NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Annual integrated report
30 June 2022

smart platinum mining

Mining that matters

Mining and processing of Platinum Group Metals (PGMs) is complex. The conversion of mined ore to saleable metal involves several stages of metallurgical processing.

Northam Platinum Holdings Limited (Northam Holdings, Northam or the group) is an integrated, mine to market PGM producer. Integral to our ongoing production growth strategy has been our investment in expanding the capacity and flexibility of our downstream metallurgical processing facilities. This is enabling us to treat growing production from our own operations together with that of our PGM recycling business, as well as to offer downstream processing services to other producers.

Our metallurgical operations are located at the Zondereinde mine, and comprises smelter and base metal removal facilities. Our main smelter facility boasts two independent furnaces, furnace 1 and furnace 2, which treat primary concentrates from mining. Each furnace has dedicated upfront dryers, and two separate and interchangeable iron-reduction convertors. In addition, we have recently commissioned a dedicated recycling smelter facility comprising two furnaces and their supporting infrastructure.

The smelter facilities produce convertor matte, which feeds our base metal removal plant, wherein nickel is recovered as a nickel sulphate precipitate, and pure copper plate is extracted in an electro-winning circuit. The remaining high-grade PGM concentrate at this stage is shipped to our toll refiners for separation into final saleable metals. We sell these metals to our customer base.

The photograph on the front cover of this report shows molten matte being tapped from our number 1 smelter furnace which was rebuilt and upgraded during the first half of this financial year.

Contents

Introduction

Business overview

Our operations

Governing our business

Material issues

Other information

NORTHAM
PLATINUM HOLDINGS LIMITED

Our reporting suite

Our integrated report is supplemented by a full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting. These can be accessed on our website at www.northam.co.za

Navigation icons

We use the capitals concept to convey quantitative and qualitative information. The degree and nature of the impact that our material issues have upon our business and the various capitals have also been considered throughout the report.

Capitals

Financial
Intellectual
Natural
Human
Manufactured
Social

Stakeholders

Communities
Government and regulatory authorities
Suppliers of goods and services
Customers
Industry associations
Unions
Employees
Investors and providers of funding

Board and committees

A Audit and risk committee
I Investment committee
R Remuneration committee
B Board of directors
IT IT steering committee
S Social, ethics, human resources and transformation committee
E Executive committee
M Management review committees
H Health, safety and environmental committee
N Nomination committee

Links

Refers to other pages in this report

Refers to supporting documents on our website: www.northam.co.za

COVID-19 issue

Annual integrated report

Prepared in accordance with:

- International <IR> Framework of the International Integrated Reporting Council (IIRC)
- International Financial Reporting Standards (IFRS)
- South African Companies Act No. 71 of 2008, as amended (Companies Act)
- Global Reporting Initiative (GRI) standards
- South African Companies Regulations, 2011 (Companies Regulations)
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements
- King IV Report on Corporate Governance for South Africa, 2016 (King IV™)

Approved by the board of directors

Annual financial statements

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- International Accounting Standards (IAS)
- The South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- Companies Regulations
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements
- King IV™

Approved by the board of directors, and includes the chief executive officer and finance director responsibility statement, as well as the company secretary certificate

Summarised financial results

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- IAS
- SAICA Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements

Approved by the board of directors

Corporate governance report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements
- King IV™

Approved by the board together with the chairpersons of the respective committees for their reports

Mineral Resources and Mineral Reserves statement

Prepared in accordance with:

- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves 2016 (the SAMREC Code (2016))
- JSE Limited Listings Requirements

Signed off by the Lead Competent Person

Notice of the 2022 Annual General Meeting

Prepared in accordance with:

- Companies Act
- Companies Regulations
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements
- Company's Memorandum of Incorporation (MOI)
- King IV™

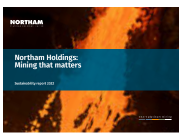
Approved by the board and company secretary

Remuneration report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- JSE Limited Listings Requirements
- King IV™

Approved by the chairperson of the remuneration committee



Sustainability report

Prepared in accordance with:

- Core requirements of Global Reporting Initiative (GRI) Standards

Approved by the health, safety and environmental committee

These reports are available on our website

Welcome to our report

We believe in the positive impact of mining — mining that benefits our employees, our communities, the environment and our investors

Who is Northam?

Northam Platinum Holdings Limited (Northam Holdings, Northam or the group) is an independent, empowered, integrated producer of Platinum Group Metals (PGMs) benefitting from the full mine to market value stream.

The group operates three wholly-owned mines; Zondereinde, Booysendal and Eland, located in the Bushveld Complex of South Africa, as well as a PGM recycling facility in the United States of America (US). The group also operates a metallurgical complex at its Zondereinde operation, comprising smelter and base metal removal facilities. The group also holds a significant interest in another JSE listed PGM miner, Royal Bafokeng Platinum Limited (RBPlat).

Our listing on the Johannesburg Stock Exchange

The group is listed on the main board of the Johannesburg Securities Exchange, operated by the JSE Limited (JSE) as Northam Holdings, under equity code NPH. Our debt instruments are listed on the interest rate market of the JSE under debt code NHMI. We were initially listed in 1987 as Northam Platinum Limited (share code: NHM). In 2021, Northam Holdings was listed, and Northam Platinum Limited became its operating subsidiary and was consequently delisted.

Our belief in PGMs

We believe in the metals we produce and their enduring importance to a cleaner, greener world. It is our view that demand for these metals will remain and perhaps even grow over time. The supply of these metals is, however, constrained and will reduce over the coming decade due to a general lack of mining investment since 2008. This will support pricing for the metals. Our belief is key to the operational and investment strategies we consistently follow.

Where we come from

Northam started life as a single operation, the Zondereinde mine, located close to Thabazimbi in the Limpopo Province of South Africa. Mine development commenced in 1986 and first metal production and sales came in 1993. The mine still operates at a steady state of around 300 000 4E ounces per annum.

Our growth

The group identified the need to grow its production base as well as to reduce its overall operational risk profile back in the mid 2000s.

This led, in 2008, to the acquisition of the Booysendal PGM prospect, located in the south-eastern portion of the Bushveld Complex, straddling the provincial border of Limpopo and Mpumalanga. This property hosts PGM Mineral Resources in excess of 100 million 4E ounces. Development of the Booysendal mine commenced in 2010, initially focussing on a single UG2 module in the north-east of the property.

Since 2015, our views for the long-term supply and demand of PGMs have driven us to accelerate our growth trajectory.

We subsequently purchased the Everest mine adjacent to Booysendal and have since developed an additional five mining modules at the operation which currently yields approximately 400 000 4E ounces per annum. Mine development is still underway and production levels will increase to 500 000 4E ounces over the coming two years.

In 2017, we purchased additional ground located to the immediate west of Zondereinde mine, termed the Western extension. This contains significant additional Mineral Resources and has enabled the extension of Zondereinde mine's remaining life to well beyond 30 years and will enable growth in production to around 350 000 4E ounces per annum over the coming five years.

The group subsequently acquired the Eland mine in 2018. This is located in the south-western portion of the Bushveld Complex, close to the town of Brits in the North West Province. At the time of purchase the mine was fully equipped and partially developed, but mining had been suspended. The group brought the mine back into production and it is currently being developed to a steady state of 180 000 4E ounces per annum, which will be reached in 2028. A new enhancement to the Eland operation has been the acquisition and integration of the neighbouring Maroelabult mine during 2022. This has added significant operational flexibility to Eland.

Our focus over the past decade and more has been to grow production down the cost curve, whilst benefitting from a commensurate reduction in operational risk.

We now operate three independent mines, producing ore from ten mining modules and processing this through five separate primary concentrators. In 2015, we set a medium-term target for production from our own operations of 1 million 4E ounces per annum. We are scheduled to achieve this target by 2027.

The incorporation of Northam Holdings was followed, during 2021, by the acquisition, of a significant investment in RBPlat. This provides the group with an additional revenue stream in a buoyant PGM price environment.

Growing beyond mining

Since 2015, we have grown our downstream metallurgical processing capacity beyond the requirements of our own production. This has been in order to both develop and grow our PGM recycling business following the acquisition of the US assets in 2018, as well as to be able to offer downstream metallurgical processing services to junior PGM miners who lack such facilities. This leverages our metallurgical processing capacity to diversify our revenue streams and further reduce overall operational risk, whilst providing an important service to the PGM sector.

Our journey from inception

1986	Shaft sinking commenced at Zondereinde mine
1987	Northam Platinum Limited listed on the JSE under share code NHM, with Zondereinde mine as a single conventional mine and metallurgical operation
1993	First metal production from Zondereinde
1998	Northam unbundled from Gold Fields of South Africa Limited
1999	Mvelaphanda Resources Limited invests in Northam as a Black Economic Empowerment (BEE) partner
2000	Commissioning of UG2 expansion at Zondereinde mine
2008	Booysendal transaction concluded for R5.6 billion, with the acquisition of 103.3 million oz PGM Mineral Resources
2010	Approval of R3.6 billion capital expenditure for the Booysendal UG2 North mine and concentrator
2012	Establishment of the Domestic Medium-Term Notes (DMTN) Programme
2013	Booysendal UG2 North mine starts production
2015	Zambezi Platinum (RF) Limited (Zambezi) transaction concluded with a net R4.2 billion raised for future expansion Acquisition of Everest mine and Mineral Resources for R450.0 million
2016	Approval of Booysendal South project at a capital cost of R4.2 billion in 2016 money terms
2017	Acquisition of Western extension at Zondereinde for R1.0 billion, extending the Zondereinde life of mine to more than 30 years
2018	Acquisition of Eland mine for R175.0 million Acquisition of US recycling assets, providing the group with assets outside the borders of South Africa Commissioning of smelter furnace 2 at the Zondereinde metallurgical operations
2019	Commissioning of key infrastructure at Booysendal South expansion project together with first production Commencement of a fourth UG2 and second Merensky mining modules at Booysendal
2020	Commencement of development of 3 shaft at Zondereinde Western extension
2021	Commencement of mining at Eland Listing of Northam Platinum Holdings Limited on the JSE under share code NPH with simultaneous delisting of Northam Platinum Limited (NHM) Wind-up of the Zambezi structure
2022	Rebuild and upgrade of smelter furnace 1 and commissioning of recycling smelter facility at Zondereinde mettalurgical facility 34.5% investment in the shareholding of RBPlat Acquisition of Maroelabult mine for R20.0 million

0 **Production graph shown, expressed as equivalent metal produced from own operations (oz 4E)** 800 000

Zondereinde mine
Where our legacy began

Introducing our report

This report is prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC) and provides our stakeholders with a concise and transparent assessment of our ability to use our financial expertise to do good and create sustainable value.

Compliance and reporting guidelines

This annual integrated report for the year ended 30 June 2022, the company's notice of Annual General Meeting (AGM) and the audited annual financial statements are published in compliance with the JSE Limited Listings Requirements and the provisions of the Companies Act.

In compliance with paragraph 7.F.6 of the JSE Limited Listings Requirements, Northam is in compliance with the provisions of the Companies Act and the relevant laws governing its establishment, specifically relating to its incorporation. Furthermore, Northam is operating in conformity with its MOI.

Northam is also committed to reporting in line with the King IV™.

Refer to the Corporate governance report for the year ended 30 June 2022 available on our website.

Northam's financial year is from 1 July to 30 June. In this 2022 financial year (the F2022 reporting period), Northam has continued with its integrated approach to reporting, as first embarked upon in F2011. This approach seeks to present stakeholders with a holistic overview of the group's financial and non-financial performance, using the Integrated Reporting Framework of the IIRC and the standards of the Global Reporting Initiative (GRI) as the basis for determining the report content. The report has been prepared in accordance with the GRI Standards Core option. This holistic overview provides a summary of the business, its performance and the value it creates for stakeholders, as well as an assessment of the group's governance, economic, social, and environmental impacts and performance during the reporting period.

Our approach to materiality

We apply the principle of materiality in assessing what information should be included in our integrated report, as well as our full suite of publications.

We apply materiality in our reporting to provide users of these reports with a balanced view of our business and the environment in which we operate.

Material issues

In formulating our strategy and determining our strategic priorities, we continue to consider those issues that are most material to the business and stakeholders, which influence the sustainability of our business, as well as the social, economic and physical environments in which we operate and which fundamentally influence the assessments and decisions of stakeholders.

See page 74 of this report for our material issues

Auditing and assurance

Northam's internal and external auditing functions are critical areas of governance. The internal audit function has been outsourced to KPMG Services Proprietary Limited (KPMG). KPMG's chief task is to examine and evaluate the group's systems of internal control in the mitigation of business and financial risks.

The group's consolidated and separate annual financial statements have been audited by the external auditor Ernst & Young Inc. (EY).

Forward-looking statements

This report contains certain forward-looking statements with respect to Northam Holdings' financial position, results, operations and business.
These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ from those expressed or implied by these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by the group's auditors.

Forward-looking statements compiled by Northam Holdings at the time of releasing our 30 June 2022 results, on 26 August 2022, were informed by the group's business plans and economic forecasts that were finalised and approved by the company's board of directors in June 2022. Northam Holdings undertakes no duty to update any of the forward-looking statements publicly in light of new information or future events, except to the extent required by law and the JSE Limited Listings Requirements.

Directors' responsibility

The board acknowledges its responsibility for ensuring the integrity of this integrated report. The board has considered the operating context, strategy and value creation model. This report, in the board's opinion, addresses all the issues that are material to, or could have a material effect on, the group's ability to create value. The report fairly presents the integrated performance of the group and was approved by the board on 16 August 2022.

On behalf of the board

Temba Mvusi
Chairman

Paul Dunne
Chief executive officer

Johannesburg
16 August 2022

The independent auditor's report is included in the annual financial statements for the year ended 30 June 2022, available on our website

EY were engaged to provide a limited assurance report for certain non-financial key performance indicators which are highlighted with an '**LA**' throughout the sustainability report. The independent assurance report is included in the sustainability report.

We use a combined assurance model to confirm that the information we provide supports the credibility and integrity of our reporting. Execution of our combined assurance plan and reporting is monitored by the audit and risk committee, which reports to the board.

Reporting parameters and definitions

The consolidated annual financial statements include the group's subsidiaries, joint arrangements and associates. The non-financial disclosure relates to all wholly-owned operations within the group.

Except where specifically stated otherwise, Northam reports on Mineral Resources, Mineral Reserves, production and ore grades in terms of platinum, palladium, rhodium and gold content. This is expressed as 4E. Production and grades are also reported in terms of 6E, which includes ruthenium and iridium.

The definitions of time periods within this report are:

Short-term: within a period of 12 months
Medium-term: 1–5 years
Long-term: longer than 5 years

Both ZAR and R signify Rands, the South African currency. USD refers to the United States dollar and € to the euro.

Reference to other reports

Our annual integrated report is supplemented by a full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting.

Our full reporting suite is available on our website

Events subsequent to the reporting period

There have been no events, other than what has been disclosed, subsequent to the reporting period which require additional disclosure or adjustment to the annual integrated report.

Our business model

Our business model is aligned with our strategy to grow production down the cost curve by developing or acquiring shallow, mechanisable PGM ore bodies and optimising existing operations.

Our capital inputs

Natural
- 225.5 Moz 4E Mineral Resources and 29.5 Moz 4E Mineral Reserves
- Highest rhodium loading
- Buttonshope Conservancy Trust
- Energy efficiency initiatives
- Water conscious and recycling

Financial
- 396 615 878 shares in issue
- R15.0 billion DMTN Programme
- R8.0 billion facilities available

Human
- 21 152 permanent employees and contractors
- Trained and skilled staff
- Five-year wage agreements at all operations
- Health and wellness programmes
- Continue to create direct, new, meaningful, sustainable jobs

Intellectual
- Producing PGMs since 1993
- Highly experienced team
- Innovative technologies

Manufactured
- World class assets
- Three wholly-owned operating mines
- Producing final saleable metal

Social
- Responsible corporate citizen
- Empowerment credentials
- Established relationships with host and affected communities
- Zambezi BEE Transaction

Our material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19
- Acquisition of a strategic investment in RBPlat

Our business

Our activities are integrated across the full value

Mining
- Sufficient Mineral Reserves to support our strategy
- 10 mining modules
- 3 independent mining sites
- Diverse prill slits and multiple mining methods

Metal sales
- Long-term PGM customer base
- Guaranteed chrome off-take agreement
- Copper and nickel sales agreements
- Spot market sales for excess metal

Strategic investment

Governance
- Strategy
- Ethics
- Oversight

Our beliefs

Mining is important

PGMs are important

Our business model represents an operational diversification path within our growth strategy, increasing the number of mining and processing assets with a significant consequential reduction in overall operational risk

activities

stream, from mining through to final saleable metal.

Recycling and metal purchases

- US collection business
- Dedicated recycling smelters
- Multiple 3rd party concentrate purchase agreements

Processing

- Mine to market capability
- 5 separate PGM concentrators
- 4 smelter furnaces
- 1 base metal removal plant (BMR)
- Toll refining arrangements with 2 toll refiners

in RBPlat

responsibilities

- Management
- Compliance
- Responsible corporate citizen

Our key enablers

- Strong governance
- World class asset base
- Experienced leadership
- Efficient service delivery
- Effective empowerment
- Disciplined capital allocation
- Fit for purpose structures
- Clear policies and procedures

Our F2022 outcomes

Manufactured

- 719 580 oz 4E refined metal produced
- Increased production capacity at the metallurgical complex with further upgrades in progress
- Booysendal South well advanced
- Eland mine ramp-up in progress
- Western extension well advanced

Financial

- 737 923 oz 4E sold
- R34.1bn revenue
- Net Debt to EBITDA ratio of 0.97 in pursuit of the group's growth strategy
- 2 611.1c HEPS
- R6.8bn tax paid by Northam and Zambezi

Natural

- 3 339 Ha of land managed by the Buttonshope Conservancy Trust
- 25.64% electrical energy intensity reduction since 2019
- 84.2% water recycled

Intellectual

- World record raise bore completed at Zondereinde
- 2nd aerial rope conveyor at Booysendal

Human

- 2 864 new sustainable jobs created
- 64.5% Historically Disadvantaged Persons (HDPs) in management
- 15.4% women in management
- Two fatalities during the year

Social

- Increased spend on Corporate Social Investment (CSI) and Social and Labour Plans (SLP's)
- Home ownership scheme providing housing for employees
- Jobs and local procurement opportunities created for local communities

Our country is precious | **Our people are special** | **Our company creates value**

The evolution of our business since 2015

How we have delivered on our strategy and what we are planning to do over the coming five years.

COVID-19

	F2015	F2016	F2017	F2018	F2019	F2020
Corporate activity	Zambezi BEE Transaction concluded with a net R4.2bn raised to grow the business					Entered FTSE/JSE Top 40 Index
Total available debt facilities and DMTN Programme limit	R3.0bn	R3.0bn	R3.0bn	R5.0bn	R6.0bn	R14.0bn
Operational highlights	Acquisition of Everest mine for R450.0m, providing Booysendal with additional Mineral Reserves, together with key supporting infrastructure enabling the start of Booysendal South mine	Approval of the Booysendal South mine project at a capital cost of R4.2bn in 2016 monetary terms	Acquisition of the Western extension at Zondereinde for R1.0bn, extending Zondereinde's life of mine to more than 30 years	Acquisition of the US recycling assets for USD10.0m, providing the group with a foothold in a growing supply sector outside the borders of South Africa Commissioning of smelter furnace 2 at the Zondereinde metallurgical operations, increasing processing capacity and significantly reducing operational risk Acquisition of Eland mine for R175.0m, bringing additional operational flexibility from a quality orebody with commensurate infrastructure First ore production from Zondereinde's Western extension	Commissioning of key infrastructure at Booysendal South mine, together with the first ore production, increasing group production and reducing geographic risk Commencement of a 4th UG2 and 2nd Merensky mining modules at Booysendal	Temporary pull back of some capital growth projects in response to market uncertainty related to the onset of COVID-19 Restructuring of the DMTN Programme to preserve liquidity during uncertain times Commencement of pilot drilling for Zondereinde 3 shaft to improve access to the Western extension Entered into an agreement to purchase Maroelabult mine for R20.0m which will enhance the flexibility of Eland mine
Equivalent refined metal from own operations (oz 4E)	377 770	436 960	474 007	483 941	519 954	515 370
Total capital expenditure	R1.1bn	R1.2bn	R1.6bn	R3.8bn	R2.9bn	R2.4bn

Operations

- Zondereinde
- Booysendal
- Eland
- Group

F2021	F2022	F2023	F2024	F2025	F2026	F2027
	Delisting of Northam Platinum and listing of Northam Holdings Wind-up of the Zambezi BEE Transaction Northam Holdings acquires strategic stake in RBPlat					
R20.0bn	R23.0bn	R24.2bn	R24.2bn	R24.2bn	R24.2bn	R24.2bn
Restart of all temporarily suspended capital growth projects following improved market certainty Smelter furnace 2 slag handling upgrade, improving throughput and reducing operational risk Commencement of reaming of Zondereinde 3 shaft Commencement of mining at the Kukama section of Eland	Completion of rebuild and upgrade of smelter furnace 1 at the Zondereinde metallurgical operations Commissioning of two dedicated recycling smelter furnaces at Zondereinde metallurgical operations Commissioning of the North aerial rope conveyor at Booysendal, optimising mining and concentrating capacity Completion of reaming and commencement of equipping of Zondereinde 3 shaft - a world record at 1 382 metres Commencement of mining of the UG2 open pit and the Maroelabult section at Eland Commissioning of the primary milling circuit at Eland allowing treatment of run of mine ore Finalisation of the Maroelabult acquisition	Three UG2 mining modules at Booysendal South (BS1, BS2 and BS4) fully engineered and commissioned and mine ramp up continues	Booysendal mining ramp up continues Merensky mining module at Booysendal South (BSM1) reaches steady state production Zondereinde 3 shaft fully operational, adding significant operational flexibility	Completion of upgrade to Booysendal South Tailings Storage Facility (TSF) to over 100 million tonnes capacity, catering for increased production, as well as longer life of mine Booysendal reaches 500 000 oz 4E production level	Eland reaches 150 000 oz 4E production level Zondereinde reaches 350 000 oz 4E production level Completion of upgrade to BMR at the Zondereinde metallurgical operations	Eland reaches 160 000 oz 4E production
690 867	716 488	770 000 – 810 000	850 000 – 870 000	900 000 – 920 000	970 000 – 990 000	980 000 – 1 000 000
R3.3bn	R4.6bn	R5.4bn	R5.5bn	R4.7bn	R4.4bn	R4.4bn

The year at a glance

Our key milestones and challenges during the financial year are summarised.

