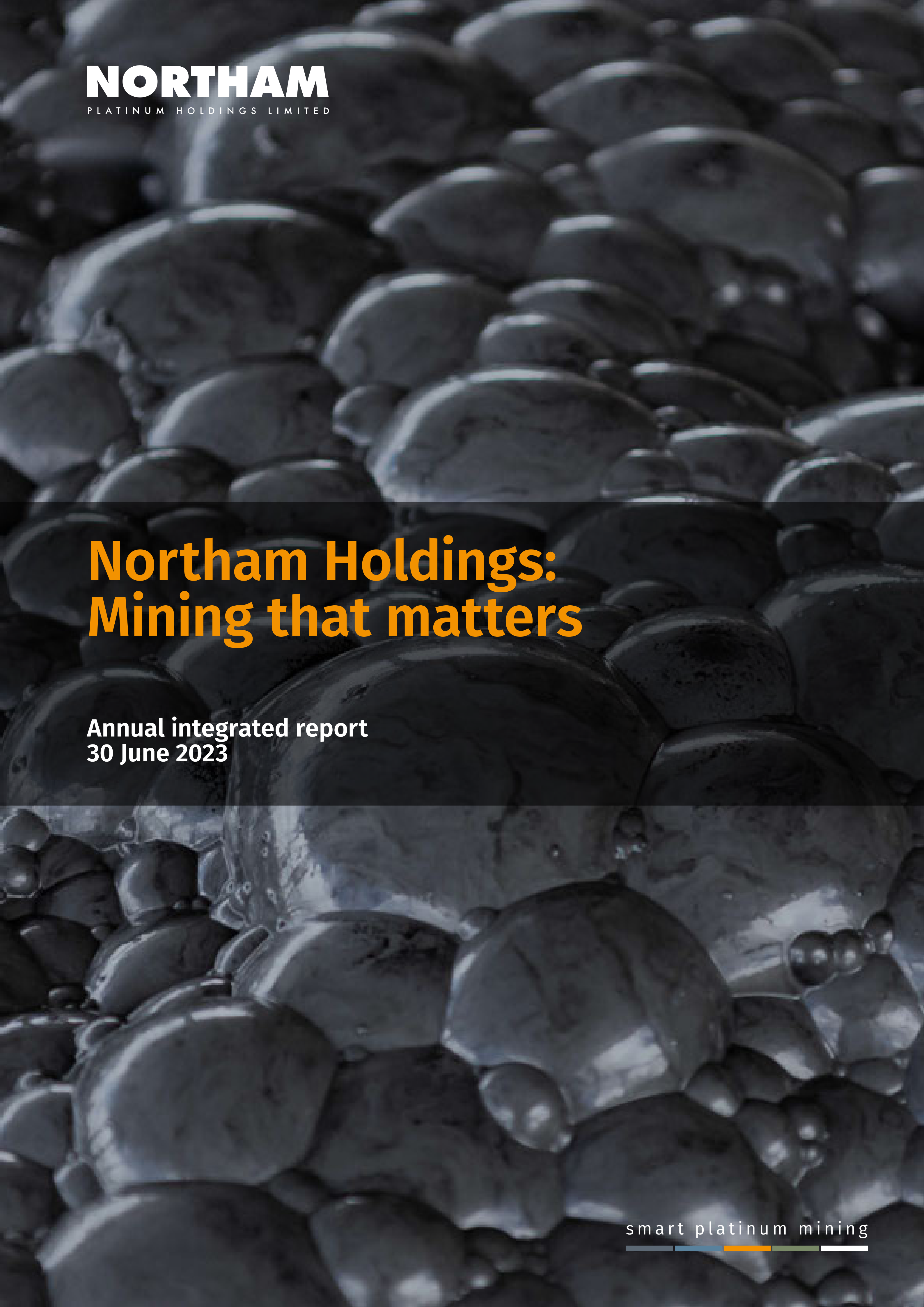


NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Annual integrated report
30 June 2023

smart platinum mining

NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Annual integrated report
30 June 2023

smart platinum mining

Mine to market value chain

The production of Platinum Group Metals (PGMs) begins with the mining of ore deposits typically containing very low concentrations of the metals. Following this, the mined ore passes through five stages of physical and chemical beneficiation ultimately producing individual high purity saleable metals.

The first stage of beneficiation is primary concentration in which the concentration of PGMs and associated base metals is upgraded through a process of crushing, milling and froth flotation. The product of this process is primary concentrate. The flotation process upgrades the concentration of PGMs in the ore from between 2 and 5 grams per tonne to between 90 and 150 grams of PGMs per tonne.

The second stage of beneficiation is smelting, in which primary concentrate is dried and heated in a smelter furnace until molten, at which point PGMs and associated base metals concentrate into what is termed smelter matte containing between 1 500 and 2 500 grams of PGMs per tonne.

Smelter matte is then fed into the third stage of beneficiation, which is iron conversion, wherein the addition of a silica flux and air drives off iron and sulphur producing convertor matte containing between 3 500 and 5 000 grams of PGMs per tonne.

This is the feed for a base metal refinery, wherein associated base metals are extracted, leaving a high grade precious metal concentrate. This precious metal concentrate contains approximately 500 000 grams per tonne of PGMs. Base metals include nickel, which is extracted as a nickel sulphate salt, and copper which electrowon, produces pure copper plate.

Precious metal concentrate is treated through a precious metal refinery, the fifth and final stage of beneficiation, producing individual saleable metals of high purity. Final refined PGMs are produced in various forms for a multitude of applications, for example, ingot or sponge.

We sell most of our PGMs through offtake agreements with a limited number of large customers, with whom we have long-standing associations and relationships. 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.

Our chrome product is sold through a single third party via a guaranteed offtake and security of supply contributions agreement. In addition, we have the ability to sell excess metal on the spot market.

The picture on the front cover is of bubbles containing PGMs produced during the flotation process at the concentrator, which is the first stage of the beneficiation process.

Contents

Our reporting suite

Our Annual integrated report is supplemented by a full suite of publications also available online, 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
- Human
- Intellectual
- Manufactured
- Natural
- Social

Links

- Refers to other pages in this report
- Refers to supporting documents on our website, www.northam.co.za

ESG metrics

- E Environmental
- S Social
- G Governance
- F Financial performance

Stakeholders

- Communities
- Department of Mineral Resources and Energy (DMRE)
- Employees
- Eskom Holdings SOC Limited (Eskom)
- Financial institutions
- Government
- Industry associations
- Investors and providers of funding
- Johannesburg Stock Exchange Limited (JSE Limited)
- Precious metal refiners and customers
- Regulatory authorities
- South African Revenue Services (SARS)
- Suppliers of goods and services
- Third party purchase contracts
- Unions

Board and committees

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

Unless otherwise defined, capitalised words and terms contained in this Annual integrated report shall bear the same meaning ascribed thereto in the Glossary included in the Summarised financial results for the year ended 30 June 2023, available on our website.

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 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 Listings Requirements
- JSE Debt Listings Requirements
- King IV™

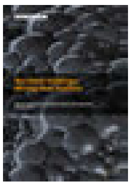
Approved by the board of directors, and includes the chief executive officer and finance director responsibility statement, as well as the company secretary's confirmation

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
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements

Approved by the board of directors

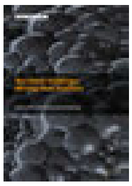
Corporate governance report
Prepared in accordance with:
- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements
- King IV™

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



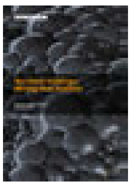
Mineral Resources and Mineral Reserves statement
Prepared in accordance with:
- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves 2016 (the SAMREC Code (2016))
- JSE Listings Requirements

Signed off by the Lead Competent Person



Notice of the 2023 Annual General Meeting
Prepared in accordance with:
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements
- Company's Memorandum of Incorporation (MOI)
- King IV™

Approved by the board of directors and the company secretary

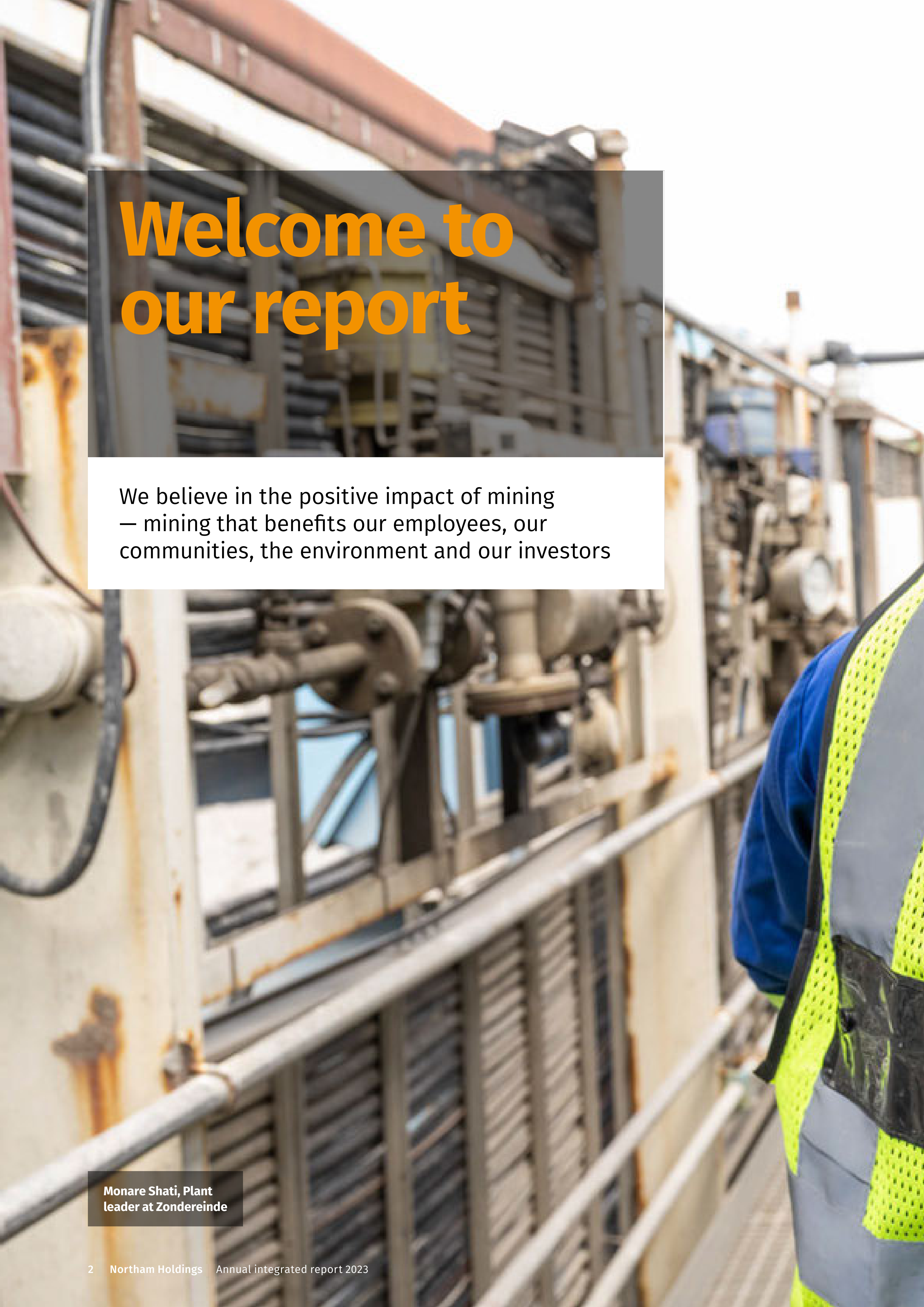


Remuneration report
Prepared in accordance with:
- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- King IV™

Approved by the remuneration committee

Sustainability report
Prepared in accordance with:
- Core requirements of the GRI Standards

Approved by the health, safety and environmental committee



Welcome to our report

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

Monare Shati, Plant leader at Zondereinde

Basis of preparation of our Annual integrated 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 2023 (F2023), the company's Notice of the 2023 Annual General Meeting (AGM) and the audited Annual financial statements are published in compliance with, *inter alia,* the JSE Limited Listings Requirements (JSE Listings Requirements) and the relevant provisions of the Companies Act.

In compliance with paragraph 7.F.6 of the JSE Listings Requirements, Northam Platinum Holdings Limited (Northam Holdings, Northam or the group) 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™.

Northam's financial year is from 1 July to 30 June. In this 2023 financial year (the F2023 reporting period), Northam has continued with its integrated approach to reporting, as first embarked upon in the financial year ended 30 June 2011 (F2011). This approach seeks to present stakeholders with a holistic overview of the group's financial and non-financial performance, using the Integrated <IR> Reporting Framework of the IIRC and the standards of the GRI as the basis for determining the content of this report, which has been prepared in accordance with the GRI Standards Core option. This holistic overview provides a summary of the business, its performance, the value it creates for stakeholders, and an assessment of the group's social, environmental, governance and financial impacts, as well as performance during the reporting period.

Our approach to materiality

Materiality for the year ended 30 June 2023 was determined based on the requirements of the International Standard on Auditing (ISA) 320, Materiality in Planning and Performing an Audit. In terms of materiality, Northam has adopted a conservative approach, using the lower-end of the range in determining its materiality threshold, which takes into consideration both quantitative and qualitative measures for purposes of the combined integrated assurance model.

We apply the principle of materiality in assessing what information should be included in our Annual integrated report, as well as our full suite of publications, in order to provide users of these reports with a balanced view of our business and the environment in which we operate.

Material issues

As a South African PGM mining company, we consider material issues to be those that could significantly impact our business and our strategy.

These issues stem from a combination of both internal and external factors, and have a direct influence on the long-term sustainability of our business which ultimately impacts value creation for all stakeholders.

Material issues in the mining industry remain generally consistent year after year unless specific events like COVID-19 occur, which we featured as a material issue in the past, and the recent developments at Eskom Holdings SOC

Limited (Eskom), which now warrants us to include the situation at Eskom as a material issue.

We identify, evaluate and prioritise material issues as part of our established materiality assessment process. We do this by following a periodic materiality assessment with participation by both internal and external stakeholders, which includes consideration of our environmental, social and governance (ESG) targets, as well as financial (F) performance.

The outcomes of this assessment guide management and the board on issues most material to our business and our stakeholders.

Combined assurance

Principle 3.5 of the King III Report introduced combined assurance as a recommended governance practice. The recommendation was made following a general understanding that more can be done to improve assurance coverage and quality through better coordination of assurance providers. King IV™ expands on this concept by indicating that a combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these can enable an effective control environment, support the integrity of information used for decision-making by management, the governing body and its committees, and support the integrity of the organisation's external reports.

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.

