent disability. *RIIR:* The number of injuries multiplied by 200,000 and divided by the total number of hours worked.	
Establishing and maintaining constructive communication channels with employees and their representative bodies	Percentage of employees covered by collective bargaining agreements	H **HUMAN CAPITAL – page 44** Proportion of employees at the various operations covered by collective bargaining agreements as at the end of the reporting period, expressed as a percentage of the entire workforce.	GA4 – LA4 and internally developed criteria
	Number of strikes and lock-outs exceeding one week's duration, by operation	H **HUMAN CAPITAL – page 44**	G4 – MM4 and internally developed criteria

Area of materiality	Key performance indicator	Relevant capital input, definition wand page reference	Reporting criteria
Environmental stewardship and resource conservation	Energy usage (direct and indirect) and GHG emissions (scope 1 and 2)	N **NATURAL CAPITAL – page 68** The sum of all energy inputs, self-generated and purchased. GHG emissions are the main cause of climate change and include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), CFCs, HFCs and sulphur hexaflouride (SF_6). GHG emissions are broken into direct and indirect emissions: • **Direct emissions** Emissions from sources that are owned or controlled by Northam • **Indirect emissions** Emissions that result from the activities of Northam but are generated at sources owned or controlled by another organisation. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity, imported and consumed by Northam.	G4-EN3, EN4, EN15, EN16 and internally developed criteria
	Percentage of water recycled at operations	N **NATURAL CAPITAL – page 68** The amount of water that is used for a second or more time in an operation, process or activity.	G4-EN24 and internally developed criteria
	Significant environmental incidents	N **NATURAL CAPITAL – page 68** An incident which is a breach in legislation and causes serious medium-term environmental effects and adverse media attention.	G4-EN29 and internally developed criteria
	SO_2 emissions	N **NATURAL CAPITAL – page 68**	G4-EN29 and internally developed criteria
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	N **NATURAL CAPITAL – page 68**	G4-EN29 and internally developed criteria
Ensuring stakeholders benefit from the value generated by the company	SLP expenditure Housing and accommodation	Expenditure associated with projects identified in the mines' social and labour plans	G4-EC1 and internally developed criteria