2021

JUL

- ▲ BSM Merensky module declines intersect Merensky Reef on schedule
- ▲ Additional R150.0 million DMTNs issued
- ▲ Earthworks commenced on the 11 MW solar photovoltaic facility
- ▼ Mining incident which resulted in a fatality in January 2022

AUG

- ▲ Five-year wage agreement concluded with the National Union of Mineworkers (NUM) (effective 1 July 2021)
- ▲ Five-year wage agreement concluded with the NUM (effective 1 July 2021)
- ▼ Suffered a fatality in an underground tramming related accident
- ▲ Implementation of the Zambezi Scheme, resulting in Northam acquiring all of the Zambezi Preference Shares not already held by Northam
- ▲ Completion of upgrade to smelter material handling system

SEP

- ▲ Number 25 on the FTSE/JSE Top 40 Index
- ▲ Changes to the Northam Platinum board, the Northam Holdings board and committees, including the constitution of an independent remuneration committee
- ▲ Repurchase of 14 571 063 Northam Holdings Shares from the Strategic Partners, following the Net Value Distribution to the Zambezi Ordinary Shareholders
- ▲ Implementation of the Northam Scheme, pursuant to which Northam Holdings acquired all of the Northam Scheme Shares held by Northam Scheme Participants in exchange for Northam Holdings Shares, on a one for one basis

OCT

- ▲ Additional R300.0 million DMTNs issued
- ▲ First ore delivered to the concentrator from the UG2 open pit
- ▲ Northam's long-term and short-term credit ratings re-affirmed and outlook upgraded to positive
- ▲ Completion of rebuild and upgrade of smelter furnace 1 at the metallurgical complex, increasing processing capacity and significantly reducing operational risk

NOV

- ▲ Northam Holdings acquires an initial 93 930 378 RBPlat shares for cash and the issue of 34 399 725 Northam Holdings Shares
- ▲ Additional R1.3 billion DMTNs issued

DEC

- ▲ Number 17 on the FTSE/JSE Top 40 Index
- ▲ Commissioning of the North aerial rope conveyor, optimising mining and concentrating capacity
- ▲ Northam Holdings acquires a further 6 289 174 RBPlat shares, resulting in a total shareholding of 100 219 552 RBPlat shares
- ▲ Concluded a ten-year purchase of PGM concentrate agreement with Ivanplats Proprietary Limited
- ▲ Secured a senior, unsecured Bridge facility with Nedbank Limited of R3.0 billion

The period under review has been challenging but our growth aspirations remain on track

2022

JAN

- ▲ 7 million fatality free shifts achieved. Mine remains fatality free since inception in 2010
- ▲ Finalisation of Maroelabult acquisition and commencement of mining
- ▲ Primary milling circuit commissioned allowing treatment of run of mine ore

FEB

- ▲ Commenced pilot drilling of 3a vent shaft
- ▲ BS4 commences stoping

MAR

- ▲ Production exceeds 500 000 tonnes per month
- ▼ Number 27 on the FTSE/JSE Top 40 Index

APR

- ▲ 3 shaft reaming completed at a world record of 1 382 metres. Shaft equipping commenced
- ▲ Additional R1.9 billion DMTNs issued

MAY

- ▲ Commissioning of the recycling smelter facility at the metalurgical complex
- ▲ Additional R250.0 million DMTNs issued

JUN

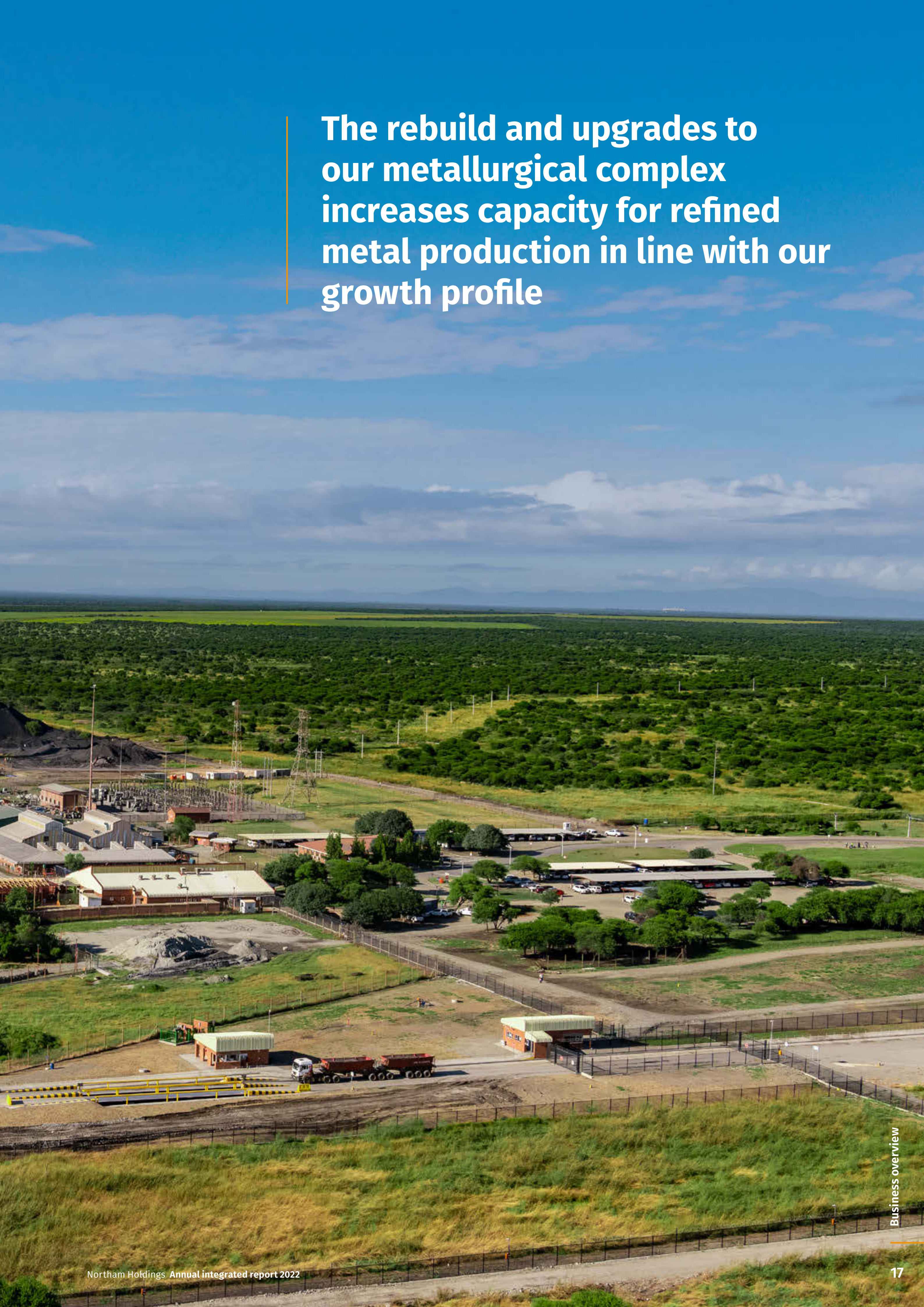
- ▼ Number 30 on the FTSE/JSE Top 40 Index
- ▶ TI Mvusi appointed as independent chairman and HH Hickey as lead independent director

Operations
- Zondereinde
- Booysendal
- Eland
- Group

- ▲ Value creation
- ▶ Value preservation
- ▼ Value erosion


EVERGREEN

The rebuild and upgrades to our metallurgical complex increases capacity for refined metal production in line with our growth profile



CEO Q&A — A recap on our strategy and beliefs

How is your strategy progressing?

Northam has pursued a strategy of counter-cyclical investment in both acquisitions and organic growth.

This fundamentally differentiates us from our peers and is enabling the creation of meaningful value.

We have been able to do this through our firm belief in the inherent good of our country, our company, our people and the special metals that we produce.

At an operational level, we are on track to reach our medium-term annual target of 1 million ounces 4E.

Our medium-term growth strategy is advanced and significantly de-risked. This is thanks to thorough planning and swift, decisive execution. This dynamic has resulted in strong results for the year under review.

How do you ensure appropriate capital allocation?

Ultimately, the most critical consideration for any company is the appropriate allocation of capital.

The long-term success of the business depends on achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. We carefully consider the appropriate allocation of capital in these areas to achieve the group's strategic objectives.

Mining is a capital intensive business with relatively long time horizons. Commodity prices follow shorter period cyclical patterns. Therefore, capital allocation decisions require consideration of both short and long-term technical planning, as well as of the global economic outlook and cyclical commodity price variance. To this end, we employ realistic long-term price estimates and incorporate sensitivity analysis in our forecasts. This improves confidence in our financial viability and moderates estimate uncertainty over time.

We are now reaping the rewards, as our significant investment is enabling us to grow our production base within a generally strong commodity price environment. The combination of our world class asset base, sufficient and well managed finances, the support of our shareholders and, in particular, the efforts of our people, have afforded us the operational flexibility required to make the right capital allocation decisions.

Our capital allocation and treasury decisions have been guided by our strategy and we have been consistent in our approach of growing our production base. This is borne out through our acquisition of a strategic investment in RBPlat.

See page 20 for more information on our investment in RBPlat

What has made Northam successful?

A cornerstone of our strategy is the development of low-cost, long-life assets. This de-risks our operations against potentially subdued or volatile commodity markets, while positioning the company for further strong financial performance.

Our assets and infrastructure are world class and our mining methods are tailored to optimally extract and beneficiate our large, long-life ore bodies. We own 100% of all our major centres of operation. We beneficiate and sell our metal, thereby benefitting from the full mine to market value chain. This creates maximum value for shareholders.

In 2015, we embarked on a focussed programme of acquisitions, targeting operations and Mineral Resources with synergistic and optionality benefits. The acquisitions of the Everest mine in 2015 and the Western extension Mineral Resource block in 2017 unlocked major synergies with the Booysendal and Zondereinde mines respectively.

Eland mine provides an exceptional UG2 Mineral Resource with associated infrastructure, situated in a strategically important area of the Bushveld Complex. The US PGM recycling operation is our first foray into what is an increasingly important supply sector. Recycling currently represents between a quarter and a third of global supply. The US in particular has, through recycling, recently become a net exporter of metal.

Northam has pursued a strategy of counter-cyclical investment in both acquisitions and organic growth

Furthermore, the lower operational risk profile and carbon footprint of recycling improves the group's overall sustainability. However, this is a new business for us which can carry significant working capital commitments. As such, we maintain a cautious approach to growing this venture.

We have developed our assets in a modular fashion to minimise capital risk. In so doing, we have targeted synergistic enhancement and increased mechanisation to grow production whilst lowering operational risk and enhancing our relative position on the industry cost curve. This is further strengthening the sustainability of the group. Our medium-term annual production target remains 1 million ounces 4E.

You have spoken about your belief in your people, can you elaborate?

It is our people that make our business successful and we believe that we have an exceptional team who are committed and loyal.

Our team is experienced — Our board and management teams are skilled across multiple disciplines and have an excellent track record of effectively and responsibly directing and managing our operations, whilst growing the business and successfully delivering on all projects.

We are innovative — We embrace a culture of innovation. This is demonstrated by our ability to take measured risk when it comes to the application of new technology and our track record of smart acquisitions. This is not new to Northam.

It is how we have always operated, from the early days of the development of hydropower and backfill technologies at Zondereinde, through to the application of aerial rope conveyors at Booysendal and to how we structure our mining crews at Eland to maximise team stability.

We are decisive and swift — We have a strong and cohesive team that assesses risk and return, making risk-adjusted decisions and following through on them. It is the way we do things and our track record demonstrates this.

Our employees share in the value we create through the execution of our growth strategy — At Northam we believe in paying a fair wage. Over and above this, there is significant upside if performance targets are met or exceeded. In addition, we have a number of participation schemes in which our employees benefit from the increased profitability of the group.

What is your view on the future of PGMs?

We believe that the world needs the metals we produce.

These metals are special and aid the attainment of a cleaner, greener world. It is our considered opinion that net PGM demand will prevail over the coming decade and into the future. Short-term price fluctuations can be expected but their long-term fundamentals remain strong and this will support pricing

Do you remain confident deploying capital in South Africa?

We believe that the broadening of economic activity is key to South Africa, our country's success. Our growth strategy and our empowerment initiatives positively contribute to this.

We are creating meaningful and sustainable direct employment for thousands of people. Our operations are both stimulating local economies, particularly those in some of the most impoverished areas of our country, as well as substantially contributing to the national fiscus. Ultimately we play our part in contributing to the current and future success of South Africa.

Finally, I would like to pay tribute to my colleague David Brown. He made a significant contribution to the Northam strategy and was always professional and supportive in his role as chairman of the Northam group.

Paul Dunne
Chief Executive Officer

16 August 2022

Our investment in RBPlat

Our investment in RBPlat is driven by our fundamental belief in the importance of PGMs and is aligned to the strategy we have been pursuing since 2015. We maintain a strong view on the demand for PGMs, particularly for those essential to the global clean-air imperative, as well as the burgeoning hydrogen economy. We also understand the scarcity of high-quality, shallow, PGM resources, and the under-capitalisation of PGM assets for more than a decade.

Northam Holdings purchased a strategic shareholding, with options and a right of first refusal to purchase a further 3.28%. Importantly, our purchase consideration included Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH) taking up an 8.67% shareholding in Northam Holdings, allowing the Royal Bafokeng Nation to continue to have an interest in RBPlat, whilst diversifying their mining exposure. Accordingly, this shareholding removes the need for Northam to create a public special purpose vehicle (SPV) as part of our Extended Empowerment Transaction. Subsequent to the RBIH transaction, we have increased our holding through the purchase of a further 6 289 174 RBPlat shares on the open market, resulting in an investment of 100 219 552 RBPlat shares, or a 34.52% shareholding.

The key characteristics informing our investment in RBPlat, in particular, how these fit our strategic imperatives have been summarised below.

Strategic imperative	
Our view on PGMs	▪ We have a strong view regarding long-term PGM demand and pricing, particularly that for platinum, rhodium, ruthenium and iridium. This view is informed by the supply and demand dynamic. Demand is being driven by global clean-air legislation, as well as the burgeoning hydrogen economy. Primary supply is obtained from rare, depleting resources that have been under capitalised for more than a decade ▪ Proven, quality, cash producing and sustainable PGM assets are rare
Our growth strategy	▪ We acquire the right assets for a fair price ▪ We are a focussed PGM mining company with long-term investment horizons ▪ We want to grow down the cost curve with a focus on shallow, quality mining ▪ The current position in the commodity cycle indicates growth through the acquisition of cash producing and sustainable assets as opposed to developing greenfield projects with long timelines
Future growth opportunities	▪ Mining is important to the South African economy and we play our part ▪ We have proven skills in operating mines and delivering on project execution
Operational risk reduction	▪ We are following an operational diversification path within our growth strategy, increasing the number of mining and processing assets with a significant consequential reduction in overall operational risk
Cultural fit	▪ The alignment of beliefs and behaviours is critical to the integration of operating assets
Empowerment and transformation	▪ We believe in our country and we are a focussed South African mining company ▪ Our commitment to transformation is demonstrated by our sustainable, long-term empowerment initiatives ▪ Our extended empowerment is focussed on our employees and host communities ▪ We believe that transformation is important to the well-being of the South African economy
Community and labour relations	▪ Our people are the key drivers of our success ▪ We have a strong relationship with the organised labour at all our operations
Creating value for all stakeholders	▪ We have experienced leadership and proven skills in capital allocation, operating mines and delivering on project execution ▪ We can create long-term, sustainable value through the application of our extensive, proven expertise together with the use of our proprietary knowledge and technology

Our investment in RBPlat fits our strategy of increasing shallow, mechanisable, sustainable

Strategic investment	Options and ROFR to acquire a further	Cash paid to date	Deferred Acquisition Consideration as at 30 June 2022
34.52%*	3.28%*	R8.4bn	R1.7bn
100 219 552 RBPlat shares	9 513 471 RBPlat shares		

RBIH 8.67% empowerment shareholding in Northam Holdings

Details of the number of shares held together with the financial impact of our investment in RBPlat is disclosed in our annual financial statements.

*All percentage holdings quoted are in terms of the number of RBPlat shares in issue, being 290 334 425 as at 30 June 2022

Investment fit	Summary facts
RBPlat is a South African PGM miner, it has a large, proven, quality resource base containing a premium mix of PGMs. Its assets are sustainable and cash producing with a growing production profile.	**Premium metal split** high platinum and rhodium content
RBPlat's mines are shallow, well-capitalised and partially mechanised. They are currently producing, have extensive life, are cash generative and have the inherent qualities to operate in the lower half of the industry cost curve.	**Shallow mines** low-cost potential, producing, long-life orebody
RBPlat has a large resource base. This provides significant, long-term mining optionality. Styldrift, similar to Booysendal, provides opportunity for modular growth through project execution. This could translate into significant additional PGM production, economic activity and job creation.	**Large resource base** Mineral Resources of 66.8 Moz 4E and Mineral Reserves of 15.8 Moz 4E
RBPlat has two mining assets. These are geographically separated from, but in close proximity, within 80 kilometers, to both our Zondereinde and Eland operations. They also have a separate downstream processing route. This diversifies our geographical footprint and sources of cashflow.	**Two mining assets** diversifying geographic and operational risk
The operational qualities of RBPlat are complimentary to that of Northam and make for an effective cultural fit.	**Complimentary operational qualities** and an effective cultural fit
RBIH represents the Royal Bafokeng Nation, the host community and home to the majority of the employees of RBPlat. Our purchase consideration for our investment in RBPlat was structured to include RBIH as a shareholder in Northam Holdings and we have committed to joint community upliftment initiatives. We consider RBIH to be a meaningful, sustainable empowerment partner to Northam.	**Strategic empowerment with the Royal Bafokeng Nation** host community and home to many RBPlat employees
We have strong relationships with the Royal Bafokeng Nation through RBIH's interest in Northam Holdings. We further maintain good relations with the NUM, the trade union representing the vast majority of RBPlat employees. This bodes well for community and labour relations into the future.	**Strong relationships with NUM** continuing into the future
RBPlat will benefit from having Northam Holdings as an anchor shareholder. We have the know-how and willingness to allocate appropriate capital to operate and develop its mines and infrastructure, thereby creating value for all stakeholders.	**Proven track record** Northam's extensive skills and experience with a strong delivery track record

and quality mining with the potential to operate in the lower half of the industry cost curve

Cash impact of the Composite Transaction and our investment in RBPlat

The timeline below provides a summary of cash outflows regarding the Composite Transaction as well as our investment in RBPlat.

Composite Transaction

R2.0bn
Acquisition of all of the Zambezi Preference Shares not already held by Northam, pursuant to the implementation of the Zambezi Scheme

R2.6bn
Repurchase of 14 571 063 Northam Holdings Shares from the Strategic Partners, together with the Net Value Distribution made on 6 September 2021 and payment of a portion of the Lock-in Fees to the Strategic Partners due to the repurchase

R2.0bn
Northam repurchase Northam Shares to enable Zambezi to settle Capital Gains Tax as a result of the implementation of the Composite Transaction together with Securities Transfer Tax (STT) and Dividend Withholding Tax paid in September and October 2021

23 August 2021 | 23 September 2021 | 19 November 2021 | 31 December 2021 | 04 April 2022

Upfront cash payment in respect of Northam Holdings' acquisition of 93 930 378 shares in RBPlat from RBIH
R3.0bn

Acquisition of a further 6 289 174 shares in RBPlat for cash
R1.1bn

Received a dividend of R5.35 per share from RBPlat
R536.2m

Investment in RBPlat

Business overview

The long-term success of the business is to achieve an optimal balance between growth, sustaining operations and returning value to the providers of capital

11 April 2022

R502.5m

Partial settlement of the Deferred Acquisition Consideration relating to the RBPlat dividend received in terms of the acquisition agreement

29 April 2022

R3.7bn

Partial settlement of a portion of the Deferred Acquisition Consideration (after applying the Escalation Rate and the RBPlat dividend received) for the interest acquired in RBPlat from RBIH

30 June 2022

R1.8bn

Zambezi final tax payment for F2022 as a result of the implementation of the Composite Transaction

Additional payment of R1.1bn expected to be made in F2025

29 August 2022

R245.5m

A dividend of R2.45 per share to be received from RBPlat

5 September 2022

R230.1m

Partial settlement of the Deferred Acquisition Consideration relating to the RBPlat dividend received in terms of the acquisition agreement

On or before 30 September 2022

R1.5bn

Expected settlement of the remaining Deferred Acquisition Consideration (after applying the Escalation Rate) for the interest acquired in RBPlat from RBIH

Our growing operations

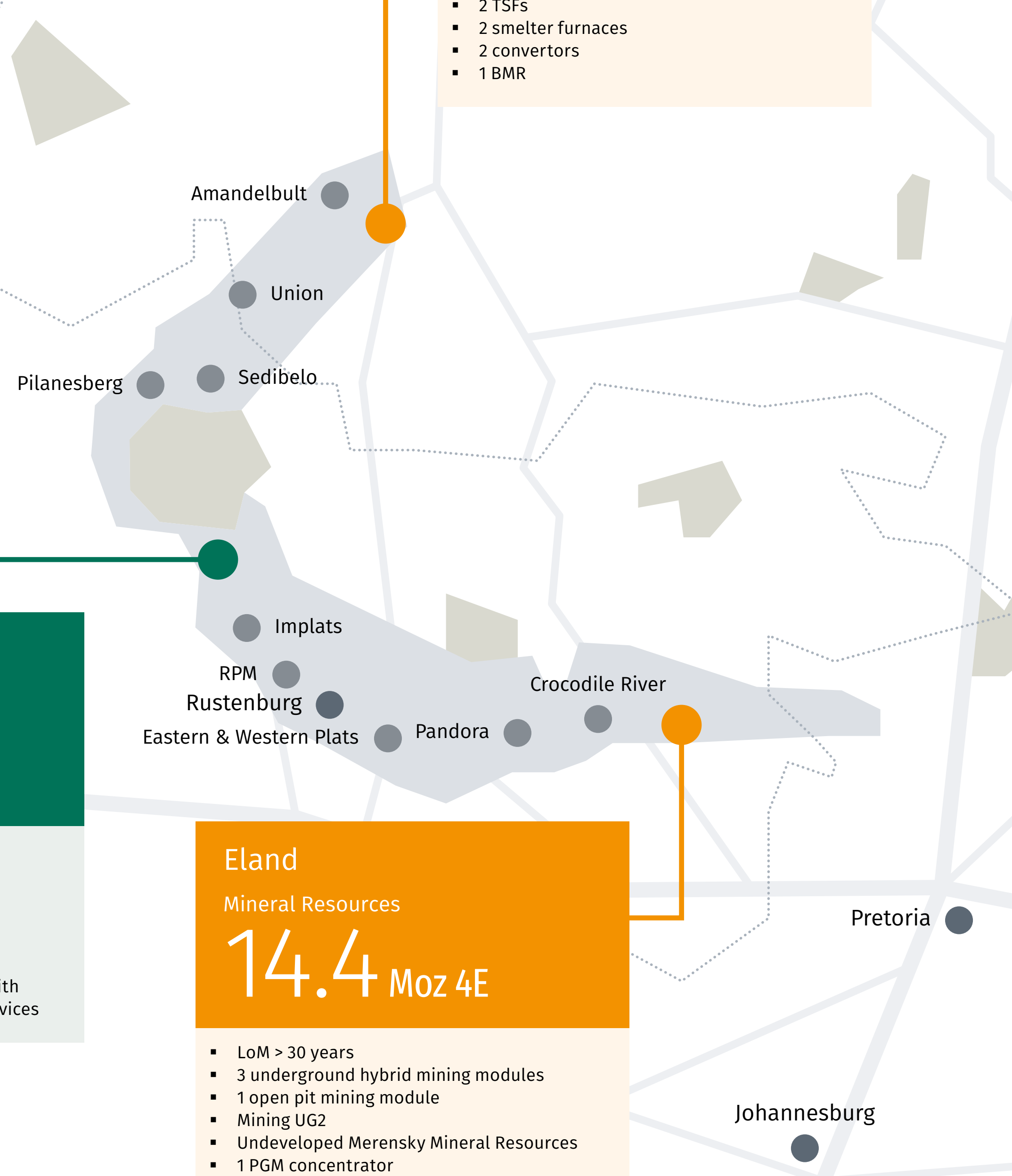
We are an independent, empowered, integrated PGM producer. Our strategy of growing production down the cost curve whilst reducing operational risk remains in place. Our acquisition of an investment in RBPlat is in line with this strategy.