Although the King IV™ recommendations do not prescribe the design of the combined assurance model, Northam has developed its combined assurance model to integrate the following:

- Account balances (statement of profit or loss and other comprehensive income and statement of financial position)
- Management's activities (incorporating organisational role changes and responsibilities)
- Risk assessment and enterprise risk management
- Control validation/assurance (process level and account balance level)

Collectively, these activities form the basis of Northam's combined integrated assurance model. The model features four lines of assurance, used to distinguish the level of assurance, as well as the extent of the assurance that is associated with the various aspects comprising the model. The four lines of assurance consist of:

- Operations (management reviews incorporating group services)
- Corporate (executive directors and executive committee reviews)
- Third party (independent providers of confirmation and/or assurance, including independent internal and external auditors)
- Board and board committees

Auditing and assurance

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

PricewaterhouseCoopers Inc. (PwC) has been appointed by the board of directors as the new external auditor of the group for the financial year ended 30 June 2023, with the designated external audit partner being AJ Rossouw. The change in external auditor, from EY Inc. to PwC, was initiated following Northam's decision to early adopt the mandatory audit firm rotation rule, issued by the Independent Regulatory Board for Auditors, which was effective for financial years commencing on or after 1 April 2023. The group, through the audit and risk committee, acknowledged the Supreme Court of Appeal judgement against the requirement for mandatory rotation, however considered that it is in the group's best interest to periodically rotate external auditors.

Northam Holdings' consolidated and separate Annual financial statements have been audited by the external auditor, PwC.

The independent auditor's report is included in the Annual financial statements for the year ended 30 June 2023, available on our website.

PwC were also 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.

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 further includes ruthenium and iridium.

The references to time periods within this report should be read as follows:

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.

Forward-looking statements

Our reporting suite, including this report, the Annual integrated report, contains certain disclosures regarding forward-looking statements with respect to the group's financial position, results, operations, business and economic conditions based on, amongst other things, forecast metal prices and exchange rates, demand, production, changes in economic and market conditions and the regulatory environment.

These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that will occur in the future and include unknown risks and uncertainties which are not wholly within the control of Northam.

There are various factors that could cause actual results to differ materially 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 at the time of releasing our 30 June 2023 financial results, on 25 August 2023, are believed to have been prepared based on reasonable assumptions and were informed by the group's business plans and economic forecasts that were finalised and approved by the board in June 2023.

Disclosures relating to the risks facing the business are included in this report under 'Material issues' as well as 'Managing risks and opportunities', which covers the group's integrated enterprise risk management.

Northam 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/or the JSE Listings Requirements.

This disclosure is prepared for information purposes only and does not constitute an endorsement to buy, sell or trade in the securities of Northam or any other entity. No assurance is provided on these disclosures under IFRS or any other financial reporting framework. The past performance of Northam should not be used as a guide for future performance.

Directors' responsibility

The directors are required to maintain adequate accounting records and are responsible for the content and integrity in the preparation and presentation of this Annual integrated report. It is the directors' responsibility to ensure that the financial results fairly present the state of affairs of the group and the results of its operations and cash flows for the period then ended, in conformity with IFRS.

The directors acknowledge that they are ultimately responsible for ensuring that the system of internal control is adequate, effective, has been appropriately implemented and can be relied upon in compiling the Annual integrated report as well as the financial information contained in the Annual financial statements.

The group places considerable importance on maintaining a strong control environment. The focus of the group's integrated enterprise risk management framework is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, Northam endeavours to minimise it by ensuring that appropriate infrastructure controls, systems and standards of ethical behaviour are applied and managed within predetermined policies and procedures.

The directors are of the opinion that the system of internal control provides reasonable assurance that operating and financial results may be relied on for the preparation of the Annual integrated report as well as the Annual financial statements.

The directors confirm that to the best of the board's knowledge and belief, no facts have been omitted or untrue statements have been made that would make the Annual integrated report false or misleading.

The Annual integrated report conforms and adheres to applicable reporting standards and is presented after applying reasonable and prudent judgements and estimates made by management, which have been consistently applied.

The directors consider the operating context, strategy and value-creation model of the group in assessing the appropriateness of the going concern assumption. The directors are satisfied that Northam has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern principle continues to be adopted and applied.

The directors believe that the Annual integrated report appropriately addresses the adoption and performance of the capital structure and how the capital structure defines the business model of the group. In accordance with the approval process, the Annual integrated report was approved by the board on 22 August 2023.

For and on behalf of the board

TI Mvusi
Chairman

PA Dunne
Chief executive officer

Johannesburg
22 August 2023

Slag tapping at Zondereinde metallurgical complex

Our strategic journey – unchanged from 2015

Northam is an independent, empowered, integrated producer of PGMs benefitting from the full mine to market value stream.

Northam 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 (BMR) facilities.

Our listing on the securities exchange operated by the JSE

Northam is listed on the Main Board of the securities exchange operated by the JSE as Northam Holdings, under JSE share code NPH. Our debt instruments are listed on the interest rate market of the JSE under debt issuer code NHMI. We were initially listed in 1987 as Northam Platinum Limited (JSE share code NHM). In 2021, Northam Platinum Holdings Limited 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. The supply of these metals is, however, constrained and will reduce over the coming decade due to a general lack of global mining investment since 2008.

Our belief is key to the operational and investment strategies we consistently follow.

Our history

Northam began 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 followed in 1993. The mine still operates, having grown to a steady state of around 320 000 4E ounces per annum.

Our growth through operational diversification

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

In 2008, this led to the acquisition of the Booysendal 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 ounces (Moz) 4E. Development of the Booysendal mine commenced in 2010, initially focusing 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. Our strategic intent of growing production down the cost curve was focused predominantly on shallow, mechanised, quality mining.

We subsequently purchased the Everest mine adjacent to Booysendal and have since developed an additional five mining modules at the operation which currently yields more than 450 000 4E ounces per annum. Mine development is still underway and production levels are expected to increase to 500 000 4E ounces per annum at steady state.

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 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 is expected to be reached in 2028.

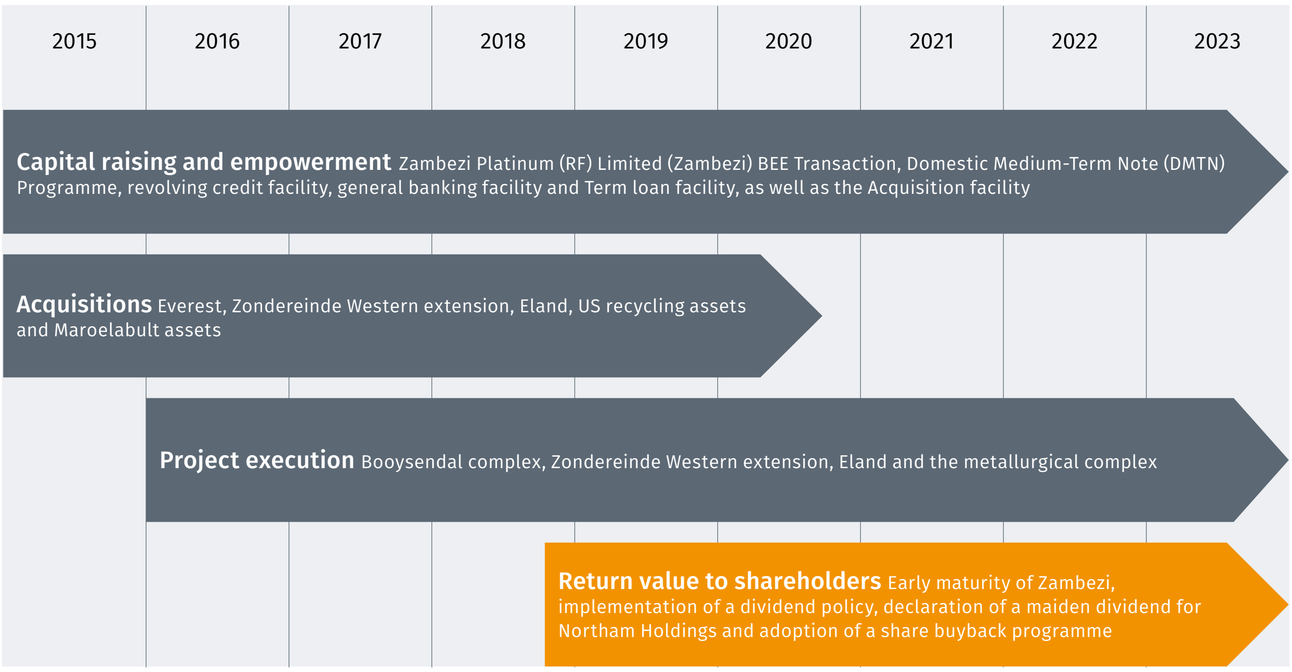
An enhancement to the Eland operation has been the acquisition and integration of the neighbouring Maroelabult mine during 2022. This has added significant operational flexibility to Eland.

Our focus over the past decade and more has been to follow an operational diversification path in our growth strategy, increasing the number of mining and processing assets.

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 to produce 1 million 4E ounces per annum from our own operations, at that point in time we produced approximately 377 000 4E ounces per annum. We are scheduled to achieve this target by 2027.

Growing beyond mining

Since 2015, we have grown our downstream metallurgical processing capacity beyond the requirements of our own production. This has been done 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. 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.



A timeline of our operational diversification

1986	Shaft sinking commenced at Zondereinde mine
1987	Northam Platinum Limited listed on the JSE under JSE 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
2008	Booysendal transaction concluded for R5.6 billion, with the acquisition of 103.3 Moz PGM Mineral Resources
2010	Approval of R3.6 billion capital expenditure for the Booysendal UG2 North mine and concentrator
2012	Establishment of the DMTN Programme
2013	Booysendal UG2 North mine starts production

2015	Zambezi BEE Transaction concluded with a net R4.2 billion raised for future expansion Acquisition of Everest mine (adjacent to Booysendal) and Mineral Resources for R450.0 million
2016	Approval of Booysendal South project at a capital cost of R4.2 billion in 2016 monetary terms
2017	Acquisition of the 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 Number 3 shaft at Zondereinde Western extension
2021	Commencement of mining at Eland Listing of Northam Platinum Holdings Limited on the JSE under JSE share code NPH with simultaneous delisting of Northam Platinum Limited (NHM) Accelerated maturity of the Zambezi structure
2022	34.52% investment in RBPlat Rebuild and upgrade of smelter furnace 1 and commissioning of recycling smelter furnace at Zondereinde metallurgical facility
2023	Booysendal South mine reaches steady state tonnage Underground connectivity between Eland's Kukama mine and the Maroelabult mine achieved Sale of investment in RBPlat into the Implats Mandatory Offer, subsequent to the 2023 financial year-end

COVID-19 impact

Production in oz 4E

0

900 000

Production graph shown, expressed as equivalent refined metal produced from own operations as 4E ounces (oz 4E).

Our business model

The quality of our capital inputs

Natural
- 224.1 Moz 4E Mineral Resources and 34.4 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
- R11.0 billion undrawn facilities available

Human
- 22 368 permanent employees and contractors
- Trained and skilled staff
- Five-year wage agreements at all operations
- Health and wellness programmes

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

Delivers our strategy

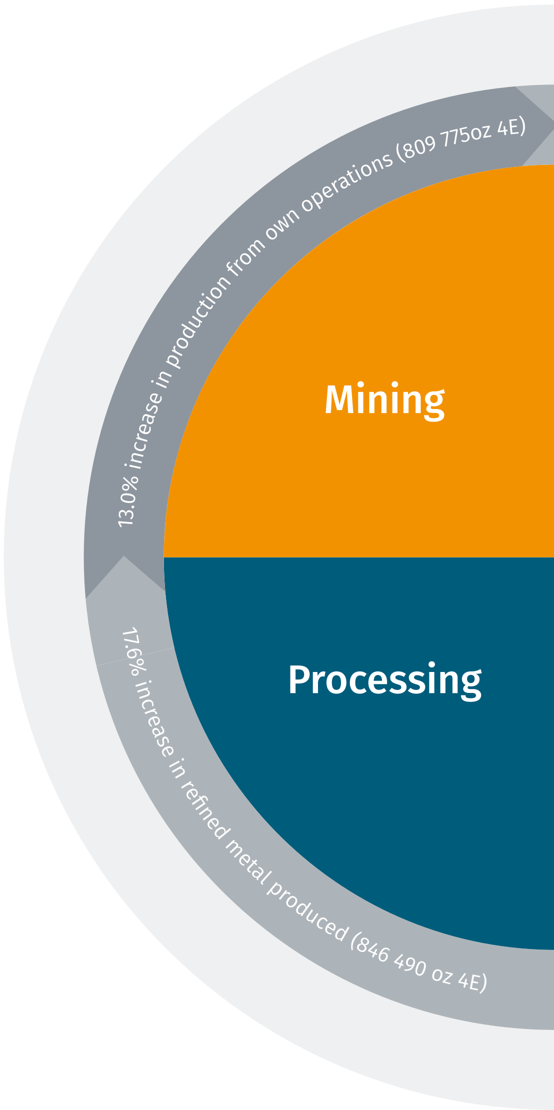
To grow production down the industry cost curve by developing or acquiring shallow, mechanisable PGM ore bodies and optimising existing operations

Our strategy is influenced by our material issues, which are in turn determined by our risks and opportunities

Material Issues
- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Managing the impact of our operations and conserving natural resources
- Liquidity management to mitigate market volatility
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Risks and opportunities
1 Exchange rate and commodity price volatility
2 Demand for PGMs
3 Health and safety
4 Energy supply and the cost thereof
5 Operational performance
6 Liquidity
7 Critical skills and key personnel
8 Tailings storage facility (TSFs)
9 Critical or single stream plant and equipment
10 Capital allocation
11 Community relations
12 Employee relations
13 Social licence to operate
14 Regulatory, political and legal environment
15 Environmental, social and governance (ESG)
16 Project execution
17 Information technology and cyber security
18 Fraud and theft
19 Environment
20 Water supply

Enabling our business activities



Governance

Governance over the value creation process is applied to every step of our business model by the board:

Approving the group's strategy

Ensuring a competent and effective management team is in place

Overseeing the implementation of the strategy, policies and business plans

To yield outputs	And outcomes for our capitals	Creating value for our stakeholders

And outcomes for our capitals

Natural

- 8 500 Ha of land managed by the Buttonshope Conservancy Trust
- 4 141 Ha of land in designated biodiversity offset areas
- 5.6% reduction in energy consumption per refined metal produced
- 86% water recycled across the group

Financial

- 885 347 oz 4E sold
- R39.5bn revenue
- R15.4bn operating profit
- 2 414.9 cents HEPS
- R2.9bn tax paid
- Maiden dividend declared

Human

- 1 216 new sustainable jobs created
- 67% HDPs in management
- 19% women at mining
- Three fatalities at Zondereinde

Intellectual

- 1.125Mw solar rooftop installations at Eland and Booysendal
- Use of battery electric vehicles at Eland
- Headgear and winders for Number 3 shaft installed
- Additional renewable energy initiatives being explored

Manufactured

- 809 775 oz 4E equivalent refined metal from own operations
- Booysendal South mine at steady state
- Eland mine ramp-up in progress
- Western extension on track

Social

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

Ensuring compliance to laws and regulations

Overseeing the group's values and commitment to ethical leadership

Ensuring the company is a responsible corporate citizen

Ensuring an effective corporate governance structure is in place

Booysendal South Merensky mine

Our commitment to create value for shareholders

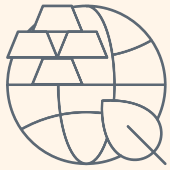
Northam is an independent, integrated producer of PGMs, listed on the JSE, benefitting from the full mine to market value stream.