Zondereinde

Mineral Resources

79.6 Moz 4E

- LoM > 30 years
- 1 underground conventional mining module
- Mining Merensky and UG2
- 2 PGM concentrators
- 1 chrome concentrator
- 2 TSFs
- 2 smelter furnaces
- 2 convertors
- 1 BMR



RBPlat

Mineral Resources (attributable)

23.1 Moz 4E*

- LoM > 30 years
- 3 underground mining modules (2 conventional, 1 mechanised)
- Mining Merensky and UG2
- 2 PGM concentrators
- 2 TSFs
- Purchase of concentrate agreement with Anglo-American Platinum Refining Services

Eland

Mineral Resources

14.4 Moz 4E

- LoM > 30 years
- 3 underground hybrid mining modules
- 1 open pit mining module
- Mining UG2
- Undeveloped Merensky Mineral Resources
- 1 PGM concentrator
- 1 chrome concentrator
- 4 TSFs

* Estimated at 31 December 2021

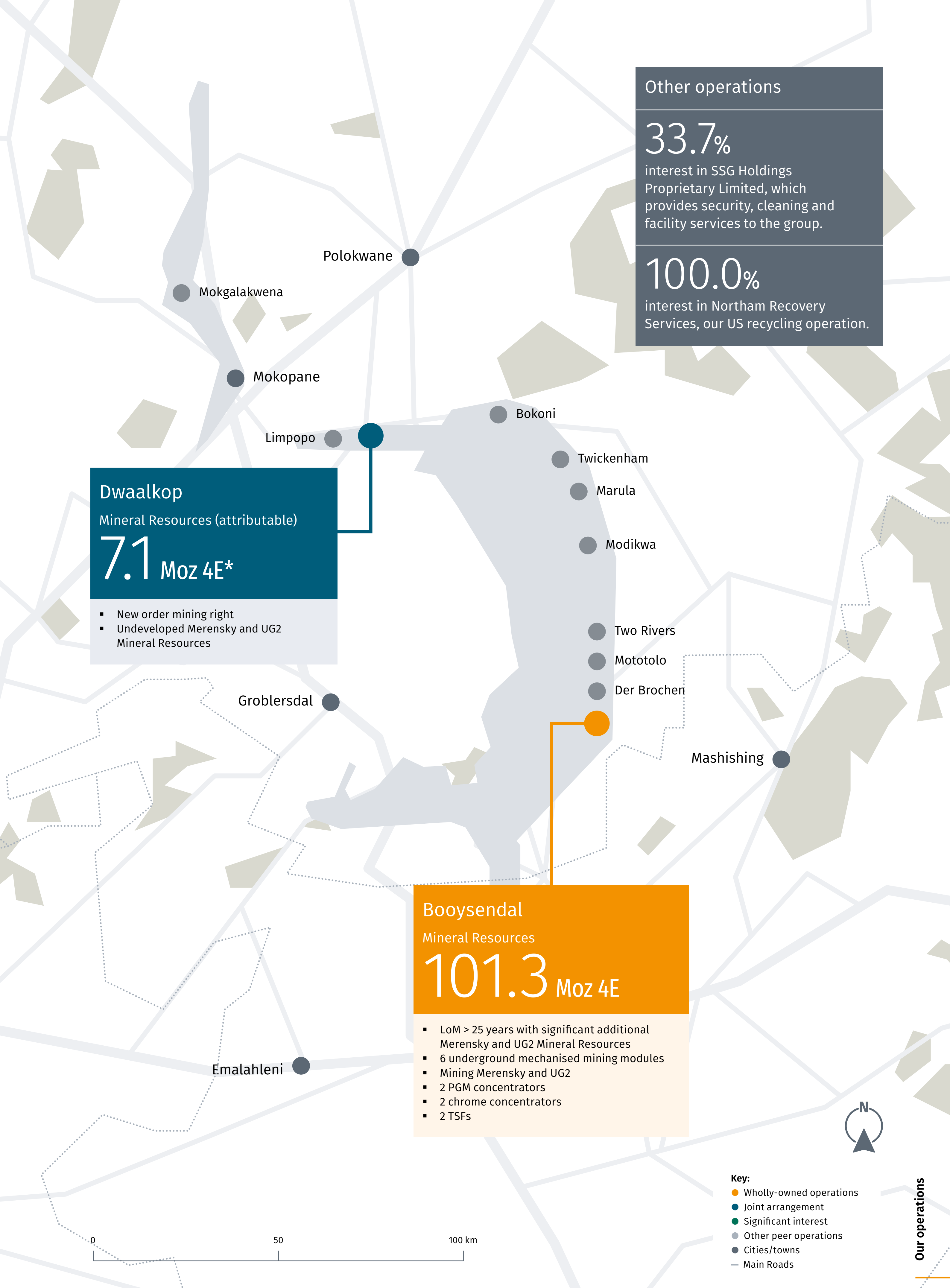
Other operations

33.7%

interest in SSG Holdings Proprietary Limited, which provides security, cleaning and facility services to the group.

100.0%

interest in Northam Recovery Services, our US recycling operation.



Dwaalkop

Mineral Resources (attributable)

7.1 Moz 4E*

- New order mining right
- Undeveloped Merensky and UG2 Mineral Resources

Booysendal

Mineral Resources

101.3 Moz 4E

- LoM > 25 years with significant additional Merensky and UG2 Mineral Resources
- 6 underground mechanised mining modules
- Mining Merensky and UG2
- 2 PGM concentrators
- 2 chrome concentrators
- 2 TSFs

Mineral Resources and Mineral Reserves

Mineral Resources are the product of mineral assets and exploration processes

225.47 Moz 4E

Group total attributable Mineral Resources
F2021: 203.65 Moz 4E

Mineral Reserves are the outcome of mine planning and scheduling, as well as the application of capital

34.50 Moz 4E

Group total attributable Mineral Reserves
F2021: 29.51 Moz 4E

Core to the group's operational strategy of growth and productivity optimisation has been the strengthening of our Mineral Resources and Mineral Reserves base. This has been facilitated through the acquisition of quality assets in strategic locations, backed up by robust and ongoing exploration, evaluation and planning processes following best practice in line with the prescripts of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), (the SAMREC Code (2016)).

Summary Mineral Resources and Mineral Reserves Statement 2022

Northam's total attributable Mineral Resources as at 30 June 2022, expressed as in situ metal content, comprises 225.47 Moz 4E, an increase of 21.82 Moz 4E on the previous year. The total metal content in Mineral Reserves as at 30 June 2022, comprises 34.50 Moz 4E, an increase of 4.99 Moz 4E on the previous year.

Northam's Mineral Resources and Mineral Reserves for its wholly-owned Booysendal, Eland and Zondereinde platinum mines, as at 30 June 2022, have been prepared by the group's Competent Persons using the guidelines of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), (the SAMREC Code (2016)). Mineral Resources and Mineral Reserves for the Eland operation include those contained within the Maroelabult mine, which was acquired during the year. In addition, Northam acquired a 34.52% investment in RBPlat and resultantly declares attributable Mineral Resources and Mineral Reserves for the RBPlat mines for the first time. The attributable Mineral Resources and Mineral Reserves for the RBPlat mines and Dwaalkop joint venture were assessed by RBPlat and Sibanye-Stillwater Limited (Sibanye-Stillwater) respectively and have been reported using the guidelines of the SAMREC Code (2016) as at 31 December 2021.

The Mineral Resources (total Measured, Indicated and Inferred) are in situ estimates reported inclusive of the Mineral Reserves (Proved and Probable) for 4E (combined platinum, palladium, rhodium and gold). Mineral Reserves are reported as fully-diluted material delivered to the concentrators.

Mr. Damian Smith BSc (Hons), MSc, Northam's Executive: New business and Lead Competent Person, takes full accountability for the reporting of the Mineral Resources and the Mineral Reserves. The company declares that it has written confirmation from the Lead Competent Person, that the information disclosed in this report is compliant with the SAMREC Code (2016) and, where applicable, the relevant Section 12.13 of the JSE Limited Listings Requirements as well as those of the SAMREC Code (2016) Table 1; and that it may be published in the form and context in which it was intended.

Competent Persons for the compilation of Mineral Resources and Mineral Reserves are listed below:

Company	Operation	Responsibility	Name	Position/Title	Qualifications	Years of PGM experience	Affiliation	Member Number
Northam	Group	Mineral Resources & Mineral Reserves	Damian Smith	Executive: New Business	BSc (Hons) Geology; MSc Mining and Exploration Geology	26	SACNASP	400323/4
		Mineral Resources & Mineral Reserves	Dennis Hoffmann	Mineral Resources Manager	BSc (Hons) Geology; MSc Geology	18	SACNASP	400220/10
	Booysendal	Mineral Resources	Meshack Mqadi	Chief Geologist	BSc (Hons) Geology	13	SACNASP	400703/15
		Mineral Reserves	Willie Swartz	Manager: Technical Services	NHD Mineral Resource Management	18	SAIMM	709852
	Eland	Mineral Resources	Paula Preston	Chief Geologist	BSc (Hons) Geology; MSc Geology	13	SACNASP	400429/04
		Mineral Reserves	Coenie Roux	Manager: Technical Services	BSc Mining and Mineral Resource Management	24	IMSSA	2438
	Zondereinde	Mineral Resources	Mpumelelo Thabethe	Chief Geologist	BSc (Hons) Geology	12	SACNASP	400309/14
		Mineral Reserves	Charl van Jaarsveld	Manager: Technical Services	BSc (Hons) Geology	17	SACNASP	400268/05
Sibanye-Stillwater	Dwaalkop	Mineral Resources	Stephan Stander	Vice President: Commercial Geology	BSc (Hons) Geochemistry	8	SACNASP	400089/96
RBPlat	RBPlat	Mineral Resources	Jaco Vermuelen	Group Geologist	BSc (Hons) Geology	23	SACNASP	400232/12
		Mineral Reserves	Clive Ackhurst	Mineral Resource Manager – BRPM	BSc (Hons) Mining Engineering	30	ECSA	20090200
		Mineral Reserves	Robby Ramphore	Mineral Resource Manager – Styldrift	NHD Mineral Resource Management	25	SAIMM	705482

Notes

Mineral Resources and Mineral Reserves for the RBPlat mines are declared by RBPlat. Northam has consent from RBPlat's Lead Competent Persons to publish the Mineral Resources and Mineral Reserves as at 31 December 2021.

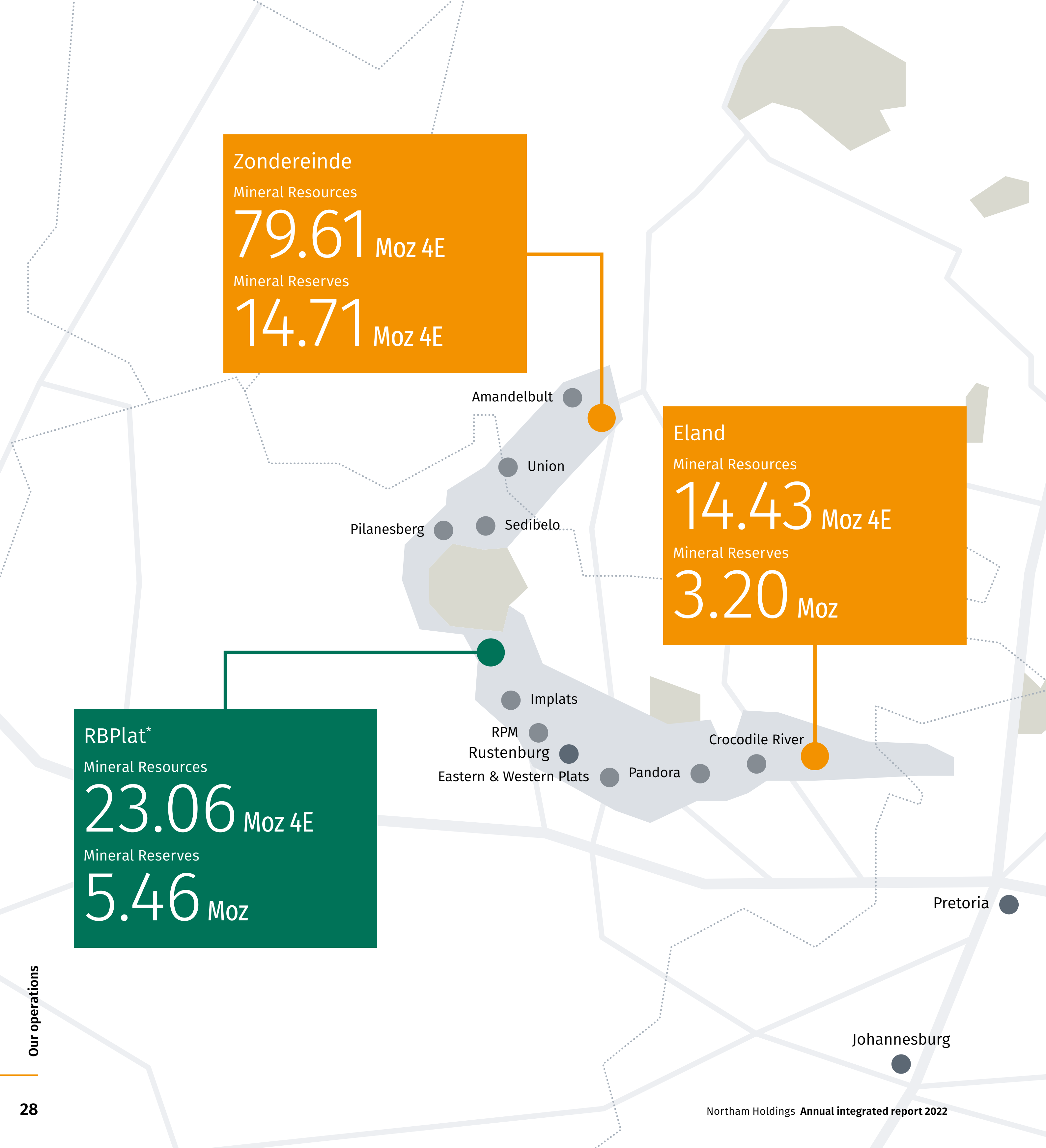
Mineral Resources for the Dwaalkop joint venture are declared by Sibanye-Stillwater. Northam has consent from Sibanye-Stillwater's Lead Competent Person for Mineral Resources to publish the Mineral Resources as at 31 December 2021.

SACNASP – South African Council for Natural Scientific Professions.
ECSA – Engineering Council of South Africa.
IMSSA – Institute of Mine Surveyors of Southern Africa.
SAIMM – The Southern African Institute of Mining and Metallurgy.

Further details are included in the full Mineral Resources and Mineral Reserves statement, which is available on our website.

Where our Mineral Resources and Mineral Reserves come from

Bushveld Complex location indicating current PGM mining operations and Northam's attributable 4E Mineral Resources and Mineral Reserves



Zondereinde

Mineral Resources
79.61 Moz 4E

Mineral Reserves
14.71 Moz 4E

Eland

Mineral Resources
14.43 Moz 4E

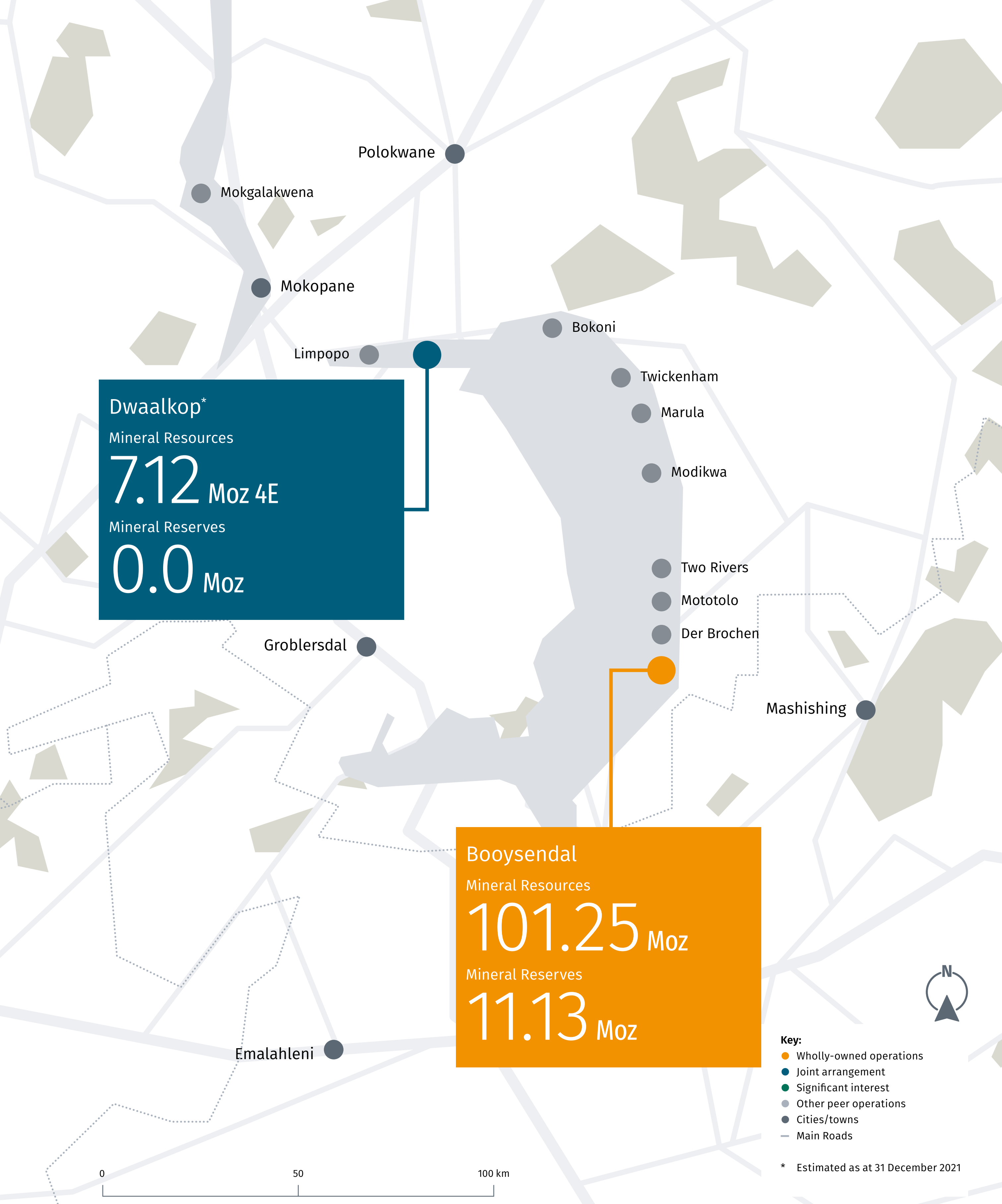
Mineral Reserves
3.20 Moz

RBPlat*

Mineral Resources
23.06 Moz 4E

Mineral Reserves
5.46 Moz

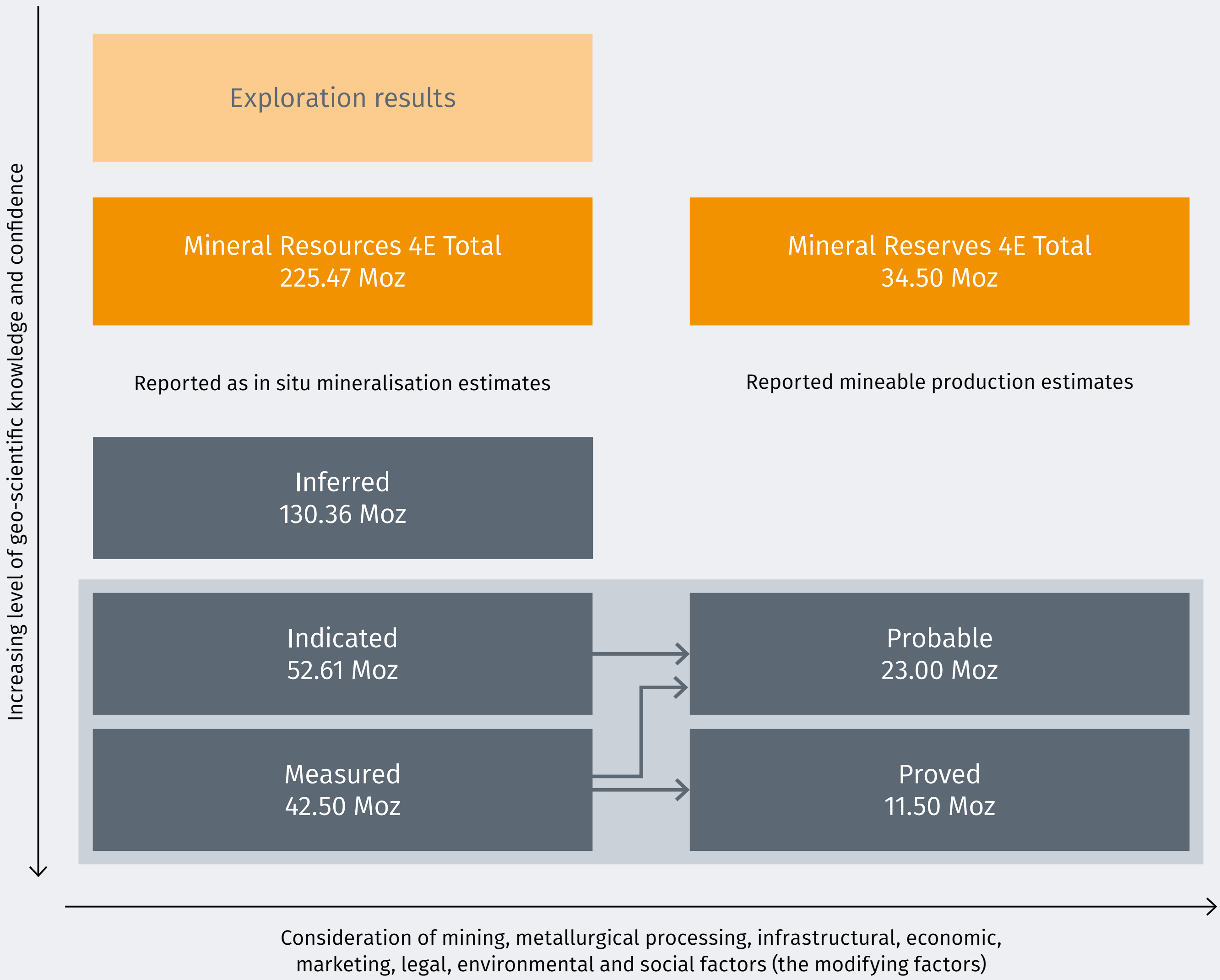
Mineral Resources and Mineral Reserves are fundamental to the group's ability to operate



UG2 Reef at Zondereinde mine

We consider the group's current Mineral Resources and Mineral Reserves positions to be of sufficient scale and quality to support a sustainable production profile in line with our strategic intent

Summary of the total Mineral Resources and Mineral Reserves
by confidence category



UG2 Reef at Booysendal South Mine

Mineral Resources

4E Mineral Resources estimate
(Combined Measured, Indicated and Inferred)[1,2,3,4,5]

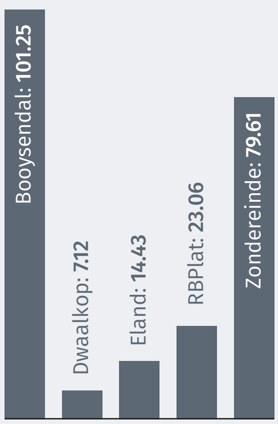
Operation	30 June 2022 4E Mt	g/t	Moz	30 June 2021 4E Mt	g/t	Moz
Booysendal	833.30	3.78	101.25	828.75	3.77	100.36
Dwaalkop[6]	54.45	4.07	7.12	75.61	3.66	8.89
Eland	117.15	3.83	14.43	116.03	3.83	14.29
RBPlat[7]	118.53	6.05	23.06	—	—	—
Zondereinde	404.96	6.11	79.61	404.99	6.15	80.11
Total	**1 528.39**	**4.59**	**225.47**	**1 425.38**	**4.44**	**203.65**

Changes to the Mineral Resources during the year

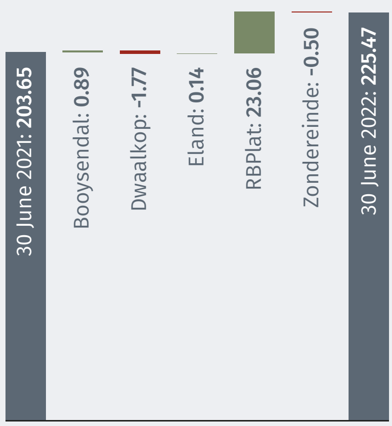
Northam's attributable combined Mineral Resources as at 30 June 2022, expressed as metal content, comprises 225.47 Moz 4E, an increase of 21.82 Moz 4E on the previous year. The majority of this change is the result of the acquisition of a 34.52% investment in RBPlat.

- Combined Mineral Resources at the Booysendal mine totalled 101.25 Moz 4E, an increase of 0.89 Moz 4E. This increase is the net result of an increase in metal content associated with orebody evaluation (1.56 Moz 4E), partially offset by mining depletions (-0.67 Moz 4E)
- Combined attributable Mineral Resources in the Dwaalkop joint venture totalled 7.12 Moz 4E, a decrease of 1.77 Moz 4E. This decrease is the result of Sibanye-Stillwater's re-evaluation of the deposit and the Inferred confidence category during the year
- Combined Mineral Resources at the Eland mine totalled 14.43 Moz 4E, an increase of 0.14 Moz 4E. This increase is the result of the inclusion of Mineral Resources from the acquisition of Maroelabult during the year
- Attributable combined Mineral Resources at the RBPlat mines totalled 23.06 Moz 4E. This is a new addition to the Mineral Resources inventory following the acquisition of a 34.52% investment in RBPlat during the year
- Combined Mineral Resources at the Zondereinde mine totalled 79.61 Moz 4E, a decrease of 0.50 Moz 4E. This decrease is the net result of mining depletions (-0.47 Moz 4E) and a decrease in metal content associated with orebody evaluation (-0.03 Moz 4E)

Mineral Resources
Attributable total Mineral Resources Moz 4E



Mineral Resources
Annual change in total Mineral Resources Moz 4E



Notes:
1. Mineral Resources and Mineral Reserves estimates are reported on a Northam attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly-owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited) or from the Dwaalkop joint venture, in which Northam holds a 50% interest, or from an associate, RBPlat, in which Northam holds a 34.52% interest.
2. Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.
3. Mineral Resources are reported as in situ estimates inclusive of Mineral Reserves.
4. PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold), this being synonymous with 3PGE + Au and 4E PGE.
5. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.
6. Current Mineral Resources for Dwaalkop are quoted as at 31 December 2021 while those of the previous year are as at 31 December 2020. There are no Mineral Reserves declared for Dwaalkop.
7. Current Mineral Resources and Mineral Reserves for RBPlat are quoted as at 31 December 2021. There were no attributable Mineral Resources and Mineral Reserves in the previous year.

Mineral Reserves

4E Mineral Reserves estimate

(Combined Measured, Indicated and Inferred)[1,2,4,5]

	30 June 2022 4E			30 June 2021 4E		
Operation	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Booysendal	129.88	2.67	11.13	132.58	2.71	11.56
Eland	30.91	3.22	3.20	26.94	3.37	2.92
RBPlat[7]	40.38	4.21	5.46	—	—	—
Zondereinde	96.33	4.75	14.71	98.35	4.75	15.03
Total	**297.50**	**3.61**	**34.50**	**257.87**	**3.56**	**29.51**

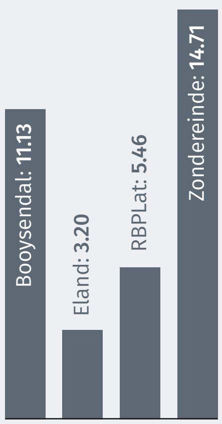
Changes to the Mineral Reserves during the year

Northam's attributable combined Mineral Reserves as at 30 June 2022, expressed as metal content, comprise 34.50 Moz 4E, an increase of 4.99 Moz 4E on the previous year.

- Combined Mineral Reserves at the Booysendal mine totalled 11.13 Moz 4E, a decrease of 0.43 Moz 4E. The majority of this was from the UG2 of North mine (-0.33 Moz 4E). This is predominantly the result of mining depletion and a reduction in Mineral Resource content
- Combined Mineral Reserves at the Eland mine totalled 3.20 Moz 4E, an increase of 0.28 Moz 4E. This was the result of inclusion of Mineral Reserves occurring in the Maroelabult mining right, acquired during the year, together with changes to mining modifying factors
- Attributable combined Mineral Reserves at the RBPlat mines totalled 5.46 Moz 4E. This is a new addition to the Mineral Reserves inventory following the acquisition of a 34.52% investment in RBPlat during the year
- Combined Mineral Reserves at the Zondereinde mine totalled 14.71 Moz 4E, a decrease of 0.32 Moz 4E. This is predominantly the result of mining depletion

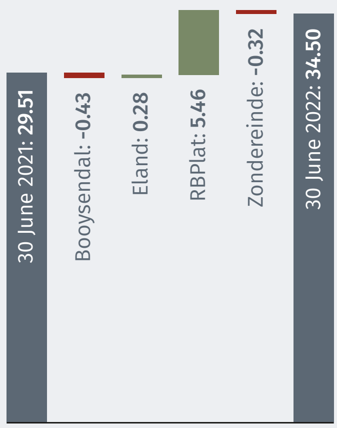
Mineral Reserves

Attributable total Mineral Reserves Moz 4E

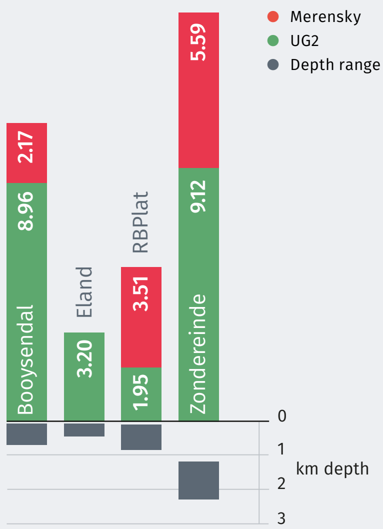


Mineral Reserves

Annual change in total Mineral Reserves Moz 4E



Mineral Reserves depth range Moz 4E



Our mining produces PGMs together with copper, nickel, cobalt, chrome, gold and silver

Zondereinde Western extension

New shaft access world record

The addition of the Western extension will allow Zondereinde to increase its annual production to 350 000 oz 4E and has extended its remaining life of mine to over 30 years. Furthermore, the expanded mining footprint will enable the creation of direct, meaningful, sustainable employment for an additional 600 people.

The acquisition of the Western extension in early 2018 provided Zondereinde with immediate access to an additional 3.6 kilometres of mineable strike to the west of its existing underground operations.

Exploration data indicates that this section contains PGM Mineral Resources of over 20 Moz 4E within both the Merensky and UG2 orebodies. The Merensky Reef predominantly comprises the high-grade P2 sub-type and the ground is unaffected by any significant faults or dykes. This should allow efficient mining.

Progress and significant milestones during the year

During the year, over 4 360 metres of access tunnels have been advanced within the Western extension section, which is over 230 metres above plan. Strike development on some levels has reached the fourth mining line, raises are being developed on the third mining line and ledging of completed raises is in progress on the second mining line. Over 480 000 tonnes of Merensky Reef have been extracted from the first mining line, yielding just over 87 000 oz 4E in concentrate. Crew productivity is continuing to benefit from the combination of better mining conditions and focussed logistics over the ten mining levels.

Progress on the 3 shaft complex access project is on track. 3 shaft is designed as conveyance for personnel and materials, together with services, including ventilation, process water, tailings slurry for backfill placement underground, and electricity. 3a shaft is a dedicated, upcast ventilation way. Both have depths of 1 382 metres and are developed through raise-boring from surface.

Accuracy in pilot drilling of the shafts is a critical success factor. We are utilising directional drilling technologies normally applied in the oil industry. Piloting of 3 shaft was successfully completed on 18 July 2020 and lateral deflection of the hole was limited to less than 20 centimetres.

Pilot drilling of 3a shaft commenced during the second half of the current financial year, has reached a depth of 650 metres and is scheduled for completion by the end of the current calendar year, after which reaming will commence.

Reaming of 3 shaft to a final diameter of 4.8 metres commenced in December 2020 and was successfully completed on 26 April of this year. This is a world record achievement.

The shaft is now being equipped and is scheduled, together with the 3a ventilation shaft, to be operational in 2024.

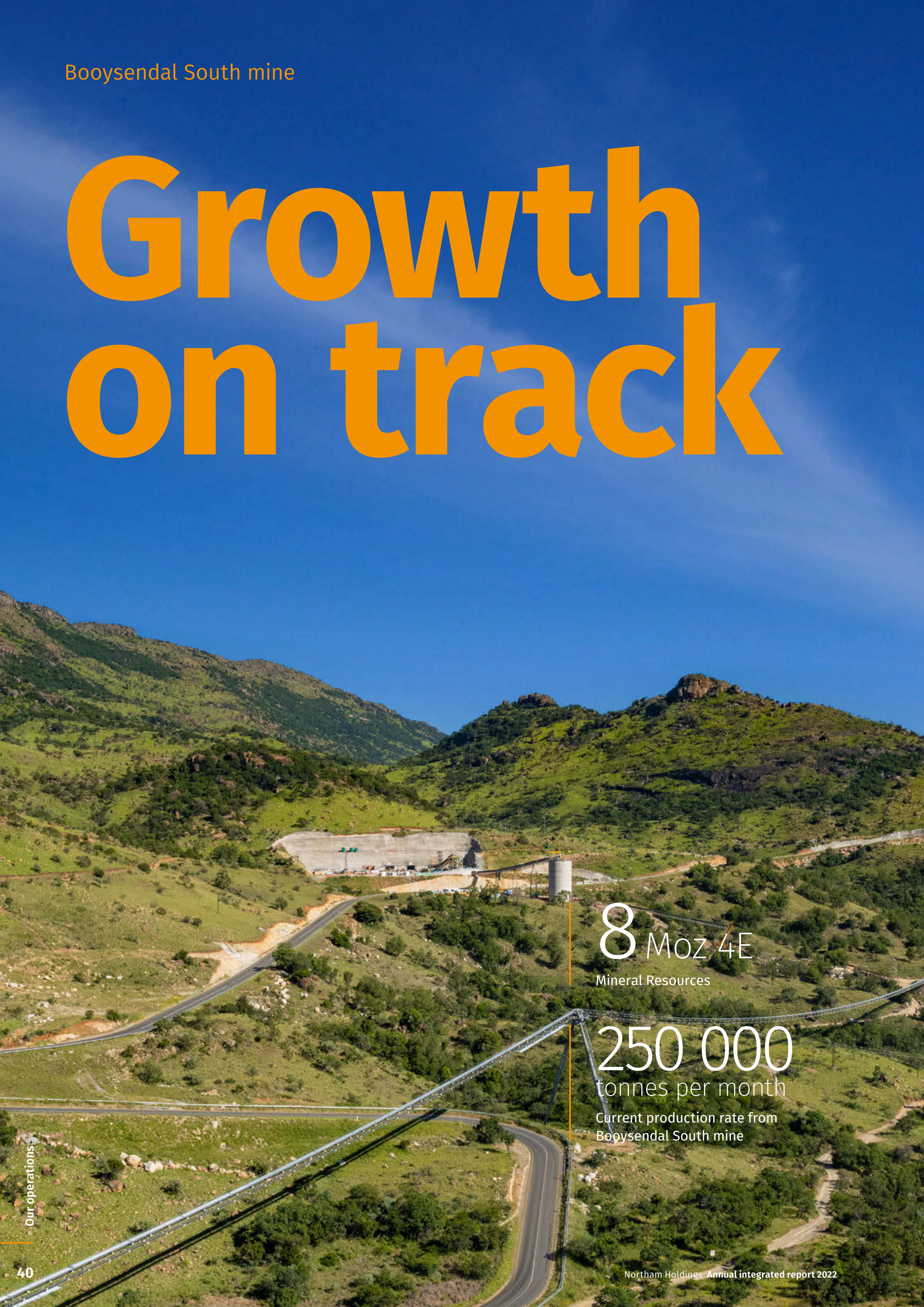
Earthworks, civil engineering and construction of surface infrastructure to support the shaft complex is underway. An Eskom SOC Limited (Eskom) intake yard is nearing completion and will be energised shortly after the end of the financial year and the shaft winder-house foundations have been completed. The schedule for all surface work is aligned to shaft commissioning.

The development of the Western extension section at Zondereinde is on track and will sustain production well into the future.

The impact of COVID-19 on the project

The ongoing impact of COVID-19 is still being felt at Zondereinde. Despite mining crews having been returned to work during F2021, the emergence of new COVID-19 variants has resulted in staff turnover and medial absence being significantly elevated above prior years. This had a negative impact on production, particularly during the first half of this financial year. Improvements in crew productivity, both in stoping and development, partially mitigated these impacts.

Growth on track



8 Moz 4E

Mineral Resources

250 000 tonnes per month

Current production rate from Booysendal South mine

The current Booysendal South mine plan to develop three UG2 modules (BS1, BS2 and BS4), together with a single Merensky module (BSM1), unlocks Mineral Reserves of almost 8 Moz 4E, mineable for approximately 30 years. Furthermore, from 2025, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate.

The current Booysendal South mine plan to develop three UG2 modules (BS1, BS2 and BS4), together with a single Merensky module (BSM1), unlocks Mineral Reserves of almost 8 Moz 4E, mineable for approximately 30 years. Furthermore, from 2025, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate.

In so doing, Booysendal South will have created direct, meaningful, sustainable employment for 3 500 people and will significantly benefit both the local and national economies.

Booysendal's Mineral Resource base is significant. Mine development, which commenced in 2010, concentrated on the north-eastern portion of the property, with the North UG2, followed by the North Merensky modules. This was due to the generally challenging topography, with best access and availability of sites for surface infrastructure to support underground mining located in the north-east.

The provision of surface infrastructure, including a large PGM and chrome concentrator, together with a tailiings storage facility (TSF), was the key strategic driver for the acquisition in 2015 of the Everest mine from Aquarius Platinum (South Africa) Limited. This essentially unlocked the potential for mining in the southern portion of Booysendal. The Booysendal South mine project subsequently commenced.

Progress and significant milestones during the financial year

Following completion of supporting surface infrastructure, the focus at the BS1 and BS2 modules shifted to underground development, equipping and stoping build-up. Underground development has reached the capital footprint and the number of stoping crews has reached the steady state complement of 14.

During the financial year, 2 900 metres of decline development have been achieved. This is 485 metres above plan, which is commendable given the disruption from community unrest across the Bushveld eastern limb, particularly during the first half of the year. Over 2.7 million tonnes of ore have been delivered to the South concentrator during the year, generating in excess of 180 000 oz 4E in concentrate.

Key surface infrastructure at the Central UG2 complex servicing the BS1 and BS2 modules, including surface conveyors, crusher, South aerial rope conveyor feed system, workshops and change houses are commissioned and operating within design parameters.

Development of declines at the BSM1 module is in progress. 1 105 metres have been developed to date. Ore from the BSM1 module, together with that from the North Merensky module is being fed to the South concentrator via the North aerial rope conveyor. This was commissioned, on plan, in December 2021 and is operating within design parameters. The North Merensky module is now ramping up to its phase two capacity of approximately 50 000 oz 4E in concentrate per year.

Decline development has also commenced at the BS4 UG2 module. Stoping has started and will continue to ramp-up to an annual steady state of around 25 000 oz 4E in concentrate during 2024.

Logistics upgrades have been completed at the South concentrator. This includes a new truck access and loading facility which is necessary to handle PGM and chrome concentrate dispatches as South mine ramps up. Studies surrounding increasing concentrator throughput, together with tailings handling have been concluded. The 250 000 tonnes per month nameplate capacity of the South concentrator is conservative. Re-configuration of the South TSF is progressing well. This will enable capacity for the life of South mine.

A 1.25 MW roof-top solar installation was commissioned during the current financial year. Limited permitting requirements allowed the rapid conclusion of this project.

Overall, Booysendal South mine is on track. It has moved beyond the critical project phases and we look forward to continued stoping ramp-up over the coming year.

The impact of COVID-19 on the project

The phased restart and curtailment of the BSM1 Merensky and BS4 UG2 modules during F2021 negatively impacted workflows of the Booysendal South project. However, strong performance from development and equipping crews following this is mitigating these impacts.

Earthworks and civil construction of the North aerial rope conveyor was prioritised during the phased restart. Mechanical construction using specialised crews from our Austrian supplier was impacted due to international travel restrictions. This work commenced in January 2021, which pushed commissioning back by approximately six months, to the end of the first half of the financial year. Scheduling of build-up and ore stockpiling for the North Merensky mine was consequently adjusted.

Eland mine

Eland mine hosts a Mineral Resource base of over 14 Moz 4E, the majority of which resides within near-surface, thick, high grade UG2. At steady state the mine will produce 180 000 oz 4E in concentrate per year and provide direct, meaningful, sustainable employment for over 2 500 people.

Eland mine was acquired from Glencore Operations South Africa Proprietary Limited in December 2017. The mine was on care and maintenance and had significant, quality infrastructure already in place. Large PGM and chrome concentrators and TSFs, together with all necessary surface infrastructure to support underground mining, were also in place. Two decline systems, Kukama and Nyala, accessed three mining levels on the UG2 Reef and were fully equipped.

Eland had been developed for mechanised bord and pillar mining, however this was not appropriate for the dip of the UG2 Reef at the property.

A feasibility study to restart UG2 mining as a hybrid of conventional breast stoping with conveyor ore transport was concluded in 2019, forecasting steady state annual production of 150 000 oz 4E in concentrate after a six year ramp-up. Further scheduling led to a steepened ramp-up with an expanded steady state profile of 180 000 oz 4E in concentrate per annum by 2028.

Progress and significant milestones during the financial year

Over 1 300 metres of decline development was achieved during the year. This has accessed seven strike drives and these are being advanced. We require eleven strike drives for steady state production.

Stoping of UG2 Reef continued in the upper western portion of the mine. Over 8 900 square metres of stoping to date have enabled optimisation of in-stope practices, as well as ore handling systems.

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during F2020. An application for transfer of the mining rights was granted at the start of the second half of the current financial year. Maroelabult lies immediately west of Eland and western strike development from Kukama decline is in part aimed at connecting with the Maroelabult decline. This will enhance the provision of underground services, as well as the build-up of mineable reserve. Development and stoping at Maroelabult have commenced and will ramp-up during the coming financial year.

The inclusion of Maroelabult will enhance Eland's ramp-up.

Refurbishment of the primary milling circuit of the PGM concentrator was completed at the start of the year. This has permitted the treatment of run of mine ore sources, together with third party surface material and retreatment of tailings from the Eland TSF.

Mine planning, incorporating Maroelabult, was completed and indicates a reduced lead time to steady state. This study also included planning for open pit UG2 mining in the east of the property.

Open pit mining of UG2 commenced during the first quarter. First ore was delivered during the second quarter. Mining will ramp-up to a rate of 20 000 tonnes of ore per month early in the coming financial year.

A 1.25 MW solar farm was commissioned at Eland during the current financial year. Limited permitting requirements allowed this installation while planning for larger installations proceeds.

The impact of COVID-19 on the project

The decision at group level to reduce growth capital expenditure in the interest of cash preservation led to the suspension of stoping build-up at Eland. Primary development of the declines and western strike drives continued in order to minimise the impact on overall mine ramp-up. This led to lower run of mine tonnage to date, but has had little impact on the overall timeline for mining ramp-up.

14 Moz 4E

Mineral Resources

180 000

oz 4E per annum

Planned steady state production

Full build on target

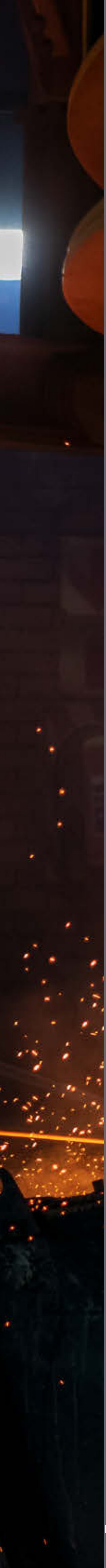
Upgrading for the future

4

Independent furnaces

Rebuild complete

to furnace 1



The group's operational growth strategy is both increasing the throughput of the metallurgical operations, as well as increasing the number of feed streams. This is necessitating commensurate upgrades to the capacity and flexibility of all processes, the requirements and scheduling of which have been informed by thorough production capacity analysis. These upgrades will maintain our status as an independent PGM producer, benefitting from the full mine to market value stream.

The addition of a dedicated recycling smelter circuit will add significant flexibility and growth potential to our recycling business.

The group's operational growth strategy is both increasing the throughput of the metallurgical operations, as well as increasing the number of feed streams. This is necessitating commensurate upgrades to the capacity and flexibility of all processes, the requirements and scheduling of which have been informed by thorough production capacity analysis. These upgrades will maintain our status as an independent PGM producer, benefitting from the full mine to market value stream.

The addition of a dedicated recycling smelter circuit will add significant flexibility and growth potential to our recycling business.

Northam's metallurgical operations, located at Zondereinde, treat PGM and base metal concentrates from our three mines, as well as from third parties. This is in addition to high value feeds from our US recycling business. The metallurgical operations include a smelter facility, together with a BMR, which collectively produce high grade precious metal concentrate that is subsequently toll-refined off-site to final saleable metal.

The main smelter facility comprises two independent furnaces, furnace 1 and furnace 2, with two flash dryers upfront and two iron-reduction convertors. This produces convertor matte that feeds the BMR, wherein nickel is removed as a nickel sulphate precipitate and pure copper plate is removed in an electro-winning circuit. The remaining high grade precious metal concentrate is shipped to our two toll refiners.

Progress and significant milestones during the financial year

The upgrade programme to our metallurgical operations commenced in earnest in 2017 with the construction and commissioning of furnace 2, together with its dedicated concentrate dryer.

Upgrades to the material handling and logistical infrastructure at these operations were completed during the previous financial year. These included improvements to the logistical flow at the smelter facility, increased the size and number of concentrate storage paddocks and upgraded concentrate sampling and weighing arrangements.

A scheduled rebuild of furnace 1, which commenced during May 2021 was completed during the first half of this financial year. This included upgrades to the furnace crucible, binding system, furnace electrodes and transformers. In addition, the slag handling system was changed from a wet (water granulation) to a dry (air cooling) process. Upgrades to one of the up-front dryers, which included an electrostatic precipitator were finalised during the same period. This has enabled increased throughput, improved efficiency, provided additional flexibility in the smelter circuit and improved air quality, especially relating to emissions of particulate matter.

The slag-handling systems of both furnaces have now been changed from wet to dry. This has significantly reduced operational risk, water use, energy requirements, and consequent greenhouse gas emissions), as well as permitting optimised furnace capacity and utilisation.

Work has commenced on upgrades to the BMR, to align capacity to that of the smelter circuit. Additional copper electro-winning cells were commissioned and upgrades to the nickel sulphate crystalliser and second stage leaching circuits are in progress. In addition, vacuum pan dryers were installed. These significantly reduce sulphur dioxide emissions in the BMR. Further improvements will run in a sequential manner over the coming four years.

The construction of a separate, dedicated smelter circuit for treating recycling material was completed and the facility was commissioned during May of this year. This comprises two furnaces with all ancillary infrastructure.

The development of a 11 MW solar power farm to provide electricity to the metallurgical complex commenced. The design and permitting phases for this installation have been concluded and earthworks are in progress. The project was temporarily suspended as a result of global supply chain disruptions resulting from COVID-19, but the project is progressing. In addition, preliminary work on a larger solar facility has commenced.

The impact of COVID-19 on the project

There were no direct production impacts from COVID-19 at the metallurgical operations during the reported year. The upstream impacts of COVID-19 at the mining operations resulted in variable feedstock. This, however, was mitigated by our normal feed management processes. Project progress was disrupted by medical absences, particularly relating to the rebuild of furnace 1, as well as the construction of the dedicated recycling circuit.

Nickel in sulphate form is a by-product of our mining of PGMs. We are busy upgrading our nickel sulphate precipitators

Our key stakeholder relationships

Our stakeholders are of both local and international origin. As a mining organisation, we operate within a multifaceted economic, legislative and social environment. We are a responsible corporate citizen and continuously engage with our stakeholders to better understand and respond to their concerns, needs and opinions. This ensures that our growing operations are sustainable and mutually beneficial to all.

Our stakeholders, together with their role and the relationships we share with them are summarised below:

Investors and providers of funding

Equity and debt investors provide the financial capital that enables the continued development of our growth strategy.

Regular updates on capital deployment, progress on growth strategy and operational performance improve investor confidence

page 49

Unions

Organised labour represents our employees' interests, in particular their rights in the workplace, notably the right to freedom of association and collective bargaining.

Robust and mature relationships with organised labour contribute to broader employee engagement

page 50

Employees

People make our business. Our employees provide human and intellectual capital by contributing their skills, abilities and knowledge to the economic processes of the company, thereby creating value.

Employee contributions are key to a safe, healthy and productive working environment

page 51

Customers

Customers are very important. Our customers are mainly industrial companies, who in the case of the automotive sector are suppliers of catalysts and catalytic components as opposed to the car manufacturers themselves.

We have long-standing associations and relationships with our customer base to whom we remain a reliable supplier

page 52

Communities

Communities surrounding our operations are home to many of our employees. These communities are largely impoverished with weak local government structures resulting in failing basic services and a general lack of economic opportunities. Our operations provide for significant economic activity by way of our investment in local economic development through our social and labour plans (SLPs).

Working with local communities strengthens our ability to deliver social upliftment

page 53

Industry associations

Industry associations promote the industry, as well as market development activities which are important to ongoing demand for our products.

We contribute to and actively participate in various industry associations

page 54

Government and regulatory authorities

Government sets the legislative framework in which we operate, together with providing, through state-owned enterprises, some of the basic services required by our operations.

Operating within the legislative framework set by government is a business imperative

page 55

Suppliers of goods and services

Suppliers provide the goods and services required by business. A significant portion of our operating cost is spent on procured goods and services rendered to our business.

Inclusivity, transformation and transparency underpin our procurement approach

page 57

Investors and providers of funding

Why we engage

Equity and debt investors provide the financial capital that has enabled and will continue to enable the ongoing development of our growth strategy.

Mining is a capital intensive business with relatively long time horizons to achieving financial returns and it carries a commensurate risk profile. Investors therefore need to place significant trust in management to deliver appropriate returns.