We are pursuing a four-phase growth strategy, investing significant financial resources to safely, efficiently and sustainably increase our PGM production against the sector trend of depleting supply.

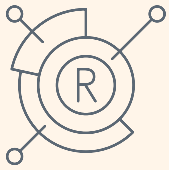
Key ingredients of sustainability in mining are the magnitude and quality of the Mineral Resources in a mining company's asset base. This determines the ability to produce into the future. Northam's mineral inventory, contained in our three operating mines, is large, relatively shallow and boasts some of the highest metal grades in the PGM sector, whilst being largely amenable to mechanised mining.

These are the key components of our investment case:

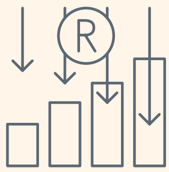
We produce metals essential for a cleaner, greener and fairer world



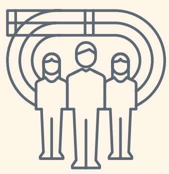
We employ a disciplined approach to capital allocation



We have built and manage low-cost, sustainable operations



Our experienced leadership team has a strong and proven track record



The world needs the metals we produce.

PGMs are special metals that aid the attainment of a cleaner, greener, fairer world. They are amongst the rarest and most precious of metals, and **they possess unique properties** that are essential to a growing number of industrial applications.

PGMs occur at very low concentrations, with most PGM deposits located in South Africa where there has been a dearth of investment for more than a decade.

PGMs are an essential component of catalytic converters, which are the exhaust emission control devices that reduce emissions of toxic gases and pollutants from internal combustion engines (ICE).

PGMs are used in the production of hydrogen, particularly green hydrogen, as well as in **fuel cells** that produce clean electricity from hydrogen.

Applications for PGMs are growing. They are used in the production of fertilisers, industrial chemicals and in modern drugs for cancer treatment, as well as in uses ranging from lightbulbs to airbags to medical devices.

The long-term fundamentals for PGMs remain strong and this will support pricing in the future. Short-term price fluctuations can be expected, but our strategy and investment case is built on long-term sustainability.

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.

The rewards that accrue from mining can be significant, benefitting not only shareholders but also the broader economy.

Mining is capital intensive and operates over relatively **long-time horizons** while commodity prices follow shorter period cyclical patterns. It is not possible to accrue reward without applying capital and accepting commensurate risk, whilst pursuing a strategy that is both prudent and consistent.

Since 2015, Northam has pursued a consistent strategy of organically **growing production down the industry cost curve whilst reducing operational risk and returning free cash** generated from its operations **to shareholders**.

Our strategy remains unchanged.

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.

We have **increased our production** of PGMs over the past 8 years, and our mines now **operate at the lower end of the industry cost curve**.

We have now embarked on the final phase of our strategy, which is **returning value to shareholders**.

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 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.

Our **robust financial position,** the structure of our growth programme and the design and management of our operations ideally positions Northam to benefit from reduced operational risk, thereby creating value.

Our medium-term annual production target from our wholly-owned operations remains **1 Moz 4E**.

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, as well as through 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.

Naledi Parkies, Geologist at Eland directing the survey team (L-R) Hendrick Khunou, Pascal Mmemogupodi and Lucky Dube

Mineral Resources and Mineral Reserves

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

Mineral Resources are the product of mineral assets and exploration processes

224.14 Moz 4E

Group total Mineral Resources
F2022: 225.47 Moz 4E

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

34.38 Moz 4E

Group total Mineral Reserves
F2022: 34.50 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)).

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 Mineral Resources and Mineral Reserves Statement 2023

Northam's total attributable Mineral Resources as at 30 June 2023, expressed as *in situ* metal content, comprises 224.14 Moz 4E, a decrease of 1.33 Moz 4E on the previous year. The total metal content in Mineral Reserves as at 30 June 2023, comprises 34.38 Moz 4E, a decrease of 0.12 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 2023, have been prepared by the group's Competent Persons using the guidelines of the SAMREC Code (2016).

In addition, as at 30 June 2023, Northam had a 34.52% interest in RBPlat and resultantly declares attributable Mineral Resources and Mineral Reserves for the RBPlat mines. This interest has been disposed of subsequent to 30 June 2023. Northam also has a 50% attributable stake in the Dwaalkop joint venture through its wholly-owned subsidiary Mvelaphanda Resources Proprietary Limited (Mvelaphanda). 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 2022.

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 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.

For further details refer to the full Mineral Resources and Mineral Reserves statement as at 30 June 2023, available on our website.

Competent Persons for the compilation of Mineral Resources and Mineral Reserves [1,2,3,4,5,6,7]

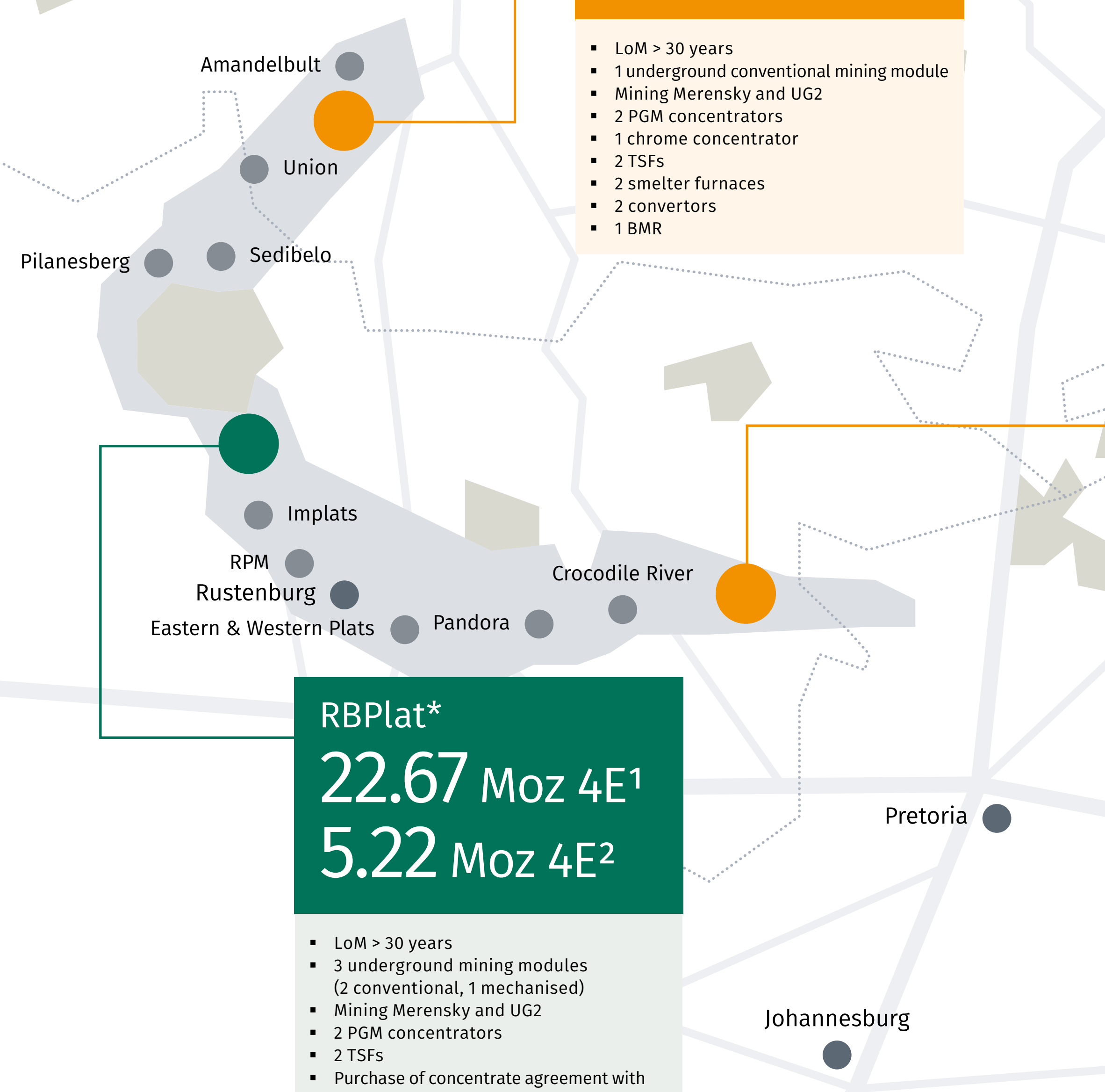
Company	Operation	Responsibility	Name	Position/Title	Qualifications	Years of PGM experience	Affiliation	Member Number
Northam	Group	Mineral Resources & Mineral Reserves	Damian Smith	Executive: New Business	BSc (Hons) Geology; MSc Mining and Exploration Geology	27	SACNASP	400323/4
		Mineral Resources & Mineral Reserves	Dennis Hoffmann	Mineral Resources Manager	BSc (Hons) Geology; MSc Geology	19	SACNASP	400220/10
		Mineral Resources	Paula Preston	Group Geologist	BSc (Hons) Geology; MSc Geology	14	SACNASP	400429/04
	Booysendal	Mineral Resources	Meshack Mqadi	Chief Geologist	BSc (Hons) Geology	14	SACNASP	400703/15
		Mineral Reserves	Willie Swartz	Manager: Technical Services	NHD Mineral Resource Management	19	SAIMM	709852
	Eland	Mineral Resources	Mabule Modiba	Chief Geologist	BSc (Hons) Geology	11	SACNASP	400749/15
		Mineral Reserves	Robby Ramphore	Manager: Technical Services	NHD Mineral Resource Management	26	SAIMM	705482
	Zondereinde	Mineral Resources	Mpumelelo Thabethe	Chief Geologist	BSc (Hons) Geology	13	SACNASP	400309/14
		Mineral Reserves	Charl van Jaarsveld	Manager: Technical Services	BSc (Hons) Geology	18	SACNASP	400268/05
Sibanye-Stillwater	Dwaalkop	Mineral Resources	Nicole Wansbury	Unit Manager Geology: Resources	MSc Geology	17	SACNASP	400060/11
RBPlat	RBPlat	Mineral Resources	Jaco Vermeulen	Group Geologist	BSc (Hons) Geology	24	SACNASP	400232/12
		Mineral Reserves	Clive Ackhurst	Mineral Resource Manager – BRPM	BSc (Hons) Mining Engineering	31	ECSA	20090200
		Mineral Reserves	Sybrandt Byleveldt	Mineral Resource Manager – Styldrift	BTech Mineral Resource Management	27	SAIMM	706557

Notes:

1 Mineral Resources and Mineral Reserves for the RBPlat mines are declared by RBPlat. Northam has consent from RBPlat's Lead Competent Persons for their managed PGM operations to publish the Mineral Resources and Mineral Reserves as at 31 December 2022.
2 Mineral Resources for the Dwaalkop joint venture are declared by Sibanye-Stillwater. Northam has consent from Sibanye-Stillwater's Lead Competent Person for their SA PGM operations and projects to publish the Mineral Resources as at 31 December 2022.
3 SACNASP – South African Council for Natural Scientific Professions.
4 ECSA – Engineering Council of South Africa.
5 IMSSA – Institute of Mine Surveyors of Southern Africa.
6 SAIMM – The Southern African Institute of Mining and Metallurgy.
7 Further details can be found in the full Mineral Resources and Mineral Reserves statement, which is available on the company's website, www.northam.co.za.

Location of our Mineral Resources and Mineral Reserves

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



Zondereinde

78.91 Moz 4E[1]

14.82 Moz 4E[2]

- 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

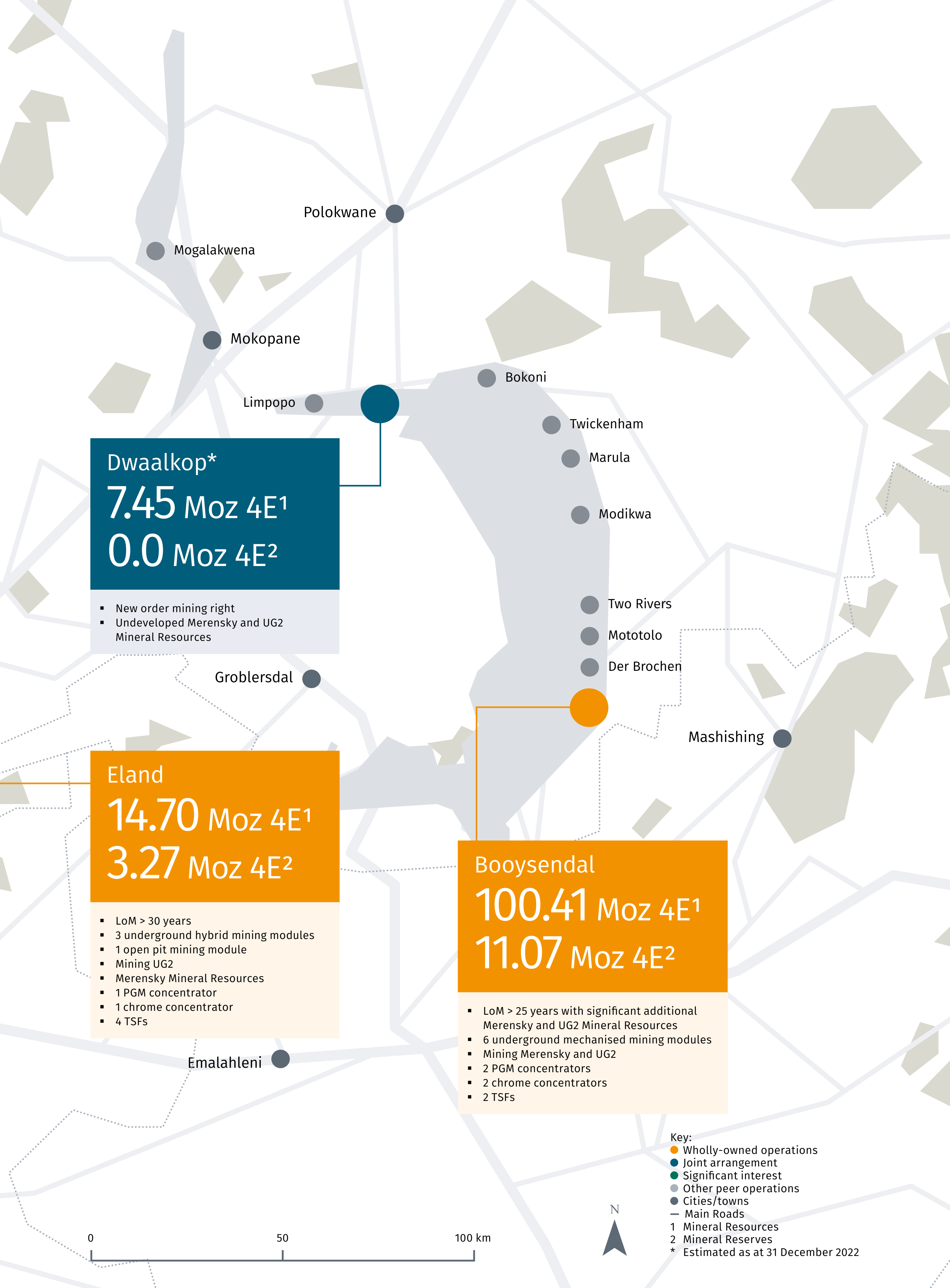
RBPlat*

22.67 Moz 4E[1]

5.22 Moz 4E[2]

- 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

The investment in RBPlat was disposed of subsequent to year-end


Polokwane
Mogalakwena
Mokopane
Bokoni
Limpopo
Twickenham
Marula
Modikwa
Dwaalkop*
7.45 Moz 4E[1]
0.0 Moz 4E[2]
- New order mining right
- Undeveloped Merensky and UG2 Mineral Resources
Two Rivers
Mototolo
Der Brochen
Groblersdal
Mashishing
Eland
14.70 Moz 4E[1]
3.27 Moz 4E[2]
- LoM > 30 years
- 3 underground hybrid mining modules
- 1 open pit mining module
- Mining UG2
- Merensky Mineral Resources
- 1 PGM concentrator
- 1 chrome concentrator
- 4 TSFs
Booysendal
100.41 Moz 4E[1]
11.07 Moz 4E[2]
- 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
Emalahleni
0
50
100 km
N
Key:
Wholly-owned operations
Joint arrangement
Significant interest
Other peer operations
Cities/towns
Main Roads
1 Mineral Resources
2 Mineral Reserves
* Estimated as at 31 December 2022

Chairlift at Eland mine

Mineral Resources

Changes to the Mineral Resources during the year

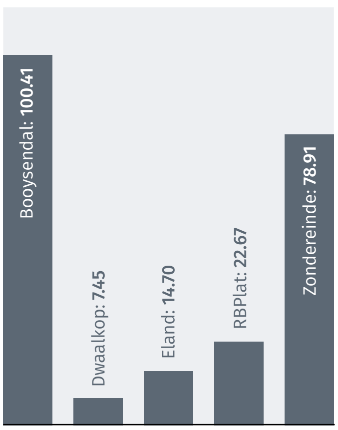
Northam's attributable combined Mineral Resources as at 30 June 2023, expressed as metal content, comprises 224.14 Moz 4E, a decrease of 1.33 Moz 4E on the previous year.