Shareholders are traditionally the last in line to earn any returns. We understand this and have therefore structured our strategy to include returning value to shareholders at the first appropriate opportunity. During the financial year this has manifested, firstly, through our purchase of Zambezi Preference Shares and subsequently, through the early maturation of the Zambezi structure, with its inherent buy-back of 28.9% of Northam's Shares in issue.

Understanding and responding to the concerns and views of our investors is critical, as is appraising them of how capital is deployed, how our growth strategy is evolving and how the operations are performing.

How we engage

- Statutory reporting through interim and annual reports
- Stock exchange news service (SENS) announcements
- AGMs
- Investor roadshows, conferences and site visits

Interactions during the year

Key issues raised	Our response
Disciplined capital allocation and value return to shareholders	The long-term success of the business depends on achieving an optimal balance between growth (both acquisitive and organic), sustainable operations and returning value to the providers of capital. Management carefully considers the appropriate allocation of capital in these areas to achieve the group's strategic objectives. Over the past few years, we have returned value through the purchase of the Zambezi Preference Shares as the Northam board deemed this to be the most efficient and beneficial method of doing so at that point in time. Very recently, we have returned value through the early maturation of the Zambezi BEE Transaction which included a 28.9% buy-back of Northam Shares. The company is currently at a critical juncture in our growth strategy, with various potential alternative outcomes which remain to be determined. This will inform our approach to return value to shareholders which we will keep shareholders appraised on.
Progress on growth strategy	The group has a large, modular capital expansion programme to secure its future through the creation of long-life, low-cost operations. Successful project execution remains key to creating a sustainable business for the long-term benefit of all our stakeholders.
Market demand certainty	We have developed long-standing, robust relationships with our customers. This gives us strong demand side intelligence which informs our outlook and strategic planning.
Ongoing disclosure of pertinent technical and financial information	We have expanded our financial and operational reporting to a level that has sufficient detail for investment decisions and demonstrates a consistent, comparable approach.
Risk mitigation measures	Our risk identification and mitigation processes have been strengthened over the past five years. See page 76 for the managing risks and opportunities section.
Remuneration policy, particularly the need for performance criteria to be included in executive retention schemes	We have adjusted our remuneration policy to cater for the concerns expressed by our shareholders. Refer to our Remuneration report 2022 for the year ended 30 June 2022, available on our website.

Unions

Why we engage

Organised labour represents employees' interests. Northam recognises employees' rights in the workplace, notably the right to freedom of association and collective bargaining. These rights are governed by South African labour legislation and are subject to provisions contained in the substantive agreements that we have with organised labour.

Northam is committed to engaging in good faith with unions representing our employees, in order to reach agreement on matters important to both the company and our employees. Our substantive agreements prescribe that registered unions obtain organisational and bargaining rights at 15% and 33.3% representation respectively within a particular bargaining unit.

It is key to our broader employee engagement that we foster a robust and mature working relationship with the various unions that are active across our operations.

How we engage

- We interact in collaborative engagement with union branch representatives at the operational level through various working forums. We also facilitate and participate in training workshops with them to engender common understanding. We further have ad hoc interaction at regional and national levels, as and when required
- Negotiations regarding wages and working conditions are dealt with at an operational level. The unions representing the main bargaining units are the NUM at Zondereinde and Eland mines, and the Association of Mineworkers and Construction Union (AMCU) at Booysendal mine. We believe that our ongoing dialogue outside of wage negotiations has strengthened our mutual understanding and relationships. This has yielded positive results in recent times. In addition, we believe that our relatively smooth transition from a contract mining to owner operator model at Booysendal, was in part the result of our robust and mature relationship with the AMCU

Interactions during the year

Key issues raised	Our response
Wage negotiations at Zondereinde	Wage and conditions of service demands were received at the end of F2021. Negotiations related to this were successful, with, for the first time in the mine's history, a five-year agreement concluded shortly after F2021.
Wage negotiations at Eland	The first wage negotiations for Eland were successfully completed after F2021 with the current conditions of employment having been aligned to group practices. This resulted in a five-year wage agreement being concluded.
Recognition agreement at Zondereinde	An updated recognition agreement to govern the relationship and engagement between the company and the organised labour union was agreed and concluded at the Zondereinde operations.
Continuing operations in an orderly and safe manner during the ongoing COVID-19 pandemic	Normal operations during the COVID-19 crisis required ongoing communication with the various unions. There has been significant engagement between our operational management, organised labour unions, industry body – the Minerals Council South Africa, the Department of Mineral Resources and Energy (DMRE), local government and the various emergency services. This led to a set of safety protocols being developed and implemented to ensure safe working practices. This included providing facemasks and sanitising stations to employees, using scanners to monitor employee temperatures and flu vaccinations for employees. Employees were also trained on social distancing and other COVID-19 related protocols that were based on the World Health Organisation (WHO) guidelines and developed by the Minerals Council South Africa.

Employees

Why we engage

People make our business. Our employees provide human and intellectual capital by contributing their skills, abilities and knowledge to the economic processes of the company, thereby creating value. Employee engagement is a strategic business objective. We believe that engaged employees lead to long-term employee retention, higher employee performance, improved quality of work, employee satisfaction and business success.

Mining in South Africa is particularly labour intensive. The contribution of employees to the business imperatives of a safe, healthy and productive working environment is critical.

How we engage

- Regular management interaction and clear communication structures
- Information is disseminated through our training interventions, internal newsletters and communiques, as well as through the various representative union bodies
- Concerns are addressed through various channels including, employee representative forums, as well as the independent ethics and fraud hotline of the group

A copy of our code of ethics and conduct is available on our website

Interactions during the year

Key issues raised	Our response
Communication during the ongoing COVID-19 pandemic	Employee communication during the ongoing global COVID-19 pandemic has been paramount to safe operations. The internal COVID-19 task team that was established at the onset of the pandemic has ensured central coordination of our protocols and responses. The task team has also ensured that, at all times, employees were in the communication loop and aware of the latest company developments. The dissemination of information has been vital in not only coordinating the transition back to normal operations but to encourage and promote the group's vaccination programme. In addition, communication with organised labour unions helped to distribute information to employees. The internal briefing system was an additional channel used by the operations' general managers. At our request, our medical services provider supplied vital communication regarding the vaccination programme as well as medication provision services during this time. They are in constant communication with all their members, especially those with chronic conditions. This is to ensure compliance to medication schedules and to arrange for delivery of medication where required.
Gender-based violence	Gender-based violence and sexual harassment are endemic in our society. Inevitably, the mining industry reflects these trends. Northam has launched a group wide awareness campaign to promote our proactive support to women, and for everyone to look out for signals and situations which cause discomfort, fear, anxiety and pain. In addition, everyone has been required to report situations which could make women feel unsafe. See page 58 for the women in mining section.
Fair employment practices	Northam implements fair employment practices in line with the basic labour rights of the Fundamental Rights Convention of the International Labour Organization. Employment equity and transformation committees including women in mining have been reconstituted at our operations. The company's board, through the social, ethics, human resources and transformation (SEHR&T) committee plays a vital role in monitoring this, whilst the company's code of ethics and conduct safeguards this. All employees are required to adhere to this code and we communicate this through refresher training and general communiques, for example information boards and newsletters. We further have an independent ethics and fraud hotline which is accessible to all employees.

Customers

Why we engage

We have long-standing associations and relationships with our customer base. We sell most of our PGMs through offtake agreements with a limited number of large customers. Heraeus and Johnson Matthey, which refine our product on a toll basis, are two of these. Our buyers are mainly industrial companies, who, in the case of the automotive sector, are suppliers of catalysts and catalytic components as opposed to the car manufacturers themselves. This affords them deep insight into the demand side of the broader PGM market.

Our customers are very important to us. It is critical to understand their needs in order for us to remain a reliable supplier and for us to retain their trust as an ethical operator. The ongoing COVID-19 pandemic has brought the significance of these relationships to the fore. Physical, in-person interactions have resumed with travel restrictions being lifted. Ongoing communication, both virtual and in-person has been key to coordinating our response.

Our chrome product is sold through a single third party via a guaranteed offtake and security of supply contributions agreement. This ensures sales and revenue, even during depressed market conditions. As a large metals trader, their market insights are significant.

How we engage

- We regularly communicate via telephone and video conferencing
- We undertake roadshows, attend conferences and site visits, as well as host visits to our operations
- Our engagement with our customers include our refiners with engagement through formal and informal processes, as well as through our shared industry association memberships

Interactions during the year

Key issues raised	Our response
Availability of metal (including logistics)	We have proven ourselves to be a reliable and consistent supplier of quality metal product over many years. Logistics for the supply of metal has stabilised in line with the easing of the travel restrictions as a result of COVID-19. We have kept our customers informed of our growth strategy and ongoing progress against this. In addition, we partner with some customers in research and development programmes, strengthening our relationships and product offering.
Responsible sourcing and climate change	We have developed a group-wide responsible sourcing procedure which incorporates key aspects required by our customers. These include our commitment to basic human rights, fair labour practices, our environmental responsibility (in particular our initiatives to reduce greenhouse gas emissions) and socio-economic development. In addition we have taken a pro-active decision to adopt the Initiative for Responsible Mining Assurance (IRMA) programme.

Communities

Why we engage

Socio-economic issues in South Africa are extreme, particularly in the areas in which we operate our mines. Small towns and rural areas are largely impoverished, with weak local government structures resulting in failing basic services and a general lack of economic opportunities. This has led to unemployment, particularly amongst the youth, which has in turn resulted in communities expressing their frustrations through protest and other civil actions.

Our operations are significant centres of economic activity within these areas. Our employees reside in these communities and we source labour and procure contracted services from these communities. In addition, we invest significantly in local economic development (LED) programmes, as well as our enterprise and supplier development (ESD) programmes through our SLPs and corporate social investment, as further discussed under the Government stakeholder section.

As a result of our prominent position in the areas near our operations, we sometimes become focal points for protesting communities who seek employment, skills development and procurement opportunities. In addition, public participation, including engaging with our communities, is an important component of environmental authorisation and licence application processes in South Africa. Extensive screening programmes are undertaken in the areas where we operate to ensure that relevant stakeholder are identified and included in the public participation processes.

How we engage

- We created platforms of engagement in conjunction with the local, district, provincial and national government structures, as well as community engagement forums and traditional leadership structures that meet at least quarterly. In addition, we engage, as part of the future forums with employees' leadership and non-governmental organisations on ad hoc basis, where there are issues of concern in a short-term period. These platforms are created to discuss issues that relate to local recruitment and employment, procurement opportunities, community development and matters of concern from operations that impact locals
- During the financial year, local communities, via The Northam Zondereinde and The Northam Booysendal Community Trusts, holds unencumbered shares in Northam Holdings through the Net Asset Value Distribution through the wind-up of the Zambezi structure. Quarterly trustee meetings are held in which community concerns were aired. The mandate of the Trusts are to fund health and education needs on the mine communities where we operate
- Participation in the Extended Empowerment Transaction will allow communities an ongoing forum for interaction with the company and gaining financial benefits on an annual basis
- At Booysendal, the mine leases surface freehold from the Bakoni Ba Phetla Communal Property Association. This benefits the community financially and affords them a further communication channel
- Systems are in place to receive environmental concerns from our neighbouring communities in order for us to respond to these matters. These include formal grievance processes

Interactions during the year

Key issues raised	Our response
Youth unemployment – community protest at the Zondereinde mine	The mine's operation task team engaged with the Thabazimbi Youth Unemployment Forum on the matter where it was mutually agreed that, the timing of any protest action should not affect the safety of any of its employees or disrupt production at the mine. Through consistent and regular engagement with the forum, initiatives to address unemployment amongst the youth in the area have been established.
Lack of local procurement opportunities	Our operations continuously engage communities on issues of local procurement and provide ESD programmes to support the aspiring business community members. On a yearly basis specific procurement opportunities are identified and set aside for community businesses. These businesses have a direct benefit from other service providers in respect of the normal procurement opportunities that are available.
Environmental authorisation and licence application processes	Several interactions were held with those affected in order to facilitate and understand the solar project environmental authorisation processes at the Zondereinde and Eland operations. At Booysendal, pre-amendment application meetings were held with the affected communities to obtain consensus and agreement for the engagement processes regarding the environmental authorisation processes that were pending.
Lack of education and infrastructure in labour sending areas	As a group, Northam Holdings has provided three primary schools in the Lusikisiki area with additional classrooms. Infrastructure for sanitation has also been established in Eastern Cape Province.
Demand for business opportunities in Eastern Limb – local community protests around the Booysendal mine	The Presidential task team, comprising members from presidency, security cluster, provincial and local governmental have engaged with the chief executive officers of the mines operating in the Eastern Limb, on initiatives on how to resolve these disputes and protect the operations. Security structures have been established to specifically deal with the issue of community protests causing business interruptions. Discussions with the concerned local business leaders are ongoing to find an amicable solution.

Industry associations

Why we engage

Industry associations promote the industry, as well as market development activities which are important to ongoing demand for our products.

How we engage

- Northam contributes to and actively participates in the World Platinum Investment Council (WPIC), the Platinum Guild International (PGI) and the International Platinum Group Metals Association (IPA). In addition, Northam contributes to an industrial research and development programme directed by our refining partner and customer, Heraeus
- We are an active member of the Minerals Council South Africa, which is a mining industry employers' organisation that supports and promotes the South African mining industry
- We engage with various regulatory, legislative and professional affiliate organisations in the pursuit of our normal business

Interactions during the year

Key issues raised	Our response
Membership sustainability in view of cost and economic pressures	Membership is subject to annual review. There is frequent dialogue with the leadership of industry bodies.
Issues affecting the South African mining industry	Our membership of the Minerals Council South Africa allows us to contribute to collective responses from the industry.
Responsible sourcing and climate change – the challenges and initiatives with the sector	As part of our association with the IPA sustainability committee we have collectively shared our views on initiatives to address the challenges within the sector. We have adopted the IRMA programme together with the development of a group-wide responsible sourcing procedure.

Government and regulatory authorities

Why we engage

Government sets the legislative framework in which we operate and provide, through state-owned enterprises (SOEs), some of the essential services required by our operations.

We operate under new order mining rights issued at our operations. Mining rights are subject in part, upon our compliance to the Mining Charter and our performance relative to our SLPs. Agreement to, and monitoring of performance against SLPs is controlled by the DMRE.

Our SLPs are developed internally, but for them to have the greatest positive impact, they are influenced by and aligned to programmes such as local municipality Integrated Development Plans (IDPs) as well as community engagements. SLP initiatives include programmes in respect of human resource development for employees and communities, local economic development, preferential procurement, as well as housing and living conditions within the mining communities. Other key SLP programme initiatives include water and sanitation reticulation and treatment, the electrification of villages, as well as the construction and upgrade of healthcare and educational facilities, both in areas local to the operations, as well as in labour sending areas.

These projects are advanced preferably using service providers that are from the local communities to the mine, which multiplies the benefits accrued. In order to align these projects with needs and surmount their many regulatory challenges, significant coordination through practical and functional working relationships with the three spheres of government is required during social and labour plan execution.

We are regulated by an extensive framework of environmental legislation, including the National Environmental Management Act, 107 of 1998 (NEMA) and the various specific environmental management acts which focus on waste, air quality, biodiversity, water and heritage resources. Our operations hold several licences for their activities, including environmental authorisations under NEMA, waste management licences at Zondereinde and Booysendal mines, and an atmospheric emission licence at Zondereinde metallurgical operations.

Northam is committed to the stewardship of the environment surrounding our operations. Achieving this requires strong relationships with, amongst others, the Department of Water and Sanitation (DWS), the Provincial Department of Environment Forestry and Fisheries as well as various arms of local and provincial government.

How we engage

- Formal reporting and consultation, with the different spheres of government. Our primary interaction on matters relating to permitting, as well as safety and health is with the DMRE, through the regional offices and the office of the chief inspector
- Submission of mandatory and legislated information and reports to various provincial government departments in respect of compliance with minerals, labour, communities, health and safety and environmental legislation
- As a prominent power user customer, we engage with SOEs, such as Eskom, through the large power user customer relations executives, to manage matters such as disruption to our operations associated with periods of interrupted power supply
- On nature conservation matters, trustees of the Buttonshope Conservancy Trust meet quarterly to discuss performance and any new developments. The Buttonshope Conservancy Trust oversees the development and ongoing management of environmental offset areas associated with the development of the Booysendal mine. Trustees consist of representatives of the Mpumalanga Tourism and Parks Agency (MTPA) which is responsible for managing nature conservation under the Mpumalanga provincial government
- As members of the Lebalelo Water User Association (in the process of changing its name to Olifants Management Model Water User Association), Hartbeespoort Irrigation Scheme, Regional Water Catchment Management Associations, and the Elands Hex Catchment Management Forum, we meet on a regular basis. These meeting forums comprise the DWS, as well as other mining houses and water users
- Regular meetings in respect of our Zondereinde operation, who is a member of the Waterberg Implementation Task Team forum, established to specifically focus on air quality in the region
- Zondereinde is also in the process of developing an air quality offset program alongside the Department of Environmental Affairs. This aims to ensure the appropriateness of air emission levels from the metallurgical complex, as well as upholding the mine's Atmospheric Emission Licence granted to it by the Department
- Participation through the Thabazimbi Mining Forum, constituting local government and all mining houses in the area to discuss issues that are of common interest, specific to communities, and to seek possible collaboration in respect of initiatives relating to local economic development in order to avoid duplication of effort
- Pro-active discussion as part of the Moses Kotane Conflict Resolution Task Team, comprising local municipality representatives, traditional councils, youth unemployment forums and mining houses in the area
- Regular stakeholder engagement meetings with relevant stakeholders in the adjacent communities
- Various members of management are affiliated with relevant regulatory, legislative and professional representative bodies
- As a producer and exporter or precious metals, we engage with the South African diamond and precious metals regulator

Government and regulatory authorities continued

Interactions during the year

Key issues raised	Our response
SLP performance	Detailed project plans with defined timelines have been communicated to the DMRE, highlighting milestones and critical paths of the various projects that had been agreed between the company, local municipalities and the DMRE.
Community development in local municipalities	We ensure that our community development and stakeholder engagement policies and practices are aligned with those of municipality IDPs and community needs as far as reasonably possible.
Safe operations (COVID-19)	We continue to work with government to ensure safe working practices in line with COVID-19 regulations. This includes the establishment of standard operating procedures and a code of practice in accordance with the Minerals Council South Africa guidelines.
Environmental authorisations, licences and compliance	We have engaged with various provincial government entities in relation to several environmental authorisations and water use licence amendments and at all our operations. At Zondereinde we have engaged with the local authorities for the amendment of our atmospheric emission licence, as well as a development of an air quality offset programme. In addition an application for an environmental assessment for the development of a solar plant has been submitted.
Mandatory reporting and compliance assessments	Several mandatory reports and compliance assessments were submitted to the relevant authorities, as required in terms of applicable mineral, mine health and safety, environmental and labour and legislation.
Health and safety	We have undertaken several routine health and safety inspections at all our operations, together with the DMRE in terms of the Mine Health and Safety Act.

Suppliers of goods and services

Why we engage

A significant portion of our operating cost is spent on procured goods and services rendered to our business. Our approach to procurement is underpinned by the notions of inclusivity, transformation and transparency, as stipulated by the country's Mining Charter.

Our procurement practice supports HDPs and compliant suppliers who meet the requirements of our vendor governance systems. This approach has led to significant growth in HDP procurement over the past five years.

Our ESD initiatives have further resulted in substantial spending on goods and services procured from companies local to and owned by the communities surrounding our operations. These initiatives have doubled the number of community based companies in our vendor database.

The ESD initiatives have required significant communication with our existing providers of goods and services, as well as new potential providers.

How we engage

- We hold regular open days during which procurement opportunities are identified and shared. This includes an ESD procurement opportunities portal
- Training is provided on vendor administration and governance, skills development, as well as the mentoring of local entrepreneurs

Interactions during the year

Key issues raised	Our response
Measurement and monitoring of local content on supplied goods, as prescribed in the Mining Charter	Together with our peers in the mining industry through the Minerals Council South Africa, we continue to embark on a process to establish the local content of key mining commodities from our suppliers. The process is ongoing with regular engagement.
Volatile currency rate of exchange (ROE)	The contractual agreements entered into with our suppliers are structured to accommodate quarterly reviews and adjustment of the ROE component of the prices of goods.
Managing expectations from our local community based suppliers and entrepreneurs in terms of procurement	Identification and setting aside opportunities to enhance LED through preferential procurement is a priority, along with the leveraging of our ESD programmes to grow the number of local community based entrepreneurs conducting business with us. An ESD procurement portal has also been launched to serve as a common platform for listing all identified procurement opportunities. In addition, the portal allows prospective suppliers, in particular local and host communities, to highlight their businesses offerings for both goods and services. Initiatives are ongoing.
Price escalation due to scarcity of key input commodities brought about by the ongoing COVID-19 pandemic, the July 2021 KwaZulu-Natal riots as well as the conflict between Russia and Ukraine	To alleviate the impact of price escalations, particularly for those commodities in limited supply, we have negotiated for volume discounts as well as rebates with suppliers. This, is in line with the group's increased growth profile.

Women in mining - A message from Paul Dunne

In our industry, specific working conditions could lend themselves to situations where women could feel unsafe, threatened and abused.

These threats are real for many of the women in our industry, and those who work at mines in our broader Northam group. These women are frequently sole breadwinners who are working to provide food, shelter and education for the next generation. They deserve our respect and our support.

Nobody should turn a blind eye to prejudice, bullying and violence in our places of work.

I call on all the men and women to be aware, to be vigilant and to speak up. We all need to take responsibility in ensuring that every incident is reported and dealt with.

There is no excuse for abuse.

Gender-based violence and sexual harassment are endemic in our society. Inevitably, the mining industry reflects these trends.

At Northam we acknowledge that we need to proactively support women. We need to look out for signals and situations which cause discomfort, fear, anxiety and pain. Everybody is required to report situations which could make women feel unsafe.

We will not tolerate intimidation of any kind

Nobody should feel afraid to go to work

If it feels or seems uncomfortable, it is

At Northam, we are bound by our values and our code of ethics and conduct


JUST
BECAUSE
YOU ARE A
WOMAN,
DOESN'T GIVE
ANYONE THE RIGHT....
STOP
SEXUAL
HARASSMENT
AND GENDER BASED VIOLENCE
Report any sexual harassment to
the ethics and fraud hotline
0800 152 539
Independent • Anonymous • Confidential
NORTHAM
PLATINUM HOLDINGS LIMITED

Our contribution to our stakeholders

We believe in our country, South Africa

11 096
Direct, new, meaningful, sustainable, jobs created since 2015

2 864
Direct, new, meaningful, sustainable, jobs created in F2022

27%
of all new recruits during F2022 were female

R6.4bn
Employee costs for F2022

R1.3bn
PAYE paid by our employees during F2022

82%
Total permanent workforce HDP representation

R6.8bn
Income tax paid during F2022
(Northam and Zambezi)

R3.2bn
Capital investment in the growth of the group

R1.1bn
Royalties paid during F2022

Up to 23%
Equity ownership in Northam by our employees and host communities through the Extended Empowerment Transaction

R1.5bn
Distribution to our communities and Employee Trusts through the unwinding of the Zambezi BEE Transaction

R108.5m
Contributed to employee profit share schemes during F2022

Our people drive our success


NORTHAM
Safety Pledge
EVERYONE!

A message from our independent chairman

The board has remained focussed on the governance of the group, continuing to build on the work already done.

I am honoured to have been appointed as chairman of the board of Northam Platinum Holdings Limited on 20 June 2022. This is in line with the board's succession plan. I, however, take up the mantle with a heavy heart, as it came following the sudden passing of our previous chairman, David Brown.

On behalf of my fellow board members, I would like to express the board's appreciation of David's contribution to the company, both as chairman and, prior to this, as independent non-executive director. Our thoughts and heartfelt condolences go out to his family, friends and colleagues. He will be sorely missed.

As a board, we have drawn on our collective depth and diversity of experience to maintain focus on the task at hand. I have stepped down as lead independent director of the group and in terms of the board's succession plan, Hester Hickey has been appointed to that position. Hester has served as an independent non-executive director on the board for almost seven years and brings a wealth of institutional and industry knowledge. I wish her all the best in this role and, together with her, look forward to leading the board through this next phase in the group's journey.

Investment in Royal Bafokeng Platinum Limited

The board, investment committee and management team followed a thorough evaluation and assessment process in identifying this investment opportunity. This consideration included an internal study of the potential value to be unlocked together with value-creation initiatives at RBPlat's existing and future expanded mine footprint.

Governance over the various elements of the investment has been the central focus of both the board and, in particular, the investment committee. The investment committee played an integral role throughout the process, having undertaken recurring reviews and evaluations of the rationale, purchase price and composition of the purchase consideration for this investment.

RBPlat has a large, proven, quality resource base, containing a premium mix of PGMs. Its mines are shallow, well-capitalised and partially mechanised. They are currently producing, have extensive life and are cash generative, with the potential of operating in the lower half of the cost curve.

The board is consequently of the opinion that this investment is aligned with the group's growth strategy and presents a unique opportunity to grow production down the cost curve, whilst simultaneously reducing group risk through operational diversification.

It is also the board's view that the group's experience and expertise enable it to unlock inherent and synergistic value within RBPlat.

Following rigorous deliberation and analysis of the investment, unanimous approval was received from both the investment committee, and the board in support of the group's investment in RBPlat.

Empowerment

The purchase consideration for our investment in RBPlat, being a combination of cash and Northam Holdings Shares was structured to include Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH) as a strategic shareholder in Northam Holdings, which we are especially pleased about.

RBIH represents the Royal Bafokeng Nation, the host community and home to the majority of the employees of RBPlat. We consider RBIH to be a meaningful, sustainable empowerment partner and look forward to working together.

Ongoing impact of COVID-19

The COVID-19 pandemic continues to have a significant impact on business and society in general.

During the year under review, the board's primary focus has been to ensure the health and wellness of our employees whilst continuing to operate within the framework provided by government and industry.

The board, through the health, safety and environmental (HS&E) committee, monitored overall compliance to the established COVID-19 related protocols and regulations. This included ensuring that the group assists and fully participates in the COVID-19 vaccination programme under the leadership of government.

Management, on behalf of the board, has actively engaged with all our stakeholders during the year, and the board continues to monitor the ongoing impact of the pandemic on our employees, communities, business performance and liquidity levels.

Safety

We believe in driving our desired safety culture and achieving the group's goal of zero fatalities. The safety of all our employees remains of paramount importance and takes precedence over all production objectives.

Tragically, we suffered two fatalities in separate underground incidents at our Zondereinde mine during July and August 2021. We wish to express our sincere condolences to the families, friends and colleagues of the deceased, Mr Tomas Jose Mugabe and Mr Dumisani Mntonga.

The board, together with the HS&E committee, commit to increasing monitoring of the group's initiatives to; improve capacity to identify and address high-potential hazards, apply learnings from high-potential incidents and use technology to reduce safety risks. We also continue to monitor the group's safety results across the operations.

In this regard, the board recognises the improvements made to the overall safety initiatives of the group, including the general positive trend in safety. This includes the total safety statistics at all operations, noting that our Booysendal mine passed the milestone of seven million fatality free shifts in January 2022. Booysendal, together with Eland continue to be fatality free since inception. The board was also pleased to note that Zondereinde passed one million fatality free shifts in June 2022, following the fatal incidents earlier in the year.

Board and committee mandate, charter and compositional review

The board reassessed its composition and that of its committees during the year. Important considerations in this process included the maintenance of a balance between new insight, depth of experience, continuity and broad diversity.

In addition, the board commenced a structured review and reassessment of the mandates, charters and compositions of the various board committees. This process was led by David Brown, as previous chairman of the board and will be completed in the coming financial year, led by myself, through the nomination committee.

Return of value to shareholders

We remain committed to return to our shareholders free cash not required in the advancement of the group's ongoing growth programme.

The group is at a critical juncture in its growth trajectory, with various potential alternative outcomes possible. These outcomes will inform our approach to dividends and other mechanisms for returning value to shareholders going forward. This will be communicated to our shareholders at an appropriate time.

Future focus areas

Safety — The board, with the assistance of the HS&E committee, will continue to monitor the group's safety results across key performance areas. Monitoring the implementation of measures to strengthen accountability at the operations will therefore be an area of particular focus.

Capital allocation — It is the board's considered opinion that PGM demand will remain relatively strong over the coming decade. This, despite some short-term fluctuations, will support pricing. Against this backdrop, a key consideration for the board remains the allocation of capital.

Environmental, social and governance (ESG) — The board, through the committees, will continue to monitor the various ESG metrics of the group, as well the reporting thereof. In addition, the energy efficiency and emissions impacts for all new projects and existing operations will be scrutinised and challenged by the board. This is to ensure that we continue to grow our group sustainably.

Board and committee composition and charter review— The board will reassess its composition and that of its committees during the coming 12 months. Important considerations in this process will be maintenance of a balance between new insight, depth of experience, continuity and broad diversity.

In addition, the board will also perform a detailed review and reassessment of the mandates and charters of the board committees during the coming financial year.

Thanks and appreciation

Finally, on behalf of the board, I would like to thank our stakeholders, and in particular our employees, who supported us throughout this challenging year. I would also like to thank the board for their ongoing support and efforts.

Temba Mvusi
Independent chairman

16 August 2022

In memory of David Brown

The Northam board is saddened at the sudden passing of David, a stalwart of the Southern African mining industry. He worked at board level in the sector for more than 23 years. David was not only chairman of Northam's board but a friend and colleague. The board and executive team extend our sincerest sympathy to his family and loved ones, friends and colleagues. David instinctively knew that people are at the centre of all things mining. He will be sorely missed.

Board of directors

Gender diversity

4 Female (44%)

5 Male (56%)

Northam target for female board representation: 20%

Age diversity

77 Oldest

42 Youngest

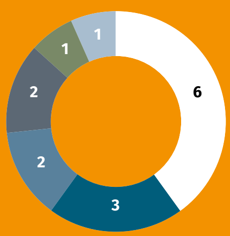
Average age of 61 with 33% aged 60 and under

Meetings

8 Board meetings held

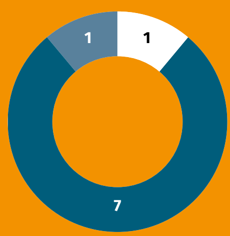
98% Board and committee attendance

Board skills



- Finance
- Mining
- Audit and risk management
- Investment management
- M&A
- Medical

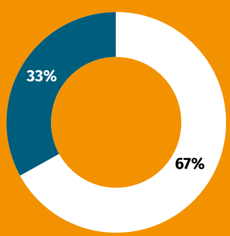
Tenure



- 0-3 years
- 3-9 years
- >9 years

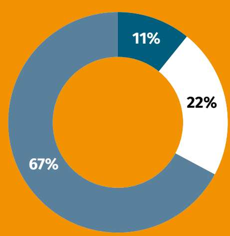
The director with a tenure beyond 9 years is a non-executive director

Board demographics



- Historically disadvantaged persons (HDP) (Northam internal target for HDP board representation: 50%)
- Non-South African

Independence



- Non-executive
- Executive
- Independent non-executive

The Northam board is diverse, consisting of nine members. 33% of our board members hold engineering degrees, 22% are Chartered Accountants (SA) and the balance have relevant experience in corporate finance, mergers and acquisitions and other associated and requisite disciplines. Five board members, including our chief executive officer, have extensive exposure and experience as CEOs.

Committee membership

- A Audit and risk committee
- H Health, safety and environmental committee
- I Investment committee
- N Nomination committee
- S Social, ethics, human resources and transformation committee
- R Remuneration committee
- Committee chair

Independent non-executive

1 TI Mvusi BA, ELP, MAP, PDP (66) I N R

Independent chairman

Board member of Northam Holdings since September 2021 and of the group since January 2016

Other directorships: Independent non-executive director of African Rainbow Capital Limited, Dippenaar and Reinecke Proprietary Limited, Sanlam Investments Proprietary Limited, SIH Capital Holdings Proprietary Limited, Ubuntu-botho Investments Proprietary Limited and Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Previous chief executive of market development at Sanlam since August 2005 and was appointed acting chief executive of Sanlam Corporate in April 2017. Former general manager of Gensec Property Services Limited and marketing manager at Franklin and Templeton Asset Management.

2 HH Hickey CA (SA) (68) A R

Lead independent director

Board member of Northam Holdings since September 2021 and of the group since January 2016

Other directorships: Independent non-executive director of Barloworld Limited, Pepkor Holdings Limited and Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: A Chartered Accountant with over 35 years of experience in auditing, risk management and governance and former chairman of SAICA.

3 JG Smithies BSc (Mining Engineering), BSc (Chemistry) (77) H

Board member of Northam Holdings since September 2021 and of the group since January 2017

Experience: Former CEO and director of operations at Impala Platinum Holdings Limited (Implats).

4 Dr NY Jekwa MBA (Finance), MBBCh (Bachelor of Medicine and Bachelor of Surgery), MIoDSA (47) A H S

Board member of Northam Holdings since September 2021 and of the group since November 2017

Other directorships: CEO and co-founder of Thrive Capital Partners, independent non-executive director of Brait PLC, Liora Capital Proprietary Limited, Thungela Resources Limited and Governing Council of the Diocesan School for Girls (Grahamstown).

Experience: Former CEO of Mergence Investment Managers Proprietary Limited, former head of capital raising at Coast2Coast Propriety Limited (a private equity firm) and has held senior positions in both structured and leveraged finance at Rand Merchant Bank and Nedbank Corporate and Investment Bank. Former independent non-executive director of Ascendis Health Limited.

5 MH Jonas BA (History and Sociology) (62) A

Board member of Northam Holdings since September 2021 and of the group since November 2018

Other directorships: Chairman of the MTN Group Limited and independent non-executive director of Sygnia Limited.

Experience: One of four independent presidential investment envoys appointed by President Cyril Ramaphosa to attract investors to South Africa. Former deputy finance minister of the South African Government from 2014 to 2017 and member of the National Assembly until April 2017. Former chairman and non-executive director of the Public Investment Corporation.

6 GT Lewis BSC (Mining Engineering), MBA (64) H

Board member of Northam Holdings since September 2021 and of the group since December 2020

Experience: Former CEO of Northam and general manager of Zondereinde. Instrumental in the development of Booysendal mine. Previously served as the former general manager of Gold Fields Ghana establishing the Tarkwa gold mine. Former chairman of the Ghana Chamber of Mines Technical Committee and has held a number of senior positions at various gold, coal and base metal mining operations.

Executive

7 PA Dunne BSc (Hons), MBA (59) H S

Chief executive officer

Board member of Northam Holdings since December 2020 and of the group since March 2014

Other directorships: Non-executive director of the International Platinum Group Metals Association (IPA). Current vice president of the Minerals Council South Africa and chief executive officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

8 AH Coetzee CA (SA) (42)

Chief financial officer

Board member of Northam Holdings since December 2020 and of the group since November 2018

Other directorships: Chief financial officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Inc. with 20 years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Non-executive

9 TE Kgosi BCom (Hons) (68) S

Board member of Northam Holdings since September 2021 and of the group since November 2004

Experience: Former cluster manager – materials management (Gauteng and North West operating units) in supply chain operations, Eskom SOC Limited. Extensive experience in the mining and banking sector (specialising in treasury), having held positions at a number of South Africa's main banking groups, as well as Credit Suisse First Boston (NY).

Executive committee

Gender diversity

1 Female (13%)

7 Male (87%)

Age diversity

59 Oldest

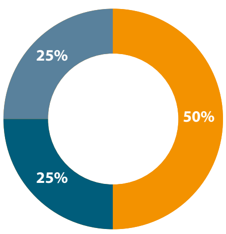
42 Youngest

Average age of 51 with 75% under the age of 55

Exco skills

- Mining
- Project management
- Sustainability
- Finance
- Audit and risk management
- Human resources

Exco demographics



- Historically disadvantaged persons (HDP)
- Non-HDP
- Non-South African

Our executive committee (exco) is a diverse and experienced management team that comprises eight members of the company's senior executives, broadly representing the disciplines within the company's organisational structure.

Exco meets once a month, or as and when required. The CEO and CFO report directly to the board on all matters deliberated on by this committee.

Executive directors

1 PA Dunne BSc (Hons), MBA (59)

Chief executive officer

Board member of Northam Holdings since December 2020 and of the group since March 2014

Other directorships: Non-executive director of the International Platinum Group Metals Association (IPA). Current vice president of the Minerals Council South Africa and chief executive officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

2 AH Coetzee CA (SA) (42)

Chief financial officer

Board member of Northam Holdings since December 2020 and of the group since November 2018

Other directorships: Chief financial officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Inc. with 20 years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Executives

3 MN Ndlala BTech Mining Engineering, MBL (54)

Executive: Mining

Joined Northam in July 2018

Other directorships: Director of Mine Rescue Services Proprietary Limited.

Experience: Former executive head of operations at Implats Rustenburg mines, responsible for all mining, concentrating and smelting operations. Former director of Two Rivers Platinum and African Exploration Mining and Finance Corporation (SOC) Limited (AEMFC)

4 LC van Schalkwyk FCMA (57)

Executive: Commercial

Joined Northam in October 2014

Other directorships: None

Experience: More than 30 years' experience in the Platinum mining industry. Former executive for strategic finance at Implats.

5 D Smith Bsc (Hons) Msc (54)

Executive: New business

Joined Northam in October 1995

Other directorships: None.

Experience: Worked in the mining and mineral exploration sector since 1991 and joined Northam as a consultant in 1995. Former principal of Prospect Geoservices at Northam.

6 CA Smith BSocSc (Hons) (SA) (47)

Executive: Human resources

Joined Northam in September 2014

Other directorships:
Chairman of Platinum Health Medical Scheme.

Experience: Extensive experience in the mining sector, holding senior HR positions at AngloGold Ashanti Limited, Richards Bay Coal Terminal Proprietary Limited and Implats.

7 GD Duma MBA, BTech (Quantity Surveying), Diploma in Project Management, Senior Management Development Programme (53)

Executive: Sustainability

Joined Northam in March 2017

Other directorships: None.

Experience: Held various positions at Implats, including general manager of shared services, project director of housing and socio-economic development projects, and group sustainable development manager. Also worked at the Medical Research Council, Eskom Holdings SOC Limited and South African National Parks.

8 WJ Theron Pr (Cert) Eng. (Professional Engineer), BTech (Mining Engineering), BSc (Hons) Mining, MBA (44)

Executive: Mining

Joined Northam in December 2010

Other directorships: Director of Mine Rescue Services Proprietary Limited.

Experience: Extensive experience in projects and operational management. Former general manager at Booysendal mine. Past president of the Association of Mine Managers of South Africa.

Corporate secretarial*

9 PB Beale (56)

Company secretary

Joined Northam in October 2011

Experience: More than 30 years' experience in the corporate secretarial field, previously working for JCI Limited and Gold Fields Limited. Member of IoDSA.

10 C Msimanga (46)

Assistant company secretary

Joined Northam in January 2017

Experience: Extensive experience in HR Management, HR Consulting, Aviation, Trust Administration and Corporate Governance. Previously worked for South African Express Airways, Richards Bay Coal Terminal and Bruniquel and Associates. Member of the IoDSA.

* Not part of the executive committee

What are the executive committee responsibilities?

- Formulate, implement and execute the group strategy. This includes preparation of the business plan, including any revisions or updates of the strategy for approval by the board
- Manage business performance and the reporting thereon to the board
- Implement all policies of the group, including those relating to health, safety, environment, human resources, stakeholder engagement, finance and risk management
- Consider succession planning initiatives for senior management in conjunction with the SEHR&T committee
- Provide ethical leadership and create an ethical working environment that is conducive to attracting, retaining and motivating a diverse group of talented employees
- Ensure the group through management, complies with all relevant laws, regulations and corporate governance principles with oversight from the audit and risk committee
- Lead and direct relevant group communications
- Maintain and ensure adequate and effective systems of internal control, financial reporting and risk management across the group

How does Northam ensure that there is effective executive committee member succession plans in place?

Our talent management process is key in supporting our overall succession planning strategy to ensure an adequate future supply of scarce and critical skills.

This is realised by having a consistent flow of talent through the identification of potential successors, as well as the identification of employees' strengths in respect of the core competencies of the executive committee.

During the year under review the SEHR&T committee continued to make progress with the succession plans for the executive committee. This is to ensure its continuity, whilst maintaining an appropriate balance of knowledge, skills, experience and diversity to effectively discharge the roles and responsibilities of the committee.

These succession plans include appropriate development plans for our CEO and CFO, and also take into account their respective notice periods.

The ongoing impact of COVID-19

The health and well-being of our employees, as well as that of our host communities remain a key concern for the group. We continue to protect the lives and livelihoods of our employees and communities through our established COVID-19 response protocols. This includes our COVID-19 vaccination programme that has been rolled-out across all our operations.

COVID-19, through the resurgence of new variants impacted our operations during F2022.

The Zondereinde operation has been particularly affected by the third and fourth waves, where medical absenteeism and employee turnover have been well above historical levels, notably amongst the older members of the workforce.

Sadly, since the start of the pandemic, we have lost 24 of our colleagues to COVID-19. As a group, we recognise that the loss of a bread winner is particularly difficult, and we support our colleagues by offering replacement positions to family members where possible.

COVID-19 vaccination programme

Our COVID-19 vaccination programme has yielded positive results. We have active stations at each of our operations and our COVID-19 task team, together with our medical service providers have worked to ensure our employees are vaccinated. In addition, they continue to supply vital communication regarding COVID-19 and our vaccination programme. This, together with the provision of medication services, especially to those with chronic conditions, has ensured compliance to medication schedules.

Our executive team received their vaccinations at the operations in order to encourage and persuade our employees to follow suit. Pleasingly, our vaccination programme has progressed well, with 63% of our employees being partially or fully vaccinated by medical service providers at the operations. A number of employees have also voluntarily had vaccines externally administered.

Material issues

Material issues

We consider material issues to be those that could significantly impact our business and the execution of our strategy. These issues affect all our stakeholders alike in some form or other, with oversight provided by the relevant board committees

Material issue	Description	Associated principal risks	Committee(s) providing oversight
Managing production and performance	It is the role and responsibility of executive management to set realistic strategic targets for the business, whilst it is the role of operational management to meet these targets. The success of this strategy affects shareholders and stakeholders alike.	3 Health and safety 4 Operational performance 5 Community relations 7 Energy supply and the cost thereof 8 Critical skills and key personnel 9 Critical or single stream processes 10 Employee relationships 12 Information technology and cyber-security 14 Fraud and theft 19 Water supply	A B E IT H M N R S
Continuing to improve the safety performance and the health and wellness of our employees	It is our aim to improve the safety performance and the health and wellness of all employees. We do this by continuously seeking to reduce injuries, applying appropriate technologies and methodologies, communicating and training, as well as reinforcing operational standards and responsibility.	3 Health and safety 4 Operational performance 10 Employee relationships	B E H M R S
Effective project execution	The group has a large capital expansion programme in place to secure its future through the creation of long-life, low-cost operations. Successful project execution is key to creating a sustainable business for the long-term benefit of all stakeholders.	4 Operational performance 15 Capital allocation 16 Project execution 17 Environment	A B E H I M S
Maintaining our legislative and regulatory compliance	We recognise that we do business within the legal framework of the country. We aim for full compliance with the laws of the land. Given its influence on our licence to operate, the most relevant aspects of legislation for Northam and its operations are the Mineral and Petroleum Resources Development Act No. 28 of 2002 (MPRDA), as well as the associated Mining Charter.	3 Health and safety 5 Community relations 6 Tailings storage facilities (TSFs) 10 Employee relationships 11 Social licence to operate 13 Regulatory, political and legal environment 17 Environment 20 Disclosure of non-financial information	A B E H M R S
Managing the environmental impact of our operations and conserving natural resources	We make every effort to minimise our environmental impact; we seek to comply strictly with all environmental legislation and where possible we set aside land for biodiversity conservation. We strive to mitigate our impact through careful planning, operational efficiencies, environmental rehabilitation and where necessary, the establishment and conservation of biodiversity offset areas.	6 Tailings storage facilities (TSFs) 7 Energy supply and the cost thereof 11 Social licence to operate 17 Environment 19 Water supply	A B E H M S

Our acquisition of a strategic investment in RBPlat has been included as a material issue

Material issue	Description	Associated principal risks	Committee(s) providing oversight
Maintaining constructive communication channels with all our stakeholders	We recognise that stakeholders, be they shareholders, employees, communities or government, have certain expectations of the group, not all of which may be appropriate or possible to meet. We understand and manage these expectations through credible and effective engagement with stakeholders.	4 Operational performance 5 Community relations 10 Employee relationships 11 Social licence to operate 15 Capital allocation 17 Environment 20 Disclosure of non-financial information	A B E H I M R S
Liquidity management to mitigate market volatility	Exchange rate and commodity price volatility results in significant financial exposure for the group. In addition, Northam is a public company listed on the JSE. Market sentiment impacts share price which determines company value. This influences availability and cost of funding.	1 Exchange rate and commodity price volatility 2 Demand for PGMs 4 Operational performance 15 Capital allocation 18 Liquidity	A B E I M
Ongoing impact of COVID-19	COVID-19 is continuing to have an impact on the health of our employees and the broader economy, as well as demand for our product. It has continued to result in financial uncertainty. Even though we enacted a multi-pronged response plan to protect the health of our employees and the financial security of the company, the emergence of new variants has resulted in elevated staff turnover and medical absences. We have instituted a group-wide vaccination programme in order to further protect our employees.	1 Exchange rate and commodity price volatility 2 Demand for PGMs 3 Health and safety 4 Operational performance 5 Community relations 8 Critical skills and key personnel 10 Employee relationships 11 Social licence to operate 15 Capital allocation 16 Project execution 18 Liquidity	A B E H I M N R S
Acquisition of a strategic investment in RBPlat	The group's acquisition of a strategic investment in RBPlat followed a thorough and considered investment decision process. The investment in RBPlat fits our strategy of increasing shallow, mechanisable, sustainable and quality mining that has the potential to operate in the lower half of the industry cost curve.	15 Capital allocation 18 Liquidity	A B E I M

Board and committees

- A Audit and risk committee
- B Board of directors
- E Executive committee
- H Health, safety and environmental committee
- I Investment committee
- IT IT steering committee
- M Management review committees
- N Nomination committee
- R Remuneration committee
- S Social, ethics, human resources and transformation committee

Managing risks and opportunities

The nature of our business and the industry in which we operate are highly complex and inherently risky. We operate in a higher than average risk environment where our continued existence is influenced by the degree to which returns outweigh risks.

Integrated enterprise risk management

Governance: Board and board sub-committees

Group strategy

Risk strategy	Risk appetite and tolerance	Enterprise risk management framework
Provides direction and scope, following a top down approach to risk management	Defines the amount and level of risk deemed appropriate to take in pursuit of value	Guides management's decision making process in pursuit of the group's strategy

Roles and responsibilities	Combined assurance	Oversight
Establishes accountability for effectively managing risks and opportunities	Ensures comprehensive review, assessment and coverage of key business risks	Provides monitoring of the implementation of approved risk strategies, and actions to mitigate key risks

Strategic goals: Business and operational objectives

Capitals

- Financial
- Human
- Intellectual
- Manufactured
- Natural
- Social

Managing risks and opportunities
How we mitigate risk

- **Identify** timely identification of associated risks and opportunities
- **Assess** appropriate evaluation of risks identified and existing controls
- **Respond** formulation of effective response strategies, where necessary
- **Report** regular reporting of key risks to executive management, board committees and the board
- **Monitor** ongoing monitoring of actions to mitigate key risks

Performance: Business success

Our risk management philosophy is underpinned by:

The ability to identify risks which may hamper or promote performance	The appetite to accept and/or tolerate a certain amount of risk in pursuit of strategic goals	The development of a risk register and the assessment of both the likelihood of those risks occurring, as well as the consequence severity, which implies the impact of each risk	Internal and external influencing factors to the risks	The status of management's interventions in responding to risks	Regular updates of the risk register and re-evaluation of identified risks

The sustainability and growth of our business and the ability to create long-term value for all our stakeholders is dependent on our effective risk management system and prudent financial management. This is particularly important because there are many challenges in the external environment.

Our approach to risk management

Our risk strategy follows a top down approach and is a key input into our strategy and planning processes. Northam's enterprise risk management framework guides management's decision-making process in pursuit of sustainable delivery of the group's business and operational objectives. This framework ensures that associated risks and opportunities are timeously identified, appropriately evaluated, and where necessary effective response strategies are formulated and implemented.

Management is responsible for monitoring the progress of actions to mitigate key risks and determining whether any risk falls outside the limits of our risk appetite. It is supported by the group's combined assurance programme, in particular internal audit, which evaluates the design adequacy and effectiveness of controls.

The risk management process is continuous with key risks reported to the each of the board committees, as well as the board.