- Combined Mineral Resources at the Booysendal mine totalled 100.41 Moz 4E, a decrease of 0.84 Moz 4E. This decrease is the net result of mining depletions (-0.77 Moz 4E), together with changes to metal content associated with re-evaluation of the orebodies (-0.07 Moz 4E)
- Attributable combined Mineral Resources in the Dwaalkop joint venture totalled 7.45 Moz 4E, an increase of 0.33 Moz 4E. This increase is the result of the re-evaluation of the UG2 Reef cut to support mechanised mining extraction
- Combined Mineral Resources at the Eland mine totalled 14.70 Moz 4E, an increase of 0.27 Moz 4E. This increase is the result of the re-evaluation of Mineral Resources where the UG2 Reef cut was revised, and a geostatistical estimation method was applied
- Attributable combined Mineral Resources at the RBPlat mines totalled 22.67 Moz 4E, a decrease of 0.39 Moz 4E. This decrease is mainly the result of mining depletion
- Combined Mineral Resources at the Zondereinde mine totalled 78.91 Moz 4E, a decrease of 0.70 Moz 4E. This decrease is the net result of mining depletions (-0.55 Moz 4E) and re-evaluation of the orebodies (-0.15 Moz 4E)

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

	30 June 2023 4E			30 June 2022 4E		
Operation	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Booysendal	819.86	3.81	100.41	833.30	3.78	101.25
Dwaalkop[6]	66.13	3.50	7.45	54.45	4.07	7.12
Eland	121.23	3.77	14.70	117.15	3.83	14.43
RBPlat[7]	117.00	6.03	22.67	118.53	6.05	23.06
Zondereinde	402.11	6.10	78.91	404.96	6.11	79.61
Total	**1526.33**	**4.57**	**224.14**	**1528.39**	**4.59**	**225.47**

Mineral Resources
Attributable total Mineral Resources Moz 4E



Mineral Resources
Annual change in total Mineral Resources Moz 4E

Refer to the Mineral Resources and Mineral Reserves statement, available on our website

Mineral Reserves

Changes to the Mineral Reserves during the year

Northam's attributable combined Mineral Reserves as at 30 June 2023, expressed as metal content, comprise 34.38 Moz 4E, a decrease of 0.12 Moz 4E on the previous year

- Combined Mineral Reserves at the Booysendal mine totalled 11.07 Moz 4E, a decrease of 0.06 Moz 4E. This was the net result of an increase in the UG2 Reef (+0.18 Moz 4E), mainly due to mining depletion offset by an increase of the size of the mining block, together with a decrease in the Merensky Reef (-0.24 Moz 4E), due to a mining depletion and orebody re-evaluation
- Combined Mineral Reserves at the Eland mine totalled 3.27 Moz 4E, an increase of 0.07 Moz 4E. This was the result of mining depletion (-0.05 Moz 4E), orebody re-evaluation (-0.02 Moz 4E) and an improvement in modifying factors (+0.14 Moz 4E)
- Attributable combined Mineral Reserves at the RBPlat mines totalled 5.22 Moz 4E. The decrease of 0.24 Moz 4E is mainly due to mining depletion
- Combined Mineral Reserves at the Zondereinde mine totalled 14.82 Moz 4E, an increase of 0.11 Moz 4E. This is the net result of mining depletion (-0.36 Moz 4E), extension of the Merensky Reef mining layout along strike (+0.23 Moz 4E), a change in orebody evaluation (-0.02 Moz 4E) and an improvement of the modifying factors (+0.26 Moz 4E)

Notes:

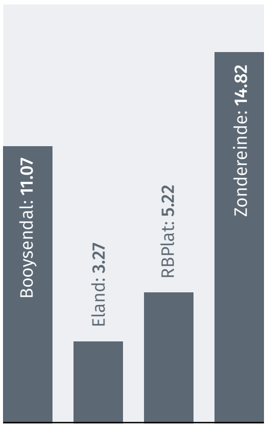
1. Mineral Resources and Mineral Reserves estimates are reported on a Northam attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly-owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from the 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 2022 while those of the previous year are as at 31 December 2021. There are no Mineral Reserves declared for Dwaalkop.
7. Current Mineral Resources and Mineral Reserves for RBPlat are quoted as at 31 December 2022, while those of the previous year are as at 31 December 2021.

4E Mineral Reserves estimate (combined Proved and Probable)[1,2,4,5]

	30 June 2023 4E			30 June 2022 4E		
Operation	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Booysendal	131.80	2.61	11.07	129.88	2.67	11.13
Eland	30.10	3.38	3.27	30.91	3.22	3.20
RBPlat[7]	38.92	4.17	5.22	40.38	4.21	5.46
Zondereinde	95.01	4.85	14.82	96.33	4.75	14.71
Total	**295.83**	**3.61**	**34.38**	**297.50**	**3.61**	**34.50**

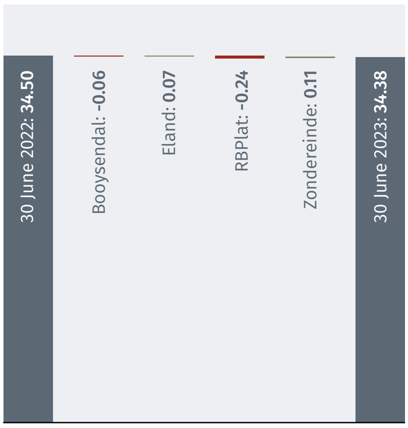
Mineral Reserves

Attributable total Mineral Reserves Moz 4E

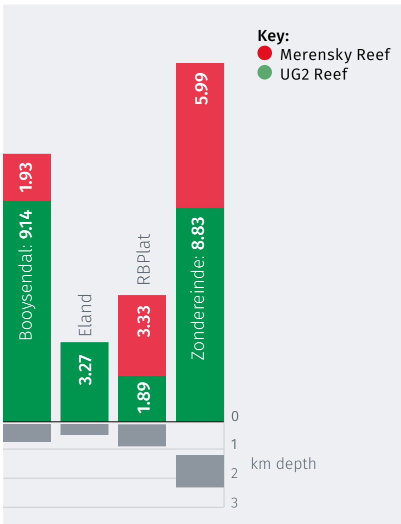


Mineral Reserves

Annual change in total Mineral Reserves Moz 4E



Mineral Reserves depth range Moz 4E



Refer to the Mineral Resources and Mineral Reserves statement, available on our website.

The year at a glance

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

2022

July

- ▲ Commissioned a 1.125 MW solar rooftop power plant at Eland
- ▲ Completion of Central UG2 infrastructure at Booysendal South
- ▲ Commissioned a 1.125 MW solar rooftop power plant at Booysendal

August

- ▲ Concluded agreements in terms of which the revolving credit facility (RCF), maturing in September 2024, has been refinanced to mature in August 2027, and increased on more favourable terms
- ▲ Settled the R3.0 billion Bridge facility which had a final maturity date in December 2022 and secured a new five-year term loan facility of R2.4 billion (Term loan facility)
- ▲ The new RCF together with the Term loan facility and the existing R1.0 billion general banking facilities, increased Northam's available banking facilities to R10.6 billion, on more favourable terms

September

- ▲ Northam Holdings settled all amounts owing to Royal Bafokeng Holdings Proprietary Limited (RBH) in respect of the acquisition of a material interest in RBPlat from RBH, as announced on 9 November 2021
- ▲ Additional R3.5 billion DMTNs issued, maturing on 23 September 2027
- ▲ 5x5x5 shift arrangement implemented at Booysendal
- ▼ Suffered a fatality in an underground mining related accident at Zondereinde, this fatality is currently under investigation with SAPS

October

- ▼ Suffered a fatality in an ore cleaning related accident at Zondereinde
- ▲ Long-term credit rating upgraded to A+(za) from A(za), with the short-term credit rating re-affirmed at A1(za) and the outlook accorded as Stable
- ▲ Underground connectivity between Kukama and Maroelabult sections achieved
- ▲ Additional R243.0 million DMTNs issued, maturing on 21 October 2025

November

- ▲ Booysendal South mine reaches steady state tonnage
- ▲ Hygiene phase of the emissions reduction project at the metallurgical complex completed
- ▲ 1 million fatality free shifts achieved. Eland remains fatality free since acquisition in 2017
- ▲ 8 million fatality free shifts achieved. Booysendal remains fatality free since inception in 2010
- ▲ Northam Holdings firm intention announcement (Northam FIA) to make an Offer to acquire the remaining shares in RBPlat which it does not already own for R172.70 per RBPlat Share
- ▲ Renewal of Booysendal South mining right

December

- ▲ Secured a R5.5 billion Acquisition facility with Absa Bank Limited. Northam Holdings may only utilise the Acquisition facility towards funding its payment obligation to the relevant shareholders of RBPlat
- ▼ Suffered a fatality in a material handling related accident at Zondereinde shaft
- ▲ Joint development agreement concluded on 140 MW wind power plant
- ▲ Climate disclosure rating upgraded
- ▲ 3a vent shaft pilot drilling passed 1 315 metres of a total of 1 382 metres. Number 3 shaft equipping continues
- ▲ Increased the Maximum Cash Consideration for the Offer by an amount of R7.0 billion, such that the Maximum Cash Consideration was increased to R17.0 billion

Operations
- Zondereinde
- Booysendal
- Eland
- Group

- Value creation
- Value preservation
- Value erosion

2023

January
- Commenced construction of a new concentrator to treat smelter furnace slag
- 3a vent shaft pilot drilling completed at 1 382 metres for the Number 3 shaft project

February
- Commenced reaming of 3a vent shaft
- Commenced pilot drilling of 3b rock hoisting shaft
- Declines for chairlift and services, a critical component of the Number 3 shaft project, completed from underground level 3 to 5

March
- Changes to the Northam Holdings board committees
- Development commenced at Nyala section

April
- Included in the Northam FIA, shareholders were advised that Northam had the right to terminate the Offer with immediate effect if a Material Adverse Change (MAC) occurred. Due to the decrease in the rhodium price and ZAR 4E basket price, a MAC occurred in respect of two separate metrics and Northam Holdings terminated the Offer with immediate effect on 5 April 2023

May
- Additional R2.3 billion DMTNs issued on 25 May 2023, comprising R100.0 million with a 1-year maturity, R900.0 million with a 3-year maturity and R1.3 billion with a 5-year maturity
- Commenced installation of additional 4.8 MW of diesel generators to mitigate Eskom load curtailment
- Commenced installation of additional 25.2 MW of new dual fuel generators to mitigate Eskom load curtailment

June
- Commissioning of an additional 3.8 MW of diesel generators to mitigate Eskom load curtailment
- Completion of headgear and winders for Number 3 shaft. Shaft equipping commenced
- Successful conclusion and implementation of a restructuring to the existing banking facilities, increasing the RCF to R10.0 billion, whilst maintaining general banking facilities of R1.0 billion. Northam's total available banking facilities now amount to R11.0 billion

Our contributions to the environment and social matters

Baloyi Hlayiseka Tyrone, General worker at Zondereinde

We believe in our country, South Africa

R13.6bn
Spent on local preferential procurement

238
Bursaries offered to employees and local communities in F2023

R241.8m
Accrued to employee profit share schemes during F2023

4 141ha
Land owned by the Buttonshope Conservancy Trust for Booysendal's biodiversity offset

86%
Water used from recycled sources

658
Interest free home loans offered to employees

12 228
Direct, new, meaningful, sustainable, jobs created since 2015

1 216
Direct, new, meaningful, sustainable, jobs created in F2023

21%
of all new recruits during F2023 were female

R7.5bn
Employee costs for F2023

R1.5bn
Employee taxes paid during F2023

67%
HDPs in management

R2.9bn
Income tax paid in cash during F2023

R3.7bn
Capital investment in the growth of the group

R1.5bn
Royalty tax paid during F2023

Johannes Strauss,
Equipper at Zonderiende

Material issues

Material issues

As a South African PGM mining company, we consider material issues to be those that could significantly impact our business and our strategy. These issues stem from a combination of both internal and external factors, and have a direct influence on the long-term sustainability of our business which ultimately impacts value creation for all stakeholders.

Material issues in the mining industry remain generally consistent year after year. This is unlike specific events such as COVID-19, which we featured as a material issue in the past. Now due to the recent developments at Eskom, this has warranted us to include the reliability and sustainability of electricity supply from Eskom, as a material issue.

We identify, evaluate and prioritise material issues as part of our established materiality assessment process. We do this by following a periodic materiality assessment with participation by both internal and external stakeholders, which includes consideration of our ESG targets, as well as financial (F) performance. The outcomes of this assessment guide management and the board on issues most material to our business, that influence the decisions, actions and performance of the company and our stakeholders.

To ensure the sustainability of the group and our continued ability to create value, it is important to understand the impact material issues have on our business and our stakeholders.

Value creation for stakeholders varies, with each stakeholder group having a different perspective about what value entails. This can manifest in various forms as a result of organic growth, financial performance or social benefits that accrue from mining.