Risk appetite and tolerance

Northam's risk appetite and our approach to risk management may be defined as the amount of risk deemed appropriate in the pursuit of value, recognising that risk appetite will change over time. We consider this within the context of consequence severity, any relevant internal or external factors influencing risk, and the status of management actions to mitigate the risk.

If a risk exceeds appetite it will threaten the achievement of our strategic objectives and may require a change to strategy.

Risks having residual exposures greater than significant impact and possible likelihoods are deemed extreme or high risks. These risks receive particular focus from the group's executives, the board and its committees. The board is regularly informed on the status of these risks, as well as those risks that are approaching the limit of the group's risk appetite and tolerance.

Where deemed necessary, consideration is given for management actions to be accelerated or enhanced to ensure the risks remain within its threshold levels. Remaining risks, deemed moderate or low are monitored on an ongoing basis by management and the executive committee.

Our risk appetite for exceptions or deficiencies in the status of our controls that have significant safety implications is very low. The group evaluates these controls with technical experts at our operations and the results of these assessments determine the risk appetite status, along with the management responses required to mitigate any issues identified.

The illustration on the left provides a high-level view of the group's integrated enterprise risk management framework and approach.

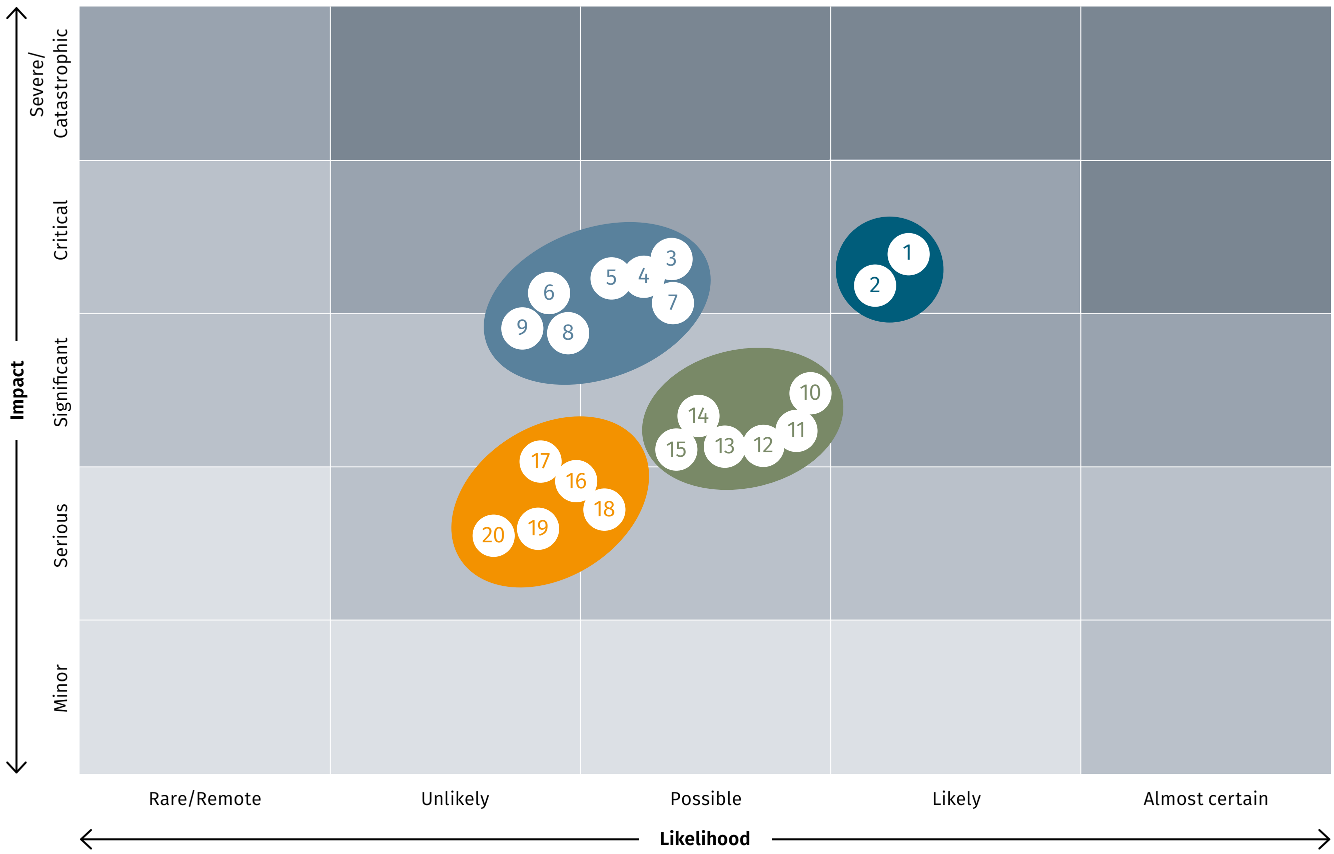
Northam's residual risk heat map

The heat map below reflects the group's residual risk exposures, assessed with due consideration of management's responses against the defined impact and likelihood criteria. The risks that follow have been broadly grouped into four distinct risk clusters, each having key response strategies defined.

Their descriptions and impacts are considered at a consolidated level, with the sensitivity of the various operations also included. Detail to the top 20 principal risks of the group are set out on pages 79 to 98 of this report.

Risks

1. Exchange rate and commodity price volatility
2. Demand for PGMs
3. Health and safety
4. Operational performance
5. Community relations
6. Tailings storage facilities (TSFs)
7. Energy supply and the cost thereof
8. Critical skills and key personnel
9. Critical or single stream processes
10. Employee relationships
11. Social licence to operate
12. Information technology and cyber security
13. Regulatory, political and legal environment
14. Fraud and theft
15. Capital allocation
16. Project execution
17. Environment
18. Liquidity
19. Water supply
20. Disclosure of non-financial information



Moderate business risks

These risks are considered as part of normal operating business activities with ongoing review and monitoring by management. Movements in the operational risk profiles are reported to executive management.

High likelihood exposures

These risks are considered as part of management's periodic planning and review sessions. Changes to the risk status is communicated to executive management.

High impact exposures

These risks are considered against established key performance indicators (KPIs) by the management review committees. Any substantial shift within the risk position is escalated to executive management.

High business risks

These are key risks facing the group within the context of the PGM mining sector. They have high probability and impact potentials, both from an inherent and residual perspective. Exposures are largely attributed to the external nature and extent of the factors influencing these risks. These risks therefore receive increased focus. Their key risk indicators (KRIs) are monitored by executive management on a regular basis, and these are reported to the board and respective committees.

1 Exchange rate and commodity price volatility

Exchange rate and commodity price volatility results in significant financial exposure for the group. Northam is a price taker, with no ability to influence the price of the metals we produce or the exchange rate offered. PGMs are priced in USD while operating costs are denominated in ZAR.

USD denominated metal prices are impacted by supply and demand dynamics, as well as the current global, political and economic uncertainty.

Related material issues

- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Risk/impact

- Lower commodity prices, or ZAR strengthening, reducing ZAR denominated revenue
- Weak demand for PGMs as a result of a depressed global economic environment and legislative restrictions on internal combustion engine (ICE) vehicles negatively impacting commodity prices achieved. Pertinent are the recent EU and UK policy announcements in this regard and stance towards global warming
- Without a commensurate reduction in unit costs, this risk compromises profitability, affecting cash flows and return on capital employed, resulting in going concern and impairment risks
- Geopolitical factors affecting the supply and demand dynamic could impact commodity prices and the exchange rate realised

Opportunity

- Higher USD commodity prices and ZAR weakening improves ZAR denominated revenue
- Stricter emissions legislations in the largest automotive markets, a focus on Nitrogen Oxides (NOx) reduction and high gasoline penetration in the light duty vehicle market in China, Europe and the US are leading to higher demand for PGMs, which could positively impact commodity prices achieved
- Insufficient project capital spend from the mining sector over the past ten years, along with production stoppages in South Africa, are leading to reduced primary supply which could positively impact commodity prices achieved

Response

- Projected exchange rates and commodity prices are included in the short, medium and long-term cash flow forecasts together with sensitivity and scenario analysis
- Exchange rate and commodity price projections are determined through regular pricing committee processes
- Active liquidity management
- Availability of funding/facilities to support operations in the short to medium-term are all denominated in ZAR, minimising the exposure of debt and the cost of servicing debt to exchange rate fluctuations
- The group's growth strategy, which is focused on growing production down the PGM sector cost curve, increases the operating margin which in turn acts as a buffer against exchange rate and commodity price volatility

Operational exposure

Booysendal	Eland	Zondereinde
Neutral	Neutral	Neutral

This risk affects all operations equally

Executive responsible

Chief financial officer

Committee responsible

A B E

Risk appetite

- Currently within risk appetite, but potential to exceed it should either commodity prices or the exchange rate realised be negatively impacted

Risk tolerance

- Within risk tolerance

Risk movement from prior year
- Same
- Up
- Down
- New risk

Operational exposure
- Higher
- Lower
- Neutral

Board and committees
- A Audit and risk committee
- B Board of directors
- E Executive committee
- H Health, safety and environmental committee
- I Investment committee
- IT IT steering committee
- M Management review committees
- N Nomination committee
- R Remuneration committee
- S Social, ethics, human resources and transformation committee

2 Demand for PGMs

Demand for the metals we produce drives sales and metal prices. The future demand for PGMs is strongly driven by their continued use in autocatalysts. This in turn, is impacted by legislation which is driven by climate change concerns and variations in other geopolitical factors.

Related material issues

- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Risk/impact

- Legislative restrictions on ICE vehicles negatively impacting demand. Pertinent are the recent EU and UK policy announcements on global warming
- Ongoing global semi-conductor shortage continues to impact the supply of new vehicles and the demand for autocatalysts in the short-term
- Supply constraints for other vehicle manufacturing components negatively impacting demand
- Weak demand compromising sales volumes and therefore growth, negatively impacting the profitability of the group
- Recent conflict and turmoil in various parts of the globe creating uncertainty to the supply and demand dynamic

Opportunity

- Higher demand promoting sales volumes and increased commodity prices relating to:
  - Environmental legislation, including global clean-air legislation, driving increased loadings in autocatalysts
  - Global growth mirrored by automotive sales, notably in developing countries
  - The burgeoning hydrogen economy, including the development of hydrogen fuel cells as power units, utilising platinum and iridium catalysts
  - Primary supply being obtained from rare, depleting resources that have been under-capitalised for more than a decade
  - Rhodium remains the only viable solution for NOx, whilst platinum, ruthenium and iridium are critical components in hydrogen applications

Response

- Market intelligence including contributions and active participation in market development activities in respect of PGMs through the World Platinum Investment Council, the Platinum Guild International, as well as the International Platinum Group Metals Association
- Strong view regarding long-term PGM demand and pricing, particularly that for platinum, rhodium, ruthenium and iridium informed by the supply and demand dynamic
- Operating at the current lower, end of the PGM sector cost curve to protect margins
- Appropriate capital allocation, increasing our production base through in-house growth projects and operational efficiencies as well as acquiring operations
- Ability to sell all the metal we produce through offtake agreements with a number of long-standing customers, as well as the ability to sell excess metal on the spot market

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible

Chief executive officer

Chief financial officer

Committee responsible

B I

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

3 Health and safety

Underground mining is inherently hazardous. Our growth strategy requires increasing numbers of new employees across all operations. This inevitably elevates the inherent risk related to safety.

A key priority for Northam is and always will be the ongoing care and well-being of our employees.

Related material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Maintaining our legislative and regulatory compliance
- Ongoing impact of COVID-19

Risk/impact

- Failure to ensure the health and safety of employees, as well as the inconsistent application, lack of, or non-adherence to health and safety protocols resulting in occupational diseases, injuries, or even fatalities. This is likely to affect morale and will ultimately result in reputational damage and could compromise our licence to operate
- Ongoing impact of the COVID-19 pandemic, resulting in medical absences and staff turnover being above historic levels
- Potential work stoppages and associated downtime is costly and have an adverse impact on operations and ultimately operational performance

Opportunity

- Increasing mechanisation moves employees away from working faces reducing the potential for injury
- Maintaining employee health can result in improved operational performance

Response

- Established mine health and safety strategy, processes, standards and protocols
- Maintaining focus on compliance with health and safety regulations, operating procedures, standards and responsible behaviours
- Compulsory, continuous safety training and safety campaigns, including effective on-site management and supervision
- Compulsory use of personal protective equipment
- Focus on developing mechanisable orebodies for increased safety and employing technology for improved working conditions
- Continuous health checks of employees with a strong focus on prevention
- Full comprehensive medical benefits provided to all employees
- Health education and awareness programmes for employees and local communities
- Wellness programmes, including a sexual harassment and gender-based violence campaign across the group
- COVID-19 vaccination programmes implemented across the group
- Integrated and individual patient HIV and TB management programmes at all operations

Operational exposure

Booysendal	Eland	Zondereinde
Mechanised mine with smaller workforce remaining fatality free since inception	Mine ramping up after prolonged care and maintenance, developing safety culture	Conventional mine with larger, older workforce. Suffered two mining-related fatalities in two separate incidents, as well as increased medical absences and staff turnover due to COVID-19

Executive responsible

Chief executive officer

Executives: Mining

Committee responsible

B E H M S

Risk appetite

- Currently within the risk appetite

Risk tolerance

- Within risk tolerance

4 Operational performance

Underground mining carries a high fixed proportion of total costs. As such, production volumes drive the unit costs and ultimately the profitability of the group.

Adequate mine planning, informed by sufficient exploration data, enhances operational outcomes.

Related material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Risk/impact

- Under performance of operational assets (infrastructure and orebodies) resulting in production targets not being met
- Lower production volumes compromising operational profitability which negatively impacts the group's cash position, jeopardising sustainability and posing a going concern risk
- Mining inflation remains well above consumer price index levels, impacting profitability
- Higher cost position relative to the group's peers drives negative market perception and sentiment
- Continued negative impact of COVID-19 increasing medical absences and staff turnover at operations

Opportunity

- Increased mechanisation improves productivity and efficiency
- Revenue is enhanced by higher metal recovered per unit area mined. Higher crew productivity and efficiency, allied with improved metal recovery per unit area mined, will positively impact costs and ultimately profitability

Response

- Periodic operational planning, including associated production and recovery processes
- Multi-level planning approval process
- Maintaining focus on productivity and efficiencies
- Ongoing internal optimisation initiatives
- Continuous cost monitoring and containment
- Continuous production reviews and interventions where required

Operational exposure

Booysendal	Eland	Zondereinde
Lack of mining flexibility due to decreased mineable reserves at North UG2 mine, as well as community unrest leading to operational interruptions negatively impacting production	Eland is currently ramping up with high associated fixed costs, and the operational performance is therefore key	Elevated medical absences and staff turnover due to COVID-19 negatively impacting production

Executive responsible

Chief executive officer

Executives: Mining

Committee responsible

B E M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

5 Community relations

South Africa has many social challenges and these manifest in part through community unrest. These same communities are home to our labour forces and benefit from a substantial portion of our procurement and social spend.	**Related material issues** ▪ Managing production and performance ▪ Maintaining our legislative and regulatory compliance ▪ Maintaining constructive communication channels with all our stakeholders ▪ Ongoing impact of COVID-19

Risk/impact

- Breakdown in stakeholder engagement resulting in community unrest which could impact operations
- Production stoppages with a negative impact on operational performance
- Safety and security exposures resulting in injury to employees as well as damage to infrastructure and equipment
- Local community over reliance on mines for economic benefits, including labour opportunities

Opportunity

- Strong relations with the local communities enable us to direct community upliftment programmes, allowing the development of both a skilled labour pool as well as sustainable service providing companies
- Strong relations with local communities engenders community support

Response

- SLP project identification and development in collaboration with existing and recognised community structures, aligned with local IDPs
- Dedicated stakeholder engagement teams and structures
- Focussed management and implementation of our SLP programmes
- Continuous engagement and open channels of communication with stakeholders including review of stakeholder requirements over and above our SLP commitments
- Strong community participation through their shareholding in Northam Holdings, as well as the approved increased participation through the Extended Empowerment Transaction
- Local and community procurement initiatives, including enterprise and supplier development programmes
- Continued community upliftment and empowerment programmes through The Northam Booysendal Community Trust and The Northam Zondereinde Community Trust
- Management intervention on community related issues
- Strong relations with, and commitments made to the Royal Bafokeng Nation, as part of the investment in RBPlat

Operational exposure

Booysendal	Eland	Zondereinde
Ongoing broader community unrest in the Mpumalanga and Limpopo provinces impacting all economic activity in the region	Established communities closer to developed economies but high unemployment	Established community forums and local economy

Executive responsible	Committee responsible
Executive: Sustainability Executive: Human resources	B E M S

Risk appetite	Risk tolerance
▪ Within risk appetite, but potential to exceed it depending on the general social and economic environment in South Africa	▪ Within risk tolerance

6 Tailings Storage Facilities (TSFs)

The waste products from mining operations are stored in TSFs. These are typically large structures containing slurries.

Related material issues

- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources

Risk/impact

- Structural failure or breach of a TSF resulting in:
  - Environmental damage
  - Loss of life
  - Property damage
  - Production stoppage
  - Legal action
  - Financial exposure
  - Reputational damage
  - Negative impact on investor confidence

Opportunity

- TSFs contain unrecovered metal. Ongoing secondary treatment at Booysendal and Eland mines reduces storage volumes, reducing outflow risk, whilst generating additional profits
- Use of backfill derived from tailings as an underground support element at Booysendal to reduce the volume of waste reported to the TSFs, as well as the overall environmental impact of the operations

Response

- Legal compliance to TSF safety regulations
- Best practice approach adopted in TSF design and construction encompassing downstream mitigation measures and guidance from available best practice standards including expert knowledge base and consideration of relevant aspects of the Global Industry Standard on Tailings Management, developed by the Global Tailings Review
- Upstream method employed for the construction and deposition of materials onto the TSFs
- Regular comprehensive risk assessments performed by competent engineers with updated associated emergency response plans
- Independent annual reviews of TSF integrity and management undertaken by external third and fourth parties
- Established prescribed audit and review cycle implemented
- Compliance and execution to operational codes of practice compiled in terms of the South African statutory guidelines
- Change management system during the lifecycles of the TSFs
- Use of backfill at Zondereinde mine to reduce the volume of tailings reported to the TSF

Operational exposure

Booysendal	Eland	Zondereinde
Category 3 TSF at North mine and redesigning TSF at South mine, both in environmentally sensitive areas	Low risk TSF design	Low risk TSF design and reduced footprint and rate of rise due to underground tailings deposition as backfill

Executive responsible

Chief executive officer

Executives: Mining

Executive: Sustainability

Committee responsible

B E H M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

7 Energy supply and the cost thereof

Northam obtains its bulk supply of energy from Eskom, the South African national electricity supplier. Developments at Eskom have affected the reliability and sustainability of electricity supply. If this situation continues without any meaningful improvement, it could compromise Northam's production.

In addition, given the trebling of electricity tariffs over the past decade, electricity is one of the group's key cost drivers.

Related material issues

- Managing production and performance
- Managing the environmental impact of our operations and conserving natural resources

Risk/impact

- Unreliable electricity supply compromises the safety of underground employees
- Increased cost of production, negatively impacting profitability
- Production downtime due to lack of available electricity supply
- Significant capital allocation for the provision of independent back up energy supply

Opportunity

- Independent external provider could provide supply at lower costs once established
- Provision of renewable energy internally to reduce the cost of electricity and improve the security of supply

Response

- Northam's long-term energy strategy and accompanying policy are based on energy efficiency rather than energy reduction, given the group's expansion strategy
- Energy efficiency initiatives implemented across the group include:
  - Hydropower and backfill at Zondereinde
  - Dry slag handling at smelter furnaces 1 and 2 of the metallurgical complex
  - Hydropower at Eland
  - Battery electric personnel carrier at Eland
- Standby generators at all mines to operate ventilation and people conveyance systems, allowing workers to safely exit the underground workings
- Structured operational load curtailment processes to manage occasional shortfalls and supply interruptions, minimising the impact on operations
- Dual stream processes and excess surge capacity at the metallurgical complex allowing the management of power interruptions whilst maintaining annual production levels
- Development of an alternative energy supply strategy which includes:
  - The development of a 11 MW solar photovoltaic facility at Zondereinde to reduce Eskom dependency
  - The installation of 1 MW solar arrays on the carports at Booysendal and Eland mine, with environmental authorisation studies currently underway for additional installations

Operational exposure

Booysendal	Eland	Zondereinde
Relatively low use of electricity due to mining using diesel to power the mechanised fleet with processing flexibility and redundancy due to installed concentrating capacity	Significant redundancy and flexibility in electricity requirement due to mine in ramp-up phase with current limited production	Intensive electricity requirement due to intermediate depth mine and metallurgical complex

Executive responsible

Executive: Sustainability

Executive: New business

Chief executive officer

Chief financial officer

Committee responsible

B E M S

Risk appetite

- Currently within risk appetite, but potential to exceed it due to unreliability of power supply which can impact the safety of our workforce and our operations in general

Risk tolerance

- Within risk tolerance

8 Critical skills and key personnel

Mining employs specific and specialist skills. The availability and development of these skills is critical to operational sustainability. In addition, key personnel are a repository of corporate intelligence and have significant influence over the success or failure of the business.

The availability of critical skills, together with adequate succession planning within the organisation are fundamental requirements.

Related material issues

- Managing production and performance
- Ongoing impact of COVID-19

Risk/impact

- Non-availability of critical skills resulting in negative operational exposure
- Loss of corporate intelligence and institutional knowledge
- Loss in investor confidence due to the loss of key personnel or critical skills
- Negative impact on morale and employee relations
- Underperformance of operational assets resulting in production targets not being met, compromising profitability and the group's cost position relative to its peers

Opportunity

- Timeous and effective succession planning and implementation allows for ongoing learnings to be incorporated into the business process

Response

- Membership of the Minerals Council South Africa which promotes the brand image of the mining industry
- Established operating model, encapsulating the company's values, mission and vision, communicated to all key individuals
- Competitive skills attraction and retention strategy
- Retention mechanisms through short, medium and long-term incentives
- Regular remuneration benchmarking with peer groups
- Identification of potential succession candidates from within the group
- Training, development and mentoring of key individuals within the group

Operational exposure

Booysendal	Eland	Zondereinde
A number of projects are being initiated in the Eastern Limb. This is resulting in a lack of critical skills in key positions as well as increased competition for employees and demand for skills	Growing management team and workforce due to mine in ramp-up phase	Aging, established management team and workforce

Executive responsible

Executive: Human resources

Executives: Mining

Chief executive officer

Chief financial officer

Committee responsible

B E M N R S

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

9 Critical or single stream processes

Critical or single stream plant and equipment with no redundancy. The failure of which could result in lost production.	**Related material issues** ▪ Managing production and performance
Risk/impact	**Opportunity**
▪ Failure resulting in operational stoppages and financial losses ▪ Operational stoppages resulting in production targets not being met ▪ Profitability compromised, negatively impacting the group's cash position, jeopardising sustainability and posing a going concern risk ▪ Negative impact on the group's cost position relative to its peers	▪ Increasing operational units and diversifying production both increases production volumes whilst reducing dependency on single stream plant and equipment

Response

- Continuous capacity and process flow reviews to evaluate critical and single stream processes. These inform future capital allocations
- Comprehensive pro-active maintenance programmes for critical plant and equipment
- Internal and external audits
- Continuous production reviews and interventions where required
- Dual stream system implemented at the smelter facility, as well as the recent upgrade of smelter furnace 1, together with the sequential upgrading of all components of the base metal refinery
- Second toll refiner engaged
- Increased the number of operating mining modules from one to ten, and the number of primary concentrators from two to five

Operational exposure

Booysendal	Eland	Zondereinde
Mechanised mine with multiple access points and two independent concentrators	Significant redundancy in underground and surface processing facilities	Vertical shaft access to underground workings currently through 1 and 2 shafts only. The development of 3 shaft will decrease the risk profile of Zondereinde in the future

Executive responsible	Committee responsible
Executives: Mining Chief executive officer	B E M

Risk appetite	Risk tolerance
▪ Currently within risk appetite	▪ Within risk tolerance

10 Employee relationships

Northam has a large labour workforce and its stability and morale can significantly impact the group's production. Our people are the key drivers of our success.	**Related material issues** ▪ Managing production and performance ▪ Continuing to improve the safety performance and the health and wellness of our employees ▪ Maintaining our legislative and regulatory compliance ▪ Managing constructive communication channels with all our stakeholders ▪ Ongoing impact of COVID-19
Risk/impact	**Opportunity**
▪ Workforce unrest due to labour related issues could result in: — Work stoppages and a negative impact on employees and operational performance — Workplace injuries and potential loss of life due to violence — Damage to infrastructure and equipment — Reduced morale and reputational damage	▪ Sound relations with our employees will result in unimpeded operational performance ▪ Low staff turnover leads to improved team dynamics and productivity

Response

- Open channels of communication with employees and unions
- Management intervention on employee related issues
- Remuneration policy includes medical, pension and housing benefits
- Inflationary related increases are awarded to employees on an annual basis
- Insurance policies in the event of damage or production losses
- Five-year wage agreements at Zondereinde and Eland concluded during the year, as well as the five-year agreement concluded at Booysendal in the prior financial year. These agreements provide labour stability
- Continuous contributions to the various employee trusts which will increase with the conclusion of the Extended Empowerment Transaction

Operational exposure

Booysendal	Eland	Zondereinde
Mechanised mine with smaller, higher-skilled workforce. Lack of critical skills in key positions as well as increased competition for employees and demand for skills, due to a number of projects being initiated in the Eastern Limb	Mine ramping-up with growing workforce and management team	Conventional mine with larger workforce

Executive responsible	Committee responsible
Executives: Mining Executive: Sustainability Executive: Human resources	B E H M R S
Risk appetite	**Risk tolerance**
▪ Within risk appetite	▪ Within risk tolerance

11 Social licence to operate

Compliance to the MPRDA, Mining Charter, SLPs and environmental legislation are imperative for maintaining our licences to operate. The Mining Charter stipulates the minimum requirements for compliance. Northam's strong reputation as an employer, corporate citizen and environmental custodian is imperative to ensure our licence to operate.	**Related material issues** ▪ Maintaining our legislative and regulatory compliance ▪ Managing the environmental impact of our operations and conserving natural resources ▪ Maintaining constructive communication channels with all our stakeholders ▪ Ongoing impact of COVID-19

Risk/impact	Opportunity
▪ Penalties relating to non-compliance ▪ Withdrawal or suspension of operating licenses ▪ Negative stakeholder impact which is likely to affect Northam's rating as a sound investment opportunity ▪ Increased risk of protest action, boycotts and negative public exposure ▪ Lack of recognition and genuine engagement with communities, respect for culture, traditions and land use, complaints/disputes with local communities relating to land use, local customs and rights	▪ Ongoing compliance to relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity ▪ Continuous promotion of common stakeholder understanding through active communication and engagement on community development and human rights

Response

- Ongoing monitoring of and reporting on legislative requirements and updates
- Continued compliance with the prescripts of the MPRDA including periodic reporting
- Membership of the Minerals Council South Africa which represents the mining industry in a consolidated approach
- Value-sharing and contribution to socio-economic upliftment
- Maintaining transparent corporate governance
- Constructive, transparent community engagement regarding the group activities
- Open, honest, continuous and effective stakeholder engagement
- SLPs at all operations have been approved and progress in respect of SLPs acknowledged by the DMRE
- Environmental authorisation applications approved at all operations with mandatory third-party compliance assessments and reporting
- Expansion of areas under environmental management within the Buttonshope Conservancy Trust
- Renewal of the Booysendal South and a section of the Eland mining rights, as well as the successful transfer of the mining rights for Maroelabult from Eastplats
- Initiated compliance with the IRMA standard, which includes self-assessment measurement tools and independent assessments by third parties

Operational exposure

Booysendal	Eland	Zondereinde
Mine straddles a provincial border, increasing complexity of compliance		

Executive responsible	Committee responsible
Chief executive officer Executive: Sustainability Executive: Human resources Executives: Mining	B E H M S

Risk appetite	Risk tolerance
▪ Within risk appetite, but should there be any digression this will be considered to be outside the risk appetite	▪ Within risk tolerance

12 Information technology and cyber security

Northam has a dependency on information systems to ensure business continuity. Failure of these systems for any reason could be detrimental to the business process.	**Related material issues** ▪ Managing production and performance
Risk/impact	**Opportunity**
▪ Cyber attack used to steal information or crypto locking operating systems, rendering them inaccessible, unless a ransom is paid ▪ Unauthorised use of confidential/sensitive information ▪ Loss of critical/sensitive information ▪ Loss of production due to unavailability of information technology and operational technology security systems ▪ Financial loss ▪ Reputational damage ▪ Legal action	▪ None

Response

- Technical and internal controls reviewed for vulnerabilities, continuous improvement and compliance
- Strict adherence to policies, standards and procedures together with audits performed throughout the year
- Segregation of duties, access control and change management
- Independent ethics and fraud hotline together with incident reporting, investigation and monitoring
- Cyber security awareness campaigns
- Regular reviews of firewalls with augmented security detection alert capabilities
- Downstream operations of the group are not wholly IT dependent
- Contracted an independent third party to assist with the group's cyber security activities. This includes guidance, monitoring and the implementation of controls in response to specific cyber risk areas identified
- Regular third-party cyber security risk assessments and penetration testing performed
- Establishment of a dedicated security operations centre administered by an internationally recognised cyber security technology company
- Disaster recovery and back up plans
- Physical security

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible	Committee responsible
Chief financial officer	A B IT

Risk appetite	Risk tolerance
▪ Currently within risk appetite	▪ Within risk tolerance

13 Regulatory, political and legal environment

The group operates under licence and within the political and legal framework of South Africa. In addition, mining is a capital intensive business with relatively long time horizons. The stability of our operating environment is critical to the successful pursuit of sustainable operations, our ability to effectively allocate capital and the confidence of the investment community.	**Related material issues** ▪ Maintaining our legislative and regulatory compliance
Risk/impact	**Opportunity**
▪ Political instability ▪ Penalties relating to non-compliance ▪ Emerging legislation, and cost of system implementation and compliance ▪ Changes in the process to issue new/renewing existing mining licences ▪ Withdrawal of mining-related licenses ▪ Reduced investor confidence due to heightened country risk ▪ The country's credit rating impacts the company's ultimate credit rating ▪ Negative impact on reputation which is likely to affect Northam's rating as a sound investment opportunity	▪ Ongoing adherence to relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity

Response

- Established governance structures with periodic reviews
- Regulatory compliance strategy, processes and protocols
- Independent regulatory review for new, amended or appealed legislation
- Implementation of agreements and ongoing audits at regular intervals
- Ongoing monitoring and reporting on compliance to legislative requirements
- Membership of the Minerals Council South Africa, which represents the mining industry in a consolidated approach
- Open, honest, continuous and effective engagement and the establishment of relationships with regulators and investors

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible	Committee responsible
All executives	A B E H S
Risk appetite	**Risk tolerance**
▪ Within risk appetite	▪ Within risk tolerance

14 Fraud and theft

Bribery, collusion, misappropriation of funds, employee dishonesty, theft and general misuse of company assets for personal gain.	**Related material issues** ▪ Managing production and performance
Risk/impact	**Opportunity**
▪ Non-compliance to policies, standards and procedures ▪ Non-compliance with laws and regulations ▪ Unauthorised use or theft of confidential/sensitive information or assets ▪ Reputational damage ▪ Fines and penalties ▪ Legal action ▪ Financial loss	▪ None

Response

- Governance protocols within the group
- Internal controls reviewed for continuous improvement and compliance
- Strict adherence to policies, standards and procedures together with internal and external audits performed throughout the year
- Independent ethics and fraud hotline together with incident reporting, investigation and monitoring
- Specialised in-house investigations team established, supplemented with specific independent experts when required
- Segregation of duties together with supervisory controls. Regular verification of segregation of duties, access control and change management
- Regular review of approval framework
- Northam code of ethics and conduct with formal and regular communication across the group
- Physical security

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible	Committee responsible
All executives	A B E

Risk appetite	Risk tolerance
▪ Currently within risk appetite	▪ Within risk tolerance

15 Capital allocation

Mining is a capital intensive business with relatively long time horizons, while commodity prices follow shorter period cyclical patterns. The long-term success of the business depends on achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. Therefore, capital allocation planning is critical to achieving the group's strategic objective and requires careful consideration of both short and long-term technical planning, as well as the global economic outlook and cyclical commodity price variance.

The group's historical strategy of investing during the market down cycle, growing production down the cost curve by developing new, shallow, mechanisable ore bodies has enabled the business to reap the benefits of the current higher metal price environment.

Increased cash flow generation due to growth in both metal production and prices, increases sensitivity to the allocation decisions by management and the board of directors.

Related material issues

- Effective project execution
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19
- Acquisition of a strategic investment in RBPlat

Risk/impact

- Ineffective capital allocation and decision making could negatively impact the sustainability of the group
- Poor financial returns on capital investments
- Significant capital write-downs and impairments
- Negative impact on growth of the group
- Investment/capital allocation opportunities foregone
- Underperformance in the share price
- Destruction of shareholder value

Opportunity

- Investment in high quality assets
- Portfolio upgrading
- Operational risk reduction through diversification
- Low-cost growth potential
- Positive outlook for PGM demand, both in the short and long-term supporting strong metal prices

Response

- Capital allocation planning applied, *inter-alia* conservative long-term price estimates and the incorporation of sensitivity analysis to increase confidence in financial viability, even during depressed market conditions, as well as to moderate increasing estimate uncertainty over time
- Northam's unique investment strategy, for example the proactive investments made during the market down cycle
- Continuous board assessment and evaluation on the most appropriate mechanism to allocate funds, taking into account the groups' capital structure, economic operating environment, capital commitments and the strategic imperative of returning value to shareholders
- Revision in the capital allocation strategy based on the current position in commodity cycle to preferentially target producing assets

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible

Chief executive officer
Chief financial officer

Committee responsible

A B E I

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

16 Project execution

The group's growth strategy has been focused on growing production down the PGM sector cost curve by developing new shallow mechanisable orebodies, or optimising existing operations. Underperformance in this, either in time, cost or implementation failure could detrimentally affect the performance of the group. Conversely meeting or exceeding targets enhances the groups' performance. The group has created long-term sustainable value through the application of our extensive, proven expertise together with the use of our proprietary knowledge and technology to build the group's production base.	**Related material issues** ▪ Effective project execution ▪ Ongoing impact of COVID-19
Risk/impact	**Opportunity**
▪ Growth projects and new developments underperform and do not meet the cost of capital requirements resulting in the destruction of shareholder value ▪ Potential to compromise profitability and cash generation: — Posing a serious threat to the group's sustainability — Increasing going concern and impairment risk and negative impact on the relative position of the group on the sector cost curve	▪ Delivering ahead of schedule and/or below budget improves investment returns and would further enhance market perception of Northam as a company that delivers on its plans ▪ The Booysendal South project provides the group with the opportunity of increased shallow, mechanisable production and lowering costs with a short ramp-up period ▪ The project pipeline of the group will provide the opportunity to generate economies of scale and additional profitability

Response

- Modular project structure allows for the suspension or slowing down of certain growth projects ensuring cash preservation during uncertain times, without significant impact on the overall strategic growth plan
- Experienced and competent project teams to oversee each of the major pipeline projects currently underway
- Comprehensive capital allocation and project approval processes, which govern every stage from approval to commissioning. This also includes future scenario planning
- Material project risks are comprehensively assessed and where possible, mitigated before each project proceeds to its next phase
- Continued focus on cost control by all operations within the group through reporting and monitoring
- Experienced leadership and proven skills in delivering on project execution

Operational exposure

Booysendal	Eland	Zondereinde
Booysendal South has progressed beyond the critical project risk phase	Mine in ramp-up following prolonged care and maintenance	Development of the 3 shaft project is critical for the life of mine profile beyond the five-year planning period

Executive responsible	Committee responsible
Chief executive officer Executives: Mining	B E I M

Risk appetite	Risk tolerance
▪ Within risk appetite but as a result of the global economic uncertainty this risk will be closely monitored to ensure appropriate cash preservation as required	▪ Within risk tolerance

17 Environment

Northam as a committed corporate citizen is conscious of the inherent impact our operations have on the natural environment. Our safety, health, wellness and environmental strategy focusses on key levers which are visible and tangible; safety leadership, climate change, energy, land stewardship, rehabilitation, biodiversity, waste and emissions. Northam seeks to comply with environmental legislation and strives to mitigate our impact through careful planning, operational efficiencies, environmental rehabilitation and where necessary, the establishment and conservation of biodiversity offset areas.	**Related material issues** ▪ Effective project execution ▪ Maintaining our legislative and regulatory compliance ▪ Managing the environmental impact of our operations and conserving natural resources ▪ Maintaining constructive communication channels with all our stakeholders

Risk/impact	Opportunity
▪ Environmental risks associated with mining and processing activities ▪ Non-compliance to key environmental legislation pertaining to the management of; air quality, biodiversity, protected areas, water use and waste management ▪ Emerging legislation, cost of system implementation and compliance ▪ Penalties relating to non-compliance ▪ Withdrawal or suspension of operating licenses ▪ Negative stakeholder impact which is likely to affect Northam's rating as a sound investment opportunity	▪ Ongoing compliance to relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity

Response

- Task force on climate-related financial disclosure project
- Compliance to accepted environmental practices including climate change, energy, land stewardship, rehabilitation, biodiversity, waste and emissions
- Compliance to applicable legal requirements
- Established environmental management plans and reporting systems per operation
- Renewable energy project and initiatives in progress in line with the group's energy policy and strategy
- Adopting appropriate technological and engineering responses to environment concerns
- Increased awareness through appropriate training and communication
- Policies, standards and procedures supported by impact management and efficiency plans
- Emissions reduction project initiated to improve ground level and point source concentrations of Sulphur Dioxide (SO^2) and dust
- Compliance to water use licences at all operations and increase in recycling and re-use of process water used
- Continuous and ongoing rehabilitation performed on all mining operations including full provision made for both restoration and decommissioning liabilities based on the commercial closure cost assessment and not the DMRE assessment
- Management of Booysendal's conservation efforts through the Buttonshope Conservancy Trust
- Initiated compliance with the IRMA standard, which includes self-assessment measurement tools and independent assessments by third parties

Operational exposure

Booysendal	Eland	Zondereinde
Category 3 TSF at North mine and redesigning TSF at South mine, both in environmentally sensitive areas		Smelting operations with consequent gaseous emissions

Executive responsible	Committee responsible
Executive: Sustainability Executives: Mining	A B E H M S

Risk appetite	Risk tolerance
▪ Within risk appetite, but should there be any digression this will be considered to be outside the risk appetite	▪ Within risk tolerance

18 Liquidity

Prudent liquidity management enables sufficient cash and cash equivalents, as well as available funding through an adequate amount of committed credit facilities.

Related material issues

- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19
- Acquisition of a strategic investment in RBPlat

Risk/impact

- Insufficient financing to fund operational and expansionary aspirations
- Insufficient cash for return of value to shareholders
- Breach of financial covenants
- Compromised profitability, jeopardising sustainability which poses a going concern risk
- Significant cash outflows from the Extended Empowerment Transaction and the investment in RBPlat reducing free cash and increasing net debt

Opportunity

- Prudent liquidity management provides flexibility to return value to shareholders and ability to manage other stakeholder expectations
- Effective liquidity risk management improves credit ratings which leads to reduced borrowing costs

Response

- Prudent liquidity risk management with uncommitted credit facilities available
- Cash preservation flexibility, where various capital projects can be suspended or postponed and the overall capital budget can be minimised as far as possible due to the modular approach
- Policy principles on Net Debt to EBITDA Ratio inform borrowing and spending decisions
- Regular structured review and approval of capital allocations
- Regular forecasts and cash flow updates are prepared and reviewed. These include short, medium and long-term cash flow forecasts which include sensitivity and scenario analysis
- Maintained focus on cost and capital discipline
- Secured additional debt facilities during the period
- Current metal prices and production levels will continue to generate considerable positive cash flows
- Conclusion of outflows relating to the Extended Empowerment Transaction and the settlement of the RBPlat Deferred Acquisition Consideration will bolster liquidity going forward

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible

Chief financial officer

Committee responsible

A B E M

Risk appetite

- Within risk appetite

Risk tolerance

- Within risk tolerance

19 Water supply

Northam's operations, by their very nature, use large water volumes in the mining and processing of minerals, some of which is from an external supply.

In addition, the terms of our water use and the discharge of excess water into the natural environment is prescribed in our various water use licences (WULs), which must be complied with.

Related material issues

- Managing production and performance
- Managing the environmental impact of our operations and conserving natural resources

Risk/impact

- Constrained water supply could result in:
  - Operational downtime and loss of production
  - Increased cost of production
  - Compromised profitability
- Non-compliance to WULs could result in result in loss of licence to operate

Opportunity

- Sound water management assists ongoing production, enhancing our position relative to peers
- Positive water balance from certain operations allows distribution to local communities, enhancing SLP contribution

Response

- Established water conservation and demand management programmes at all operations
- Water usage optimisation through significant recycling
- Water management included in our sustainability strategy
- Participation in industry water user forums
- On-site water storage facilities
- Compliance to WULs
- Recycling and re-use of a significant percentage of process water used
- Procedural and engineering controls, including measures to prevent the contamination of natural water resources

Operational exposure

Booysendal	Eland	Zondereinde
	Positive water balance	

Executive responsible

Executive: Sustainability

Executives: Mining

Committee responsible

B E H M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

20 Disclosure of non-financial information

ESG reporting is receiving increased focus from various stakeholders. Performance against non-financial targets is becoming a pre-requisite for investors.	**Related material issues** ▪ Maintaining our legislative and regulatory compliance ▪ Maintaining constructive communication channels with all our stakeholders
Risk/impact ▪ Reduced investment interest, limiting market capitalisation due to insufficient disclosure of non-financial information ▪ Reputational damage due to insufficient disclosure of non-financial information ▪ Protest action by focus groups	**Opportunity** ▪ Improved disclosure may attract additional investors

Response

- Ongoing improvement in external reporting of non-financial information
- Bolstering the resourcing in the sustainability team to improve reporting and disclosure capabilities
- Development of a road map to enhanced disclosure of key non-financial information
- Compliance to sustainability and climate change disclosure guidance documents published by regulators
- Regular internal and external audits and assurance, ensuring that information is valid, accurate and complete
- Initiated compliance with the IRMA standard, which includes self-assessment measurement tools and independent assessments by third parties

Operational exposure

Booysendal	Eland	Zondereinde
This risk affects all operations equally		

Executive responsible	Committee responsible
Executive: Sustainability Executive: Human Resources Executives: Mining	A B E H S

Risk appetite	Risk tolerance
▪ Currently within risk appetite	▪ Within risk tolerance

The Buttonshope Conservancy Trust

The Buttonshope Conservancy Trust was established in 2011 specifically to manage Booysendal's conservation efforts due to the mine being located within the Sekhukhune Centre of Plant Endemism, a biodiversity rich region which has been described as irreplaceable by the Mpumalanga Tourism and Parks Agency (MTPA).

The Buttonshope Conservancy Trust manages approximately 8 500 hectares of the 14 690 hectares of freehold land owned by Booysendal and the Trust, including 3 339 hectares of designated biodiversity offset areas.

It is funded through guaranteed revenue contributions from the Booysendal mine and is governed by a board of trustees with representation from Northam, the MTPA together with independent environmental practitioners.

A biodiversity offset agreement has been concluded between the Buttonshope Conservancy Trust, the MTPA and Booysendal in a benchmark example of public-private collaboration.

It commits the Trust, *inter-alia* to further expand its offsets and land under management, in line with the MTPA's long-term conservation goals.

All offset areas are managed in accordance with an approved management plan as required by the National Environmental Management Protected Areas Act No, 57 of 2003. It also makes provision for all the protected areas managed by the Trust to be donated to the MTPA upon the cessation of mining. Booysendal has a land management department that employs a professional land manager to carry out the duties of the Trust. This department is fully funded by the Booysendal mine, but operates largely independently of the operations.

The extent of offset areas are guided by the National Draft Biodiversity Offset Policy and equal 30 times the extent of area impacted by mining. Riverine systems and catchments to these are critical areas for environmental conservation.

In light of this, areas chosen for offset include a unique area of montane grassland, which gives rise to the headwaters of the Dwars River, the river that traverses the Booysendal mining area. It is envisaged that future expansions to the conservation areas will look to join the The Buttonshope Conservancy Trust areas with those of the Verloren Vallei Nature Reserve, an internationally recognised wetland reserve.

Booysendal
Mining for the future

Analysis of Northam Holdings shareholders

The analysis of major shareholders as at 30 June 2022 for Northam Platinum Holdings Limited was as follows:

Shareholding range	Number of shareholders	Total Shareholding	Percentage holding (%)
1 – 5 000	18 169	10 110 223	2.54
5 001 – 10 000	408	2 920 328	0.74
10 001 – 50 000	670	15 732 704	3.97
50 001 – 100 000	214	14 836 080	3.74
100 001 – 1 000 000	296	85 591 437	21.58
1 000 001 and more	57	267 425 106	67.43
	19 814	**396 615 878**	**100.00**

Geographical analysis of shareholders	Total Shareholding	Percentage holding (%)
South Africa	295 990 657	74.63
Americas	44 539 463	11.23
Europe and United Kingdom	35 925 825	9.06
Far East	18 304 099	4.61
Africa (excluding South Africa)	949 921	0.24
Australasia	905 913	0.23
	396 615 878	**100.00**

Shareholders with a holding of more than 5% in the issued shares	Total Shareholding	Percentage holding (%)
Public Investment Corporation SOC Limited	68 038 895	17.15
M&G plc	43 164 516	10.88
Royal Bafokeng Investment Holding Company Proprietary Limited	34 399 725	8.67
BlackRock Inc.	25 441 353	6.41
Fairtree Capital Proprietary Limited	23 082 976	5.82
Old Mutual Limited	21 574 812	5.44

Shareholder spread	Number of Shareholders	Percentage holding (%)
Public	19 807	99.43
Non-public		
Associates of Northam Platinum Holdings Limited	2	0.50
Directors of Northam Platinum Holdings Limited and major subsidiaries	4	0.02
Associates of directors of Northam Platinum Holdings Limited and major subsidiaries	1	0.05
	19 814	**100.0**

Administration and contact information

Northam Platinum Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2020/905346/06
ISIN code: ZAE000298253
Share code: NPH

Northam Platinum Limited
Incorporated in the Republic of South Africa
Registration number 1977/003282/06
Debt issuer code: NHMI

Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM018
Bond ISIN: ZAG000168097
Bond code: NHM019
Bond ISIN: ZAG000168105
Bond code: NHM020
Bond ISIN: ZAG000172594
Bond code: NHM021
Bond ISIN: ZAG000181496

Debt officer
AH Coetzee
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

e-mail: alet.coetzee@norplats.co.za

Registered office
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

Telephone: +27 11 759 6000
www.northam.co.za

Company secretary
PB Beale
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

e-mail: trish.beale@norplats.co.za

Bankers
Nedbank Limited
135 Rivonia Road
Sandton, 2196
South Africa

PO Box 1144
Johannesburg, 2000
South Africa

Standard Bank
9th floor
Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
South Africa

PO Box 7725
Johannesburg, 2000
South Africa

Auditors
Ernst & Young Inc.
102 Rivonia Road
Sandton, 2146
Johannesburg
South Africa

Private Bag X14
Sandton, 2146
South Africa

Transfer secretaries
JSE Investor Services Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein, 2001
South Africa

PO Box 4844
Johannesburg, 2000
South Africa

Telephone: +27 11 713 0800 / +27 086 147 2644
e-mail: InvestorEnquiries@jseinvestorservices.co.za

Independent ethics and fraud hotline
Anonymous whistleblower facility
0800 15 25 39 (South Africa)

Sponsor to Northam Platinum Holdings Limited and debt sponsor to Northam Platinum Limited
One Capital Sponsor Services Proprietary Limited
17 Fricker Road
Illovo, 2196
Johannesburg
South Africa

PO Box 784573
Sandton, 2146
South Africa

Investor relations
LC van Schalkwyk
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

Telephone: +27 11 759 6000
e-mail:
leon.vanschalkwyk @norplats.co.za

R&A Strategic Communications
PO Box 1457
Parklands, 2121
South Africa

Telephone: +27 11 880 3924
e-mail: marion@rasc.co.za

Lead Competent Person
DS Smith
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

e-mail: damian.smith@norplats.co.za

Notes

NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Platinum Holdings Limited
(Northam Holdings) including
Northam Platinum Limited (Northam Platinum)

Building 4, 1st Floor, Maxwell Office Park
Magwa Crescent West, Waterfall City
Jukskei View 2090, South Africa

PO Box 412694, Craighall 2024
South Africa

northam.co.za

smart platinum mining