Our material issues have been summarised across the following pages and include reference to specific sections of our reporting suite, where our responses have been detailed. Please refer to these sections for more information regarding our detailed responses. Also, please refer to the Sustainability report, for detailed considerations relating to specific ESG material issues, and the ranking of these issues.

Material issue	Description	
Maintaining our legislative and regulatory compliance E S G F	Our company operates under licence from the state, and within the political and legal framework of South Africa. Without a valid licence to operate, we cannot mine and this in essence is key to our business. We comply with all relevant legislation and conduct our business within the applicable legal framework, ensuring that we maintain our social licence to operate.	
Continuing to improve the safety performance and the health and wellness of our employees S G F	The nature of our business primarily entails underground mining, and this is inherently dangerous to the safety and health of our employees. Safety remains a key priority for the group, and it is a critical performance area, impacting all aspects of our business. Safety is monitored on all levels across the organisation, including at board level. We will not operate unless we can do so safely.	

We identify, evaluate and prioritise material issues as part of our established materiality assessment process.

Indicators
E Environmental
S Social
G Governance
F Financial performance

	Associated principal risks and opportunities	Committees providing oversight	References to our response
	3 Health and safety 8 Tailings storage facility (TSFs) 11 Community relations 12 Employee relations 13 Social licence to operate 14 Regulatory, political and legal environment 15 Environmental, social and governance (ESG) 18 Fraud and theft 19 Environment	▪ Board of directors ▪ Audit and risk committee ▪ Social, ethics, human resources and transformation committee ▪ Health, safety and environmental committee ▪ Investment committee ▪ Remuneration committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Sustainability report ▪ Corporate governance report
	3 Health and safety 5 Operational performance 9 Critical or single stream plant and equipment 12 Employee relations	▪ Board of directors ▪ Health, safety and environmental committee ▪ Social, ethics, human resources and transformation committee ▪ Audit and risk committee ▪ Investment committee ▪ Remuneration committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Sustainability report - health, safety and wellness of our people ▪ Summarised financial results ▪ Corporate governance report ▪ Remuneration report

Material issue	Description	
Appropriate capital allocation S G F	The long-term success of the business depends on an optimal balance between growth, sustaining 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. Mining is a capital-intensive business with relatively long-time horizons, while commodity prices follow shorter period cyclical patterns. Careful capital allocation planning is key to sustainability and this is reflected in our strategy of growing production down the cost curve whilst reducing operational risk.	
Effective project execution E S G F	Northam is a growing company with a large capital expenditure programme, delivered through effective project execution. This secures the future of our company and enables the creation of long-life, low-cost operations. We have developed our assets in a modular fashion to minimise capital risk. In doing so, 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, thereby strengthening our sustainability.	
Managing the environmental impact of our operations and conserving natural resources E S G F	The metals we produce are special metals that are critical to the achievement of a cleaner, greener and fairer world. Northam is a committed corporate citizen and is conscious of the inherent impact our operations have on the natural environment and on climate change. Our environmental strategy focuses on our commitment to climate change, energy, land stewardship, rehabilitation, biodiversity, waste and emissions. We have set specific targets with regard to greenhouse gas emissions, water use and land conservation as part of our extensive environmental programme. The establishment of the Buttonshope Conservancy Trust in 2011, in collaboration with the Mpumalanga Tourism and Parks Agency (MTPA), is a testament to a first of its kind, co-operative approach to land conservation in South Africa, demonstrating our commitment to conserving natural resources.	
Liquidity management to mitigate market volatility E S G F	Northam's liquidity risk predominantly arises from commodity price risk. As a PGM producer, Northam is a price taker, with no ability to influence the price of the metals we produce or the exchange rate offered. We manage liquidity risk through prudent liquidity risk management, comprising available cash flow, as well as uncommitted credit facilities. Management and the board take an active approach to cash flow management by way of cash flow projections which include sensitivity and scenario analysis of metal price and exchange rate forecasts over the short, medium and long-term periods, whilst maintaining a strong focus on cost and capital discipline.	

	Associated principal risks and opportunities	Committees providing oversight	References to our response
	6 Liquidity 10 Capital allocation	▪ Board of directors ▪ Investment committee ▪ Audit and risk committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Our commitment to create value for shareholders, included in this report ▪ Corporate governance report
	5 Operational performance 10 Capital allocation 16 Project execution 19 Environment	▪ Board of directors ▪ Audit and risk committee ▪ Investment committee ▪ Health, safety and environmental committee ▪ Social, ethics, human resources and transformation committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Operational diversification through our projects, included in this report ▪ Our commitment to create value for shareholders, included in this report ▪ Summarised financial results ▪ Corporate governance report
	4 Energy supply and the cost thereof 8 Tailings storage facility (TSFs) 13 Social licence to operate 19 Environment 20 Water supply	▪ Board of directors ▪ Social, ethics, human resources and transformation committee ▪ Health, safety and environmental committee ▪ Audit and risk committee ▪ Investment committee ▪ Remuneration committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Sustainability report - our environment ▪ Corporate governance report ▪ Remuneration report
	1 Exchange rate and commodity price volatility 2 Demand for PGMs 5 Operational performance 6 Liquidity 10 Capital allocation 16 Project execution	▪ Board of directors ▪ Audit and risk committee ▪ Investment committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Summarised financial results ▪ Annual financial statements ▪ Corporate governance report

Material issue	Description	
Managing production and performance S G F	Underground mining has high fixed costs as a proportion of total costs. Therefore, production volumes remain key to driving unit costs down. Management is responsible for managing both production volumes and operational performance. This financial year has seen further production growth as the group strategy unfolds, with record production of equivalent refined metal from own operations increasing by 13.0% to 809 775 oz 4E (F2022: 716 488 oz 4E), clearly demonstrating that we are on track to achieve our medium-term strategy of 1 million oz 4E production per annum.	
Reliability and sustainability of electricity supply from Eskom E S G F	The provision of energy is a critical element of Northam's business processes. Northam obtains its bulk supply of energy from Eskom, the South African national electricity supplier. Developments at Eskom over the past year have resulted in an ever-increasing decline in energy supply security, with record amounts of load shedding and load curtailment. Recent updates by Eskom on the integrity of the electricity grid infrastructure indicate that this situation is likely to continue into the medium-term. Together with ongoing above-inflation electricity tariff hikes, this situation could compromise safety, as well as production capability and negatively impact overall cost inflation, and consequently profitability. The energy supply risk is elevated for the group and is continually monitored and assessed. Various energy efficiency initiatives have been, or are in the process of being, implemented with significant strides made in terms of alternate energy solutions, including on- and off-site renewable energy initiatives.	
Maintaining constructive communication channels with all our stakeholders E S G F	Northam is a stakeholder inclusive business, acknowledging our responsibility to all stakeholders. As a mining organisation, we operate in a complex economic, legislative and social environment engaging with a diverse range of stakeholders. Engagements with our stakeholders help us to better understand and respond to stakeholder concerns, needs and opinions. This ensures that our growing operations are sustainable and mutually beneficial to all.	

	Associated principal risks and opportunities	Committees providing oversight	References to our response
	3 Health and safety 4 Energy supply and the cost thereof 5 Operational performance 7 Critical skills and key personnel 11 Community relations 12 Employee relations 17 Information technology and cyber security 18 Fraud and theft 20 Water supply	▪ Board of directors ▪ Audit and risk committee ▪ Health, safety and environmental committee ▪ Social, ethics, human resources and transformation committee ▪ Investment committee ▪ Remuneration committee ▪ Nomination committee ▪ Technology and information governance steering committee ▪ Executive committee ▪ Management review committees	▪ Managing risks and opportunities, included in this report ▪ Summarised financial results ▪ Annual financial statements ▪ Corporate governance report ▪ Remuneration report
	3 Health and safety 4 Energy supply and the cost thereof 5 Operational performance 6 Liquidity 8 Tailings storage facility (TSFs) 9 Critical or single stream plant and equipment 10 Capital allocation 11 Community relations 12 Employee relations 13 Social licence to operate 14 Regulatory, political and legal environment 15 Environmental, social and governance (ESG) 16 Project execution 18 Fraud and theft 19 Environment 20 Water supply	▪ Board of directors ▪ Health, safety and environmental committee, ▪ Social, ethics, human resources and transformation committee ▪ Investment committee ▪ Audit and risk committee ▪ Remuneration committee ▪ Executive committee ▪ Management review committees ▪ Technology and information governance steering committee	▪ Managing risks and opportunities, included in this report ▪ Sustainability report - our environment, and health, safety and wellness of our people ▪ Summarised financial results ▪ Annual financial statements ▪ Our key stakeholders, included in this report ▪ Corporate governance report ▪ Remuneration report
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I am important: safety campaign

The safety of all our employees remains of the utmost importance and takes precedence over all production objectives.

We strive to employ leading safety technologies and safe working practices at all our operations to ensure that all employees arrive home safely, everyday.

Our approach to safety consists of three pillars; creating enabling environments, empowering our people, and providing fit-for-purpose systems and processes. We continue to focus on improving our capacity to identify and address high-potential hazards, learning from high-potential incidents and using technology to reduce risk.

Our safety strategy is driven by the CEO and executive management with strong support from the board of directors. We target zero fatalities and the elimination of injuries. However, while the group strives to ensure that working places are as safe as possible, the nature of our business is inherently risky.

See the managing risks and opportunities section in this report for more details on our responses to the health and safety risk.

During the year, the group suffered three fatalities, in separate incidents at the Zondereinde mine. Mr Mosetlha David Matlhoahela, a winch operator, lost his life in September under suspicious circumstances, with the incident still under investigation by the South African Police Service (SAPS). Mr Patrick Mokhachane, a team leader, lost his life in October in an ore cleaning incident, and Mr Mogapi Silas Ntshabele, a general worker, lost his life in December in a material reclaiming incident.

Our sincere condolences go out to the families, friends and work colleagues of the deceased.

Comprehensive safety reviews were undertaken following the tragic incidents and remedial actions were implemented. These actions were shared across operations, to ensure that mitigations can be implemented, where applicable.

All operations have risk-based safety management systems that are in line with the group's safety operating model and aim to deliver continuous improvement across all metrics. Policies and procedures are also in place governing all actions related to safety and are applicable to all employees, including contractors.

A number of initiatives have been implemented across the group to improve both working environments and employee behaviour.

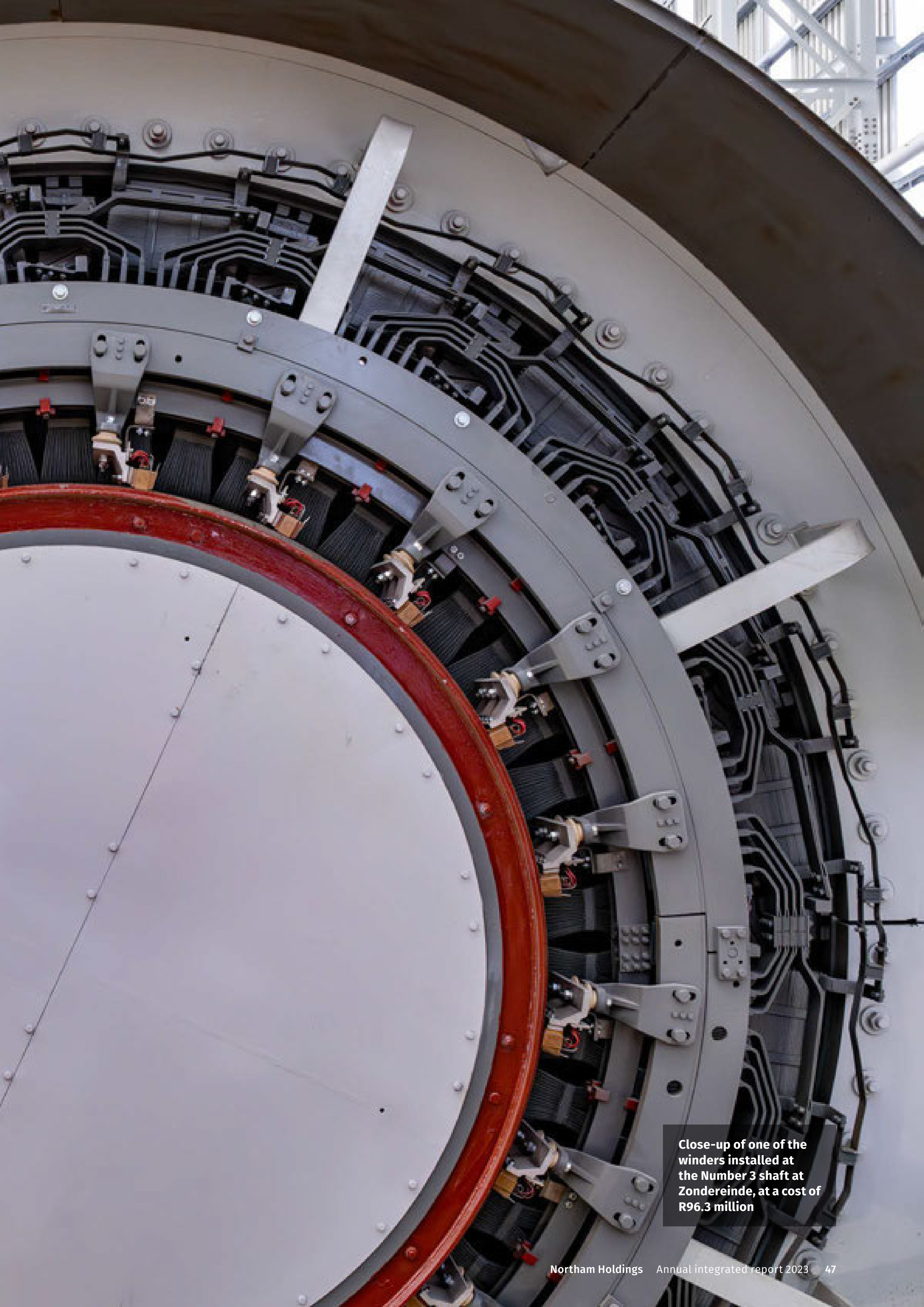
Booysendal achieved **8 million fatality free shifts** in November 2022, with the mine remaining fatality free since inception. Booysendal South mine exceeded **2 million fatality free shifts** during February 2023. Eland also achieved a milestone of **1 million fatality free** shifts while it continues with its ramp-up.

A number of safety related initiatives and campaigns have therefore been rolled out and further strengthened across the group. These include:

- Enhanced emphasis on **safe working practices** for all employees, particularly supervisory staff
- Greater **supervision** and reviews by the safety representatives and teams
- **Disciplinary actions** against employees for failure to conduct work safely under standard operating procedures
- Greater levels of **communication** across operations emphasing the group's values and safe working practices
- Implementation of focused and ongoing **safety campaigns**
- Emphasis on fatal hazard protocols
- Incorporation of **lessons learned** from safety incidents across all operations

Moagiemang Macdonald Rapulane
Forklift driver at Zondereinde

Our investment in RBPlat



Close-up of one of the winders installed at the Number 3 shaft at Zondereinde, at a cost of R96.3 million

Our investment in RBPlat – a timeline

9 November 2021

Acquisition of an initial investment in RBPlat

Northam acquired 93 930 378 shares in RBPlat (representing a 32.8% interest at the time) from a wholly-owned subsidiary of Royal Bafokeng Holdings Proprietary Limited (RBH), Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH).

The purchase consideration was settled by Northam issuing 34 399 725 Northam Holdings Shares to RBH (representing an 8.7% shareholding in Northam), with the balance of R8.6 billion settled in cash. R3.0 billion of the cash consideration was paid upfront, and the remaining R5.6 billion was deferred to April 2022 (R4.0 billion) and September 2022 (R1.6 billion).

Northam also entered into a Put and Call Option arrangement with RBH.

19 November 2021

Implementation of the initial acquisition

The initial acquisition was implemented.

7 December 2021

Acquisition of additional shares in RBPlat increasing Northam's shareholding

Northam acquired an additional 6 289 174 RBPlat Shares.

The additional acquisition was settled in cash, at a weighted average cash consideration of R162.70 per RBPlat Share and at a maximum cash consideration of R165.00 per RBPlat Share.

9 December 2021

Response to the announcement published by RBPlat

The directors of RBPlat published an announcement on SENS regarding the possible trigger of a mandatory offer by Northam in terms of section 123 of the Companies Act, No. 71 of 2008.

30 March 2022

Takeover Regulation Panel (TRP) dismisses submission by RBPlat in relation to an alleged mandatory offer by Northam

Following, Northam's submission to the TRP in response to RBPlat's allegation that Northam triggered a mandatory offer, the TRP ruled in favour of Northam's position that the alleged mandatory offer was not triggered.

9 November 2022

Northam announced its firm intention to acquire remaining RBPlat Shares

Northam published a Firm Intention Announcement (Northam FIA) in respect of a proposed Offer by Northam to acquire all or a portion of the remaining RBPlat Shares, not already held for R172.70 per RBPlat Share.

The proposed Offer price was equivalent to the R180.50 paid to RBH for the initial acquisition in November 2021, less dividends subsequently declared by RBPlat. The Offer consideration was to be settled either fully in cash, or a combination of cash and Northam Holdings Shares by way of a cash ratchet mechanism, depending on the level of acceptance of the Offer.

7 December 2022

Extension to the posting date of the Northam Offer Circular

The TRP granted an extension of the posting date of the Northam Offer Circular to Friday, 23 December 2022.

12 December 2022

Increase to the maximum cash consideration in relation to the Offer, from R10.0 billion to R17.0 billion

Northam increased the quantum of the Maximum Cash Consideration by an amount of R7.0 billion, such that the Maximum Cash Consideration increased to R17.0 billion.

The Maximum Cash Consideration was funded by Northam's cash on hand, available banking facilities and a R5.5 billion Acquisition facility which would only be utilised if Offer acceptances resulted in Northam holding more than 57% in RBPlat.

22 December 2022

Further extension to the posting date of the Northam Offer Circular

The draft Northam Offer Circular was formally approved by the JSE on Thursday, 15 December 2022, conditional on receipt of approval from the TRP.

At such date, the TRP had not raised any concerns with the Northam Offer Circular. However, as a result of complaints raised by Implats relating to the Northam FIA and Northam increasing the Maximum Cash Consideration, the TRP withheld its approval of the posting of the Northam Offer Circular until such time as it made a determination in respect of the Implats complaints (TRP Determination).

The TRP therefore granted a further extension to the posting date.

9 & 16 March 2023

Withdrawal of Implats complaints and extension of posting date of the Offer Circular and Transaction Circular

Following Implats' withdrawal of its complaints and the TRP's confirmation that the Northam FIA, and subsequent increase in the Maximum Cash Consideration, was legally valid, Northam was allowed to proceed with the Offer.

However, the lapse of time since the intended posting date of the Northam Offer Circular following the uncertainty and delays created by the Implats complaints; the publication by RBPlat of its financial results for the year ended 31 December 2022, on Wednesday, 8 March 2023; and the anticipated publication of Northam's financial results for the 6 months ended 31 December 2022, on Friday, 24 March 2023, resulted in various updates being required to be made to the Northam Offer Circular prior to resubmitting it to the JSE and the TRP for approval.

The TRP therefore approved Friday, 28 April 2023 as the posting date for the Northam Offer Circular.

5 April 2023

Occurrence of Material Adverse Changes and termination of the Offer

Due to the occurrence of MAC in the ZAR 4E basket price, as well as the rhodium price, Northam elected to exercise its protection rights under the MAC provisions, in terms of the Offer, and terminate the Offer.

Subsequently the TRP Cash confirmation and guarantee of R17.0 billion was released and all debt incurred with regard to the TRP Cash Confirmation was settled in full.

30 June 2023

20 July 2023

Announcement of Northam's acceptance of the Implats Mandatory Offer in respect of Northam's entire 34.5% shareholding in RBPlat

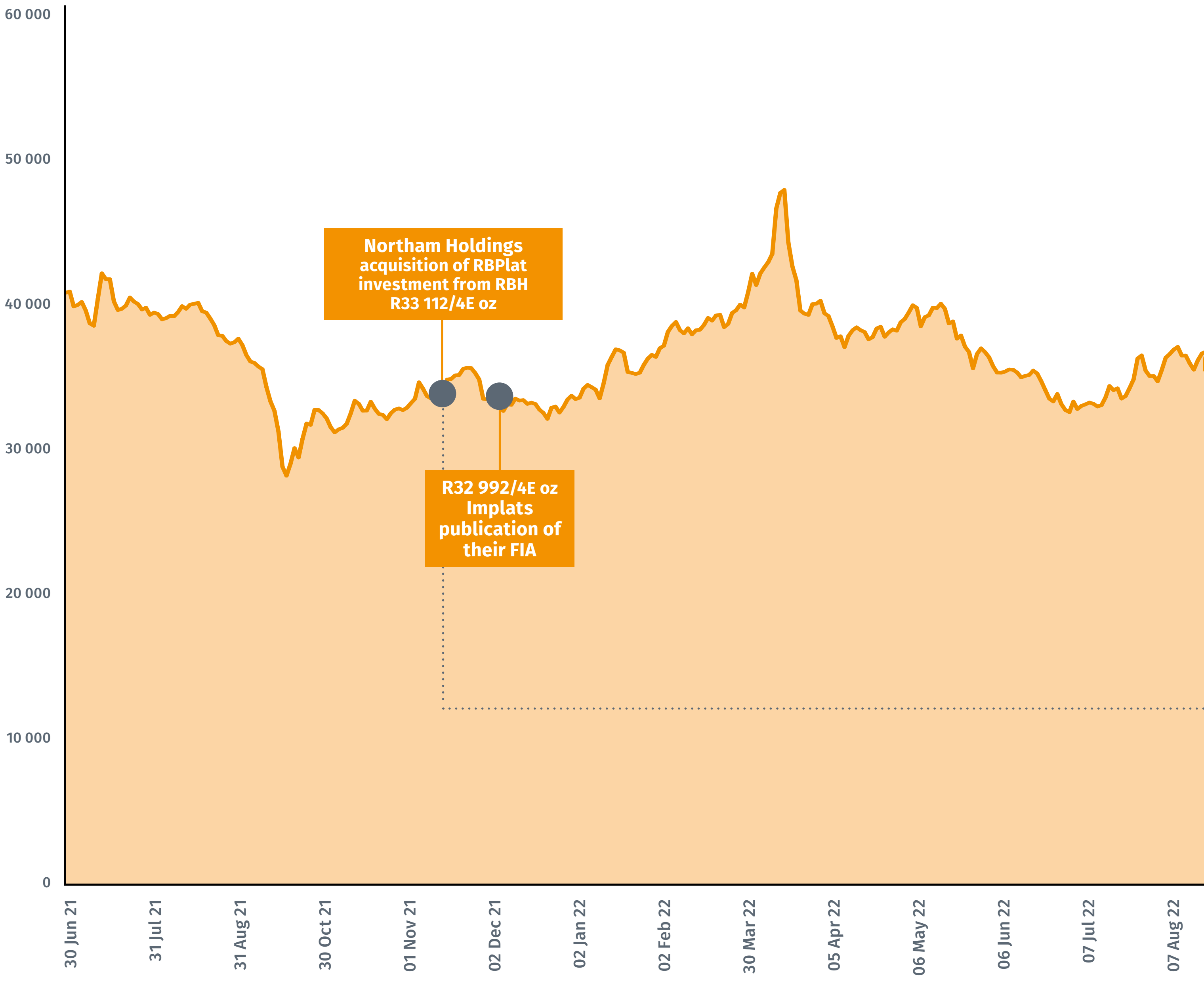
Pursuant to the disposal of Northam's interest in RBPlat into the Implats Mandatory Offer, Northam received R90.00 in cash and 0.3 Implats Shares for each RBPlat Share disposed off. Accordingly, Northam received, in aggregate, R9.0 billion in cash and 30 065 866 Implats Shares on 24 July 2023.

21 July 2023

Implats Mandatory Offer closed

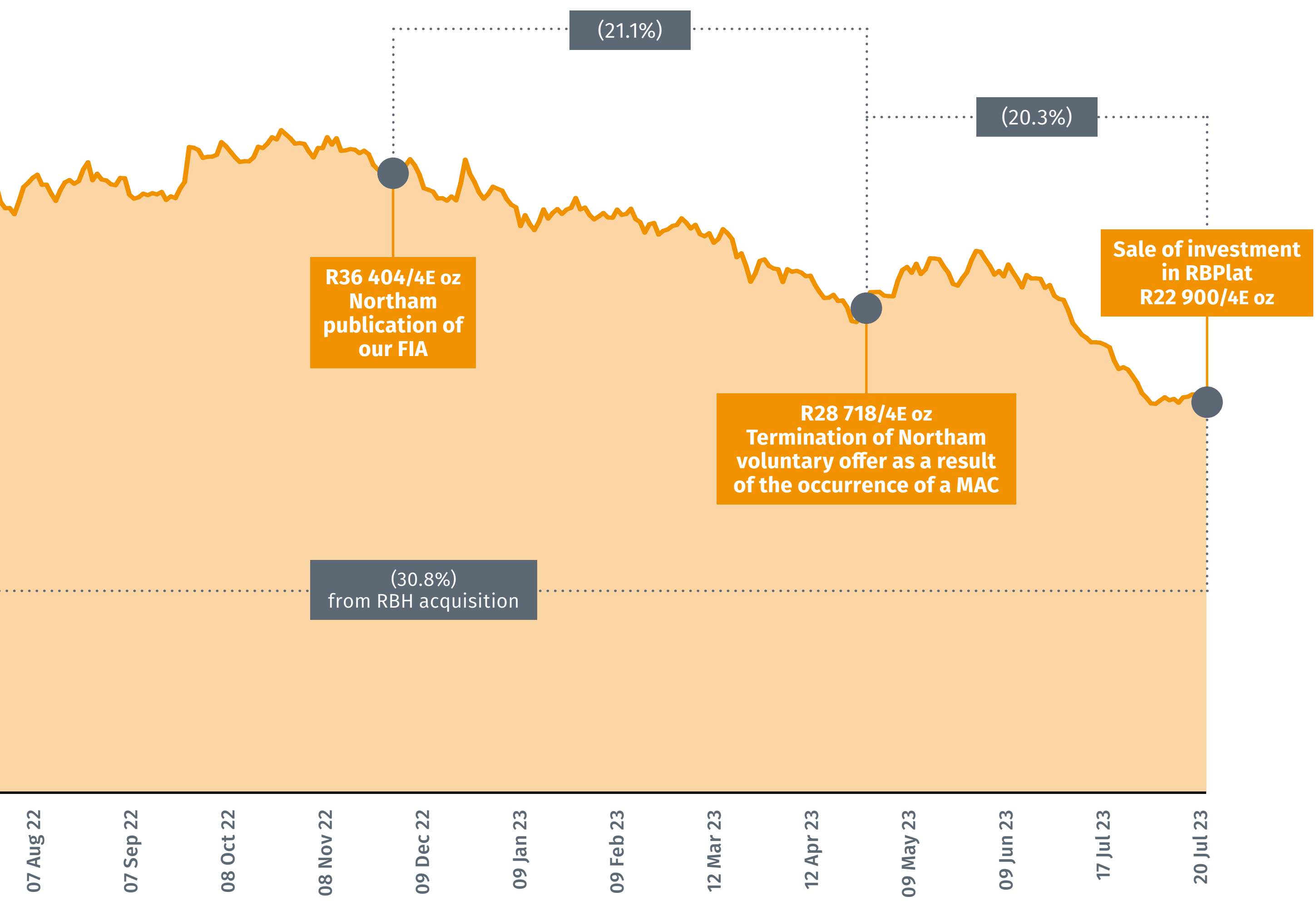
Reduction in the PGM price since our investment in RBPlat

Historical ZAR 4E basket price has been determined based on the following RBPlat prill split: platinum (63.0%), palladium (27.4%), rhodium (6.4%) and gold (3.1%).



The prevailing PGM market conditions and the material decline in the PGM basket price may signal a potentially protracted cyclical downturn.

Various factors are impacting the global demand for PGMs. As a consequence, PGM prices have declined. Moreover, future PGM prices remain uncertain.



Operational diversification through our projects

Assembled headgear for Number 3 shaft

Construction in progress at the Zondereinde Western extension project

Zondereinde Western extension

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 is enabling 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 for efficient mining.

The development of new surface access into the Western extension, supplementing access *via* existing underground tunnels developed from Zondereinde's main shaft complex will further improve mining efficiency. This new surface access, termed the Number 3 shaft complex, is currently underway.

During the financial year, almost 4 700 metres of access tunnels have been advanced within the Western extension section, which is over 400 metres above plan. Strike development on some levels is beyond the fourth mining line, whilst raises are being developed on the third mining line. Stoping and ledging is in progress on the first two mining lines and almost 480 000 tonnes of Merensky Reef have been extracted, yielding just over 87 000 oz 4E in concentrate. Crew productivity is continuing to benefit from the combination of better mining conditions and focused logistics over the ten mining levels comprising these lines.

Chairlift decline development continues and holings between 3 and 5 levels have been completed. Equipping has commenced, whilst development on other levels continues. Progress on the Number 3 shaft complex access project is on track. Number 3 shaft is designed as a 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 utilise directional drilling technologies normally applied in the oil industry. Piloting of Number 3 shaft was successfully completed in July 2020 and lateral deflection of the hole was limited to less than 20 centimetres. Reaming of Number 3 shaft to a final diameter of 4.8 metres commenced in December 2020 and was successfully completed in April 2022. This is a world record achievement. The shaft is currently being equipped and is scheduled to be operational in 2024. Pilot drilling of 3a ventilation shaft commenced during the second half of the previous financial year and was successfully completed during January 2023. Reaming to a final diameter of 4.8 metres has commenced. It is scheduled to be operational in 2024, in line with Number 3 shaft.

Earthworks, civil engineering and construction of surface infrastructure to support the shaft complex is underway. An Eskom intake yard has been commissioned and energised. The shaft winder-house has been constructed and equipped, and the steel headgear has been erected and commissioned. Civil construction of the hydropower refrigeration plant is in progress. The schedule for all surface work is aligned to shaft commissioning.

The pilot drilling for a third shaft, 3b, designed for rock hoisting, has commenced. This is expected to be commissioned in 2028 and will allow optimal ore extraction from the Western extension.

A view of the assembled headgear for Number 3 shaft at Zondereinde

Underground infrastructure at Booysendal South mine

Booysendal South mine

The current development of the Booysendal South mine includes three UG2 modules (BS1, BS2 and BS4), together with a single Merensky module (BSM), which collectively unlock Mineral Reserves of almost 7 Moz 4E, mineable for approximately 25 years. Furthermore, from 2025, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate, doubling Booysendal South mine's PGM production.

In so doing, Booysendal South is creating 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 (BNU), followed by the North Merensky (BNM) modules. This was due to the property's 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 TSF, was the key strategic driver for the acquisition in 2015 of the Everest mine from Aquarius Platinum (South Africa) Proprietary Limited. This essentially unlocked the potential for mining in the southern portion of Booysendal. The Booysendal South mine project subsequently commenced.

Following completion of supporting surface infrastructure and underground development to the capital footprint, focus at the BS1 and BS2 modules shifted to stoping build-up. The number of stoping crews has now reached the steady state complement and production is currently averaging over 250 000 ore tonnes per month. Decline development at BS1 and BS2 collectively exceeded 2 700 metres for the year, whilst 2.4 million tonnes of ore have been delivered to the South concentrator, generating almost 185 000 oz 4E in concentrate.

Development of declines at the BSM module continues, with 3 050 metres advanced to date. Ore from the BSM module, together with that from the BNM 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 BNM module has now ramped-up to its phase two capacity of approximately 50 000 oz 4E in concentrate per annum.

Stoping build-up continued at the BS4 UG2 module, producing almost 16 000 oz 4E in concentrate during the year. Ramp-up will continue to an annual steady state of around 25 000 oz 4E in concentrate during the remainder of F2024.

Upgrades to the concentrator circuit together with its supporting logistical infrastructure that were completed during the previous financial year, have allowed a throughput rate of over 275 000 tonnes per month. Re-configuration of the South TSF is progressing well, whilst permitting for an expansion to the TSF is in progress. This will enable further concentrator throughput, together with storage capacity for the life of South mine.

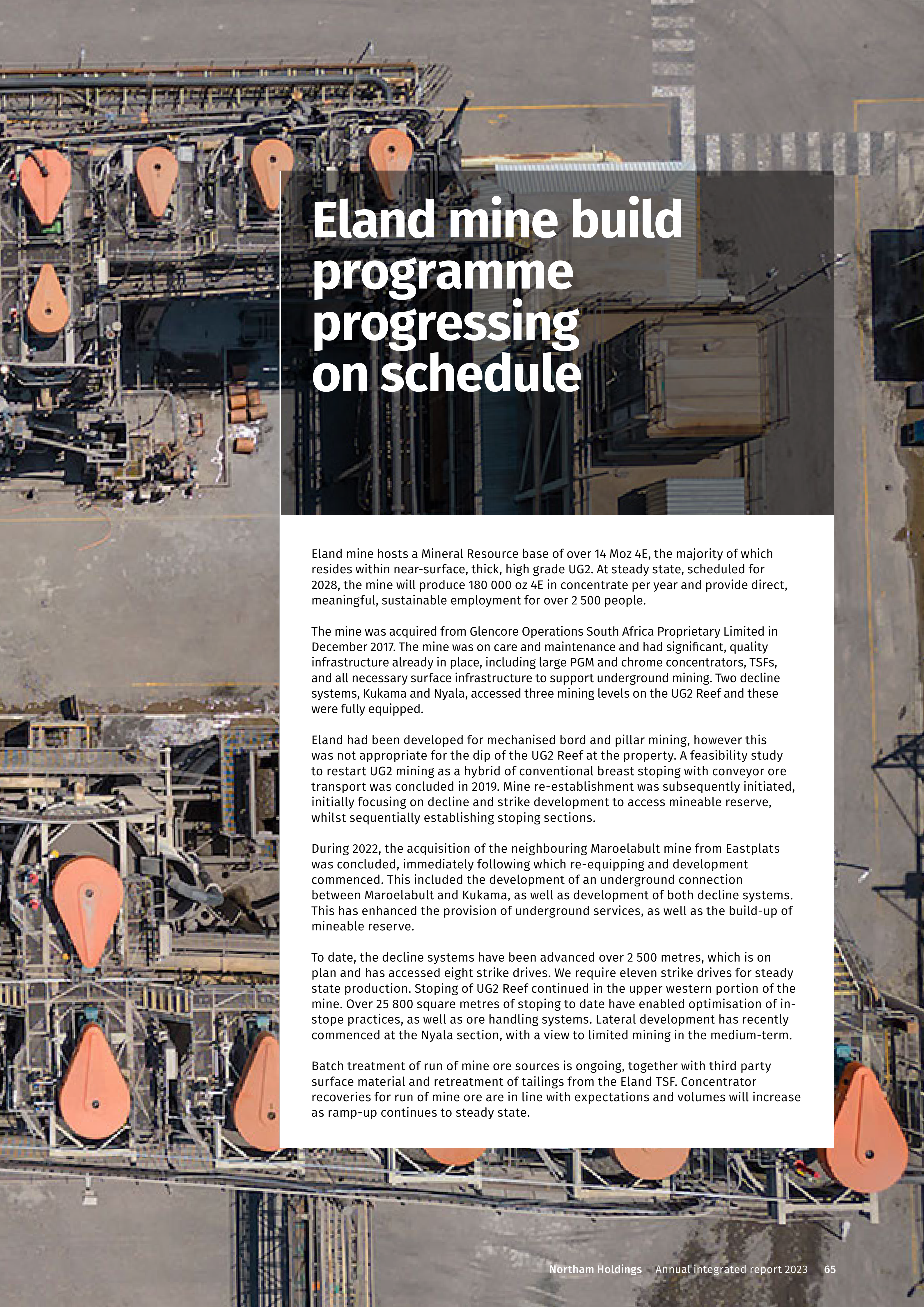
Overall, Booysendal South mine is well on track. It is essentially beyond the project phase, and we look forward to continued stoping ramp-up over the coming year.

Booysendal South mine Merensky module (BSM)


TOP

Chrome concentrator and stacker pad at Eland mine

Flotation circuit of the Eland PGM concentrator



Eland mine build programme progressing on schedule

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, scheduled for 2028, the mine will produce 180 000 oz 4E in concentrate per year and provide direct, meaningful, sustainable employment for over 2 500 people.

The 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, including large PGM and chrome concentrators, TSFs, and all necessary surface infrastructure to support underground mining. Two decline systems, Kukama and Nyala, accessed three mining levels on the UG2 Reef and these 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. Mine re-establishment was subsequently initiated, initially focusing on decline and strike development to access mineable reserve, whilst sequentially establishing stoping sections.

During 2022, the acquisition of the neighbouring Maroelabult mine from Eastplats was concluded, immediately following which re-equipping and development commenced. This included the development of an underground connection between Maroelabult and Kukama, as well as development of both decline systems. This has enhanced the provision of underground services, as well as the build-up of mineable reserve.

To date, the decline systems have been advanced over 2 500 metres, which is on plan and has accessed eight strike drives. We require eleven strike drives for steady state production. Stoping of UG2 Reef continued in the upper western portion of the mine. Over 25 800 square metres of stoping to date have enabled optimisation of in-stope practices, as well as ore handling systems. Lateral development has recently commenced at the Nyala section, with a view to limited mining in the medium-term.

Batch treatment of run of mine ore sources is ongoing, together with third party surface material and retreatment of tailings from the Eland TSF. Concentrator recoveries for run of mine ore are in line with expectations and volumes will increase as ramp-up continues to steady state.

Grinding media used in the concentrator valued at R219.4 million at year end

Thabang Mabe Macdonald, Project assistant at Zondereinde

Our metallurgical facility

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. 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.

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 F2021. 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 the previous 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, enhanced 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, energy requirements (and consequent GHG emissions) and is permitting optimised furnace capacity and utilisation.

Upgrades to the BMR, to align capacity to that of the smelter circuit, remain in progress. Additional copper electro-winning cells were commissioned and upgrades to the second stage leaching circuits have been completed. Construction of a second nickel sulphate crystalliser is in progress. In addition, vacuum pan dryers were installed. These reduce sulphur dioxide emissions in the BMR. Further improvements will run in a sequential manner over the coming three years. The construction of a separate, dedicated smelter circuit for treating recycling material was completed during the previous financial year. This comprises two furnaces with all ancillary infrastructure. These are operating within design specifications, which has improved the throughput and management of recycled metal.

Expansion and upgrade of the furnace slag concentrator has commenced. This is sized for our medium-term steady-state production profile and will be commissioned during the first half of F2024.

The development of an 80 MW solar power farm to provide electricity to the metallurgical complex, as well as to Zondereinde mine, is also in progress. The design and permitting phases for this installation are in progress, and earthworks are planned to commence prior to the end of the current calendar year. The previously planned 11 MW facility has been subsumed into this larger project.

Zondereinde metallurgical complex

Our energy management strategy

The provision of energy is a critical element of Northam's business processes. Most of the energy we employ is in the form of electricity, which to date has been sourced in the main from the South African national electricity provider, Eskom.

Recent developments at Eskom have affected the reliability and sustainability of electrical supply impacting our business.

The bulk of the electricity that Eskom generates comes with a relatively high Greenhouse Gas (GHG) emissions footprint due to its reliance on coal. This, consequently, impacts Northam's GHG scope 2 emissions.

In addition, the group's sustainability could be negatively impacted by our dependence on Eskom, and its national grid. It puts Northam at risk of both planned and unplanned power outages thereby impacting production, as well as the potential for ongoing above-inflation electricity tariff hikes.

The past year has seen an ever increasing decline in energy supply security, with record amounts of load shedding and load curtailment. Recent updates by Eskom on the integrity of the electrical grid infrastructure means that this situation is likely to continue into the medium-term. Together with ongoing above-inflation tariff hikes, this situation could compromise Northam's production capability, as well as negatively impact overall cost inflation and consequent profitability.

56.7 MW

Total diesel generator capacity across the group once new generator installations are completed

The group has either installed or is in the process of installing additional generator capacity at all operations to mitigate for load curtailment up to level 4.

Three 1.25 MW diesel generators were procured for Booysendal South mine. Eland mine has procured and is installing an additional three 1.6 MW diesel generators. Zondereinde has procured six 4.2 MW dual fuel generators and is in the process of installing these. Additional capacity will be required at Zondereinde as the Number 3 shaft project comes online. The group is looking to further augment generation capacity.

The energy supply risk is elevated for the group and we continually monitor and assess power requirements, together with developments at Eskom. This is to ensure that the necessary contingency plans are in place.

Energy policy and strategy

In order to continue to develop a sustainable business, the group has an energy policy and strategy that is driving our approach to reducing our energy risk and dependence on Eskom, as well as reducing our GHG emissions.

The basic tenets of Northam's energy policy are our commitments to:

- Preserving natural resources and conserving energy
- Sustaining operations through minimising the impact on the environment
- Efficient energy use – best in class for the South African PGM mining industry
- Continuous improvement through actively managing energy consumption
- Responsible and economically prudent application of renewable energy
- Employee awareness of energy conservation

This policy informs our energy strategy which, in relation to the provision and use of electricity, focuses on energy efficiency, together with the cost effective combination of supply from Eskom, as well as with other renewable energy sources.

In addition to this, our production growth is focused on the Booysendal and Eland mines, which have lower energy requirements.

Our response to climate change and environmental matters

Eland at the conservation area at Eland mine

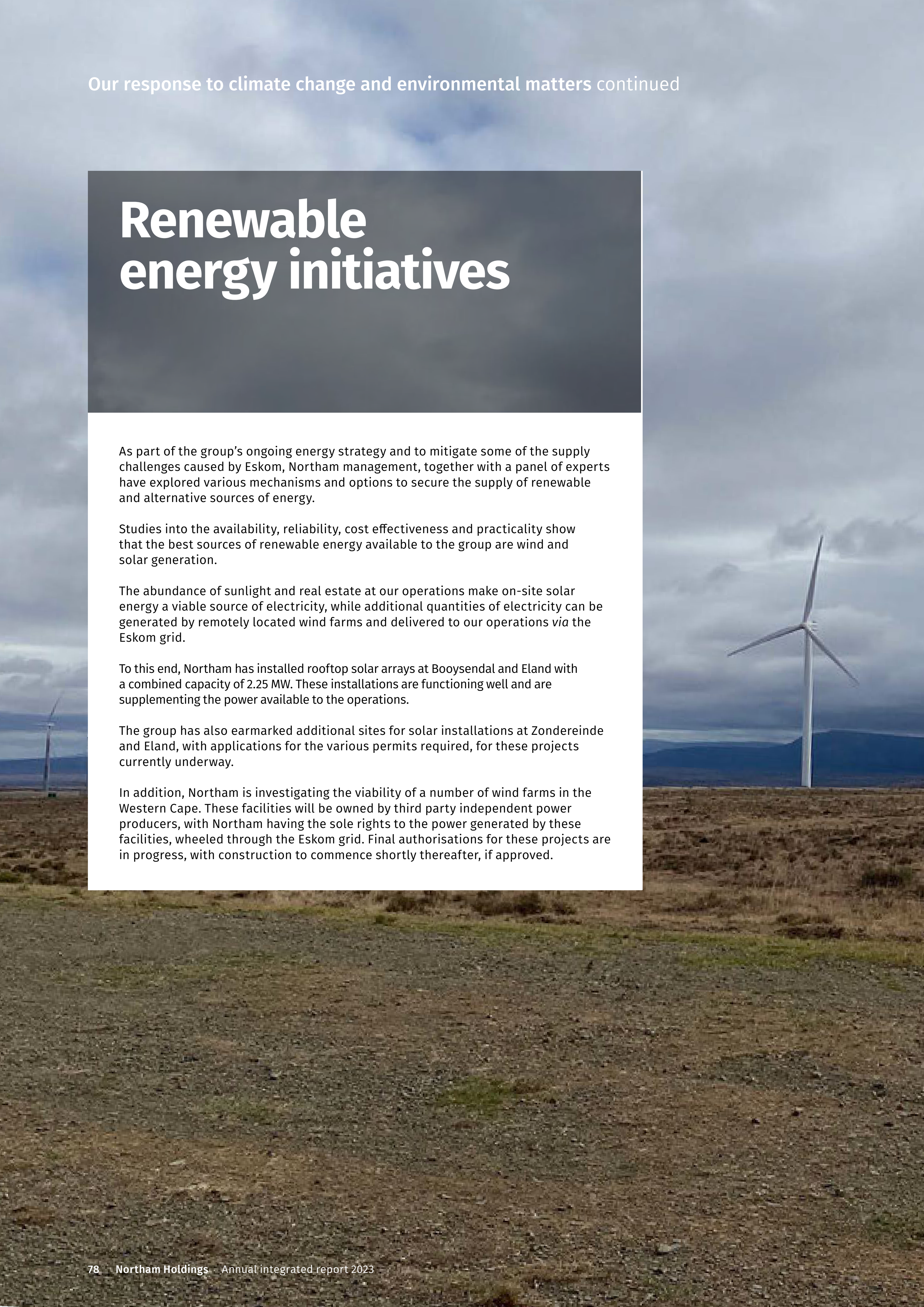
Reducing our GHG emissions – to minimise our impact on climate change

Since inception, energy efficiency has been an important factor in the planning, design and economic performance of the group's operations. The imperative for energy efficiency has since grown to impact the future existence and sustainability of our business.

Some direct examples of initiatives already employed by the group, representing a 23% reduction in energy use and GHG emissions, include the following:

- Hydropower and backfill at Zondereinde – saving approximately 248 300 MWh or 230 000 tonnes CO_2e per year
- Dry slag handling at smelter furnaces 1 and 2 of the Northam metallurgical complex – saving approximately 12 900 MWh or 12 000 tonnes CO_2e per year, together with savings in water usage
- The aerial rope conveyor system to transport ore at Booysendal, comprising the integrated North and South conveyors – saving approximately 270 tonnes CO_2e per year. This saving will increase in line with the production ramp up at Booysendal
- Hydropower at Eland – saving approximately 1 500 MWh or 1 400 tonnes CO_2e per year
- Emissions reduction project to improve ground level and point source concentrations of SO_2 and dust both within and in the vicinity of the metallurgical complex
- Air quality offset programme at Zondereinde as a condition of its Atmospheric Emissions Licence

Nthlomang Tumelo Mokomane
Environmental intern at Booysendal



Renewable energy initiatives

As part of the group's ongoing energy strategy and to mitigate some of the supply challenges caused by Eskom, Northam management, together with a panel of experts have explored various mechanisms and options to secure the supply of renewable and alternative sources of energy.

Studies into the availability, reliability, cost effectiveness and practicality show that the best sources of renewable energy available to the group are wind and solar generation.

The abundance of sunlight and real estate at our operations make on-site solar energy a viable source of electricity, while additional quantities of electricity can be generated by remotely located wind farms and delivered to our operations *via* the Eskom grid.

To this end, Northam has installed rooftop solar arrays at Booysendal and Eland with a combined capacity of 2.25 MW. These installations are functioning well and are supplementing the power available to the operations.

The group has also earmarked additional sites for solar installations at Zondereinde and Eland, with applications for the various permits required, for these projects currently underway.

In addition, Northam is investigating the viability of a number of wind farms in the Western Cape. These facilities will be owned by third party independent power producers, with Northam having the sole rights to the power generated by these facilities, wheeled through the Eskom grid. Final authorisations for these projects are in progress, with construction to commence shortly thereafter, if approved.

26%

Energy intensity from electricity reduction since 2019

Northam is committed to renewable energy initiatives to reduce our impact on climate change

Northam is investigating the viability of a number of wind farms in the Western Cape

Water use and water use licences

All of Northam's operations hold valid water use licences (WUL). By their very nature, mining operations use large amounts of water, mainly in extraction activities. Water supply is included as one of the group's strategic risks underpinning the objective of the operations to minimise water use from natural sources, whilst maximising the re-use and recycling of water.

Apart from the operations at Eland mine, where an artificial wetland has been created to augment other water treatment processes, there are procedural and engineering controls in place to prevent the contamination of natural water resource.

Zondereinde operations rely on hydropower to drive underground mining equipment and assist with cooling. This delivers significant energy savings but uses large quantities of water. The operation uses potable water from the Magalies Water Board but operates on a closed loop system, which keeps water use to a minimum. For the year, 90% of the water used at Zondereinde was recycled.

Due to Eland's hydrogeological location, the mine is water positive and is currently implementing a plan, as part of its Social Labour Plan (SLP) to treat excess water to potable quality for supply into the local municipal drinking water system.

The Booysendal South mine is also water positive, while the North mine consumes water. A ring feed water system between the two mines has been commissioned to minimise fresh water intake.

Together with the management of water use, water quality monitoring is in place at all our operations, as required by their WULs. Surface and groundwater samples are regularly taken by the environmental team and independent service providers for analysis. These monitoring reports are submitted to the Department of Water and Sanitation (DWS) annually in compliance with Northam's WULs.

Suan Mulder, Group environmental consultant and Thapelo Molamu, Environmental clerk at Booysendal, conducting water testing

Tailings Storage Facilities

Northam operates and manages four active TSFs, two at Booysendal and one each at the Zondereinde and Eland, respectively.

The design and operation of these facilities are driven by our commitment to zero fatalities and to minimise the impact on the environment.

Our approach to the management and operation of our TSFs is guided by the New Global Industry Standard on Tailings Management, developed by the Global Tailings Review. These guidelines also encompass risk mitigation measures relating to safety, health, and environmental protection.

Independent annual reviews of TSF integrity and management are undertaken by external third and fourth parties. Outcomes from these reviews are incorporated into management plans.

TSF designs are overseen by an approved professional engineer, specifically appointed for the task. They are also reviewed and approved by the safety office of the DWS.

Construction and deposition onto the TSFs follows the upstream method, which is appropriate for specific terrain, climate and seismic risk. This ensures that each TSF is best suited to its environmental setting. The upstream method preferentially deposits coarse tailings material closest to the starter TSF wall, while liquid and fine material settles furthest away. As the level of the tailings rises, the crest of the TSF is raised “upstream”, using the support of the previous tailings raise and the tailings beach area. This improves TSF wall integrity. In addition, our TSF designs incorporate downstream mitigation measures for the unlikely event of structural failure or breach of a TSF wall. This further reduces environmental risk.

Each operation has, and complies with, a mandatory code of practice to inform the management and operation of the TSF and includes appropriate emergency response plans. These are compiled in accordance with South African statutory guidelines and document the procedures to be applied in order to safely and effectively dispose of mineral waste residue. They are reviewed and updated every two years as part of our change management system throughout the lifecycles of the TSFs, using regular comprehensive risk assessments.

At the Zondereinde mine, backfill derived from classified tailings is used as an underground support element. This significantly reduces the volume of tailings reporting to the TSF and thus its environmental footprint. Backfill is currently not employed at our Booysendal operations. However, test work on the applicability of backfill is in progress. If successful, there would be a benefit to the mine’s environmental impact commensurate to that of Zondereinde.

One of the TSF's at Zondereinde

Mine Rehabilitation

In terms of, *inter alia*, the National Environmental Management Act (NEMA), a mining entity is required to make financial provision for decommissioning and restoration costs which will be incurred upon the cessation of mining activities.

The risks and impacts associated with closure are incorporated in the planning, design and construction phases of the operations. All of Northam's wholly-owned mines have established closure objectives as part of their approved environmental management plans.

Northam makes full provision for both restoration as well as decommissioning liabilities in terms of the commercial closure cost assessments, which are updated on an annual basis, using an independent third party.

Where possible, continuous and ongoing rehabilitation is performed by all mining operations.

The group has issued guarantees in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund.

The Buttonshope Conservancy Trust – a one of its kind in conservation

Our contribution to biodiversity through the Buttonshope Conservancy Trust

The Buttonshope Conservancy Trust was established in 2011 specifically to manage Booysendal's conservation efforts. The mine is 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).

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

A biodiversity offset agreement was concluded between the Buttonshope Conservancy Trust, the MTPA and Booysendal in a benchmark example of public–private collaboration. It commits the Trust to, *inter alia*, 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.

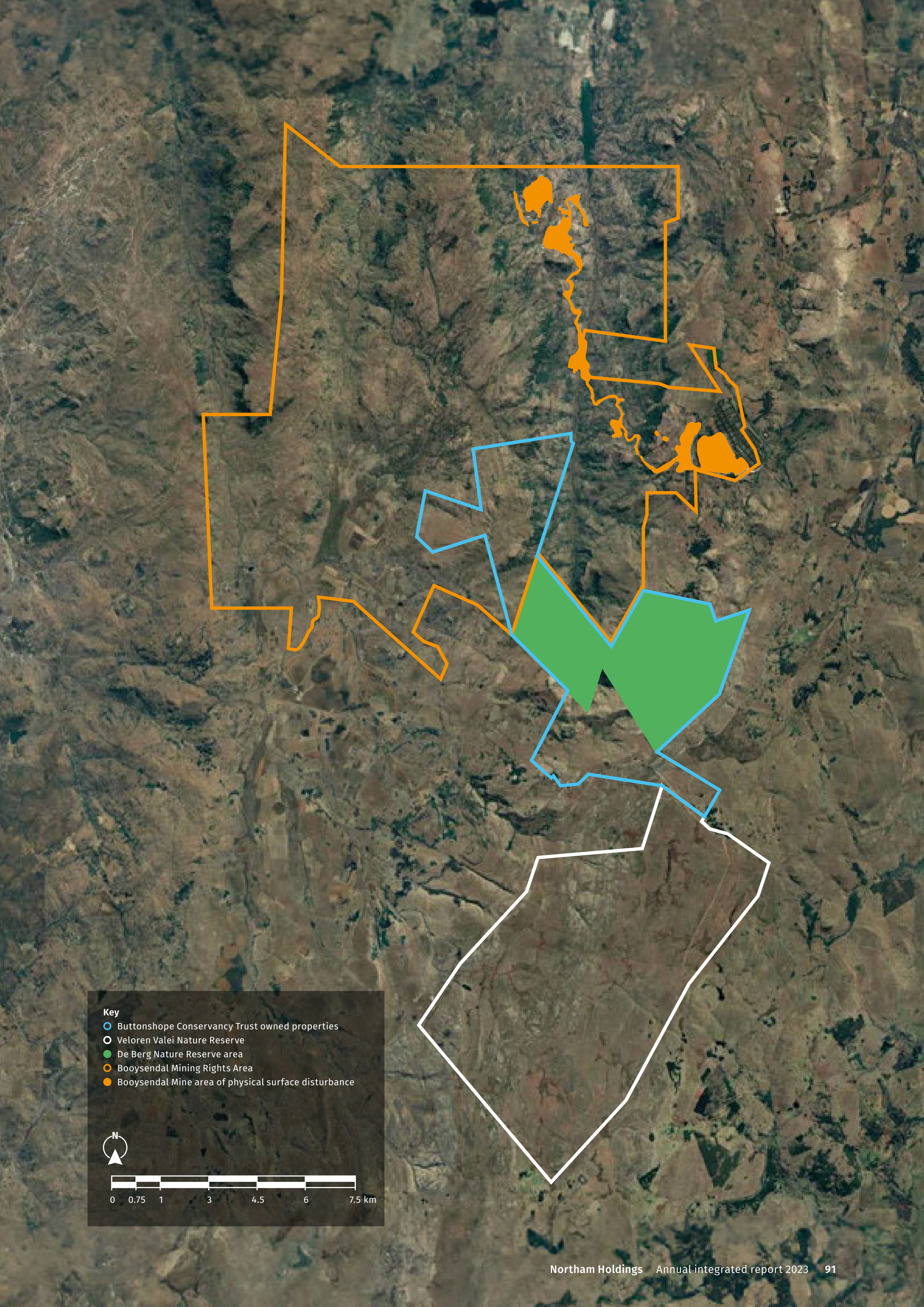
The extent of offset areas are guided by the National Draft Biodiversity Offset Policy and equal 30 times the extent of area impacted by mining. Riverine systems and catchments to these are critical areas for environmental conservation.

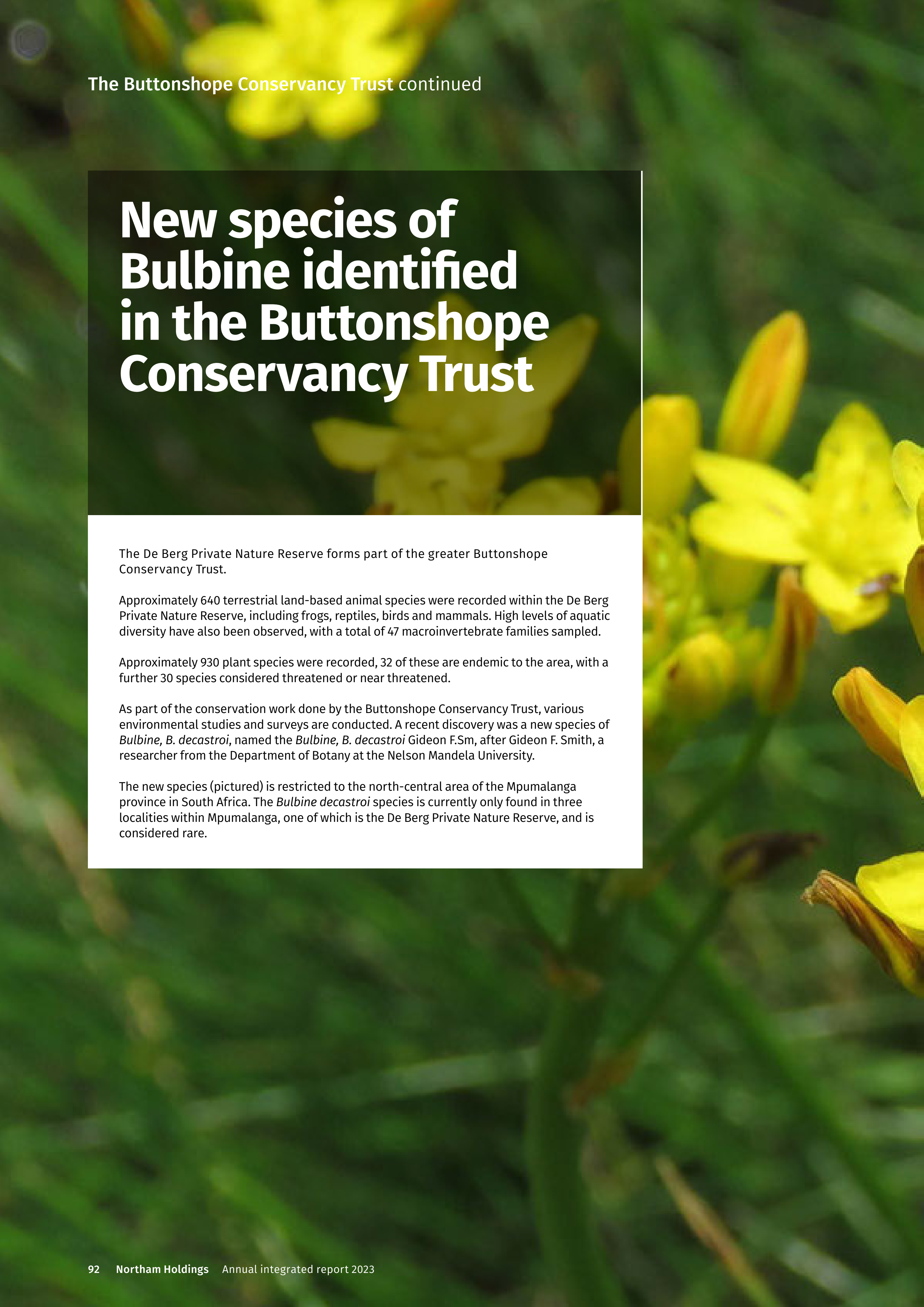
In light of this, areas chosen for offset include a unique area of montane grassland, which gives rise to the headwaters of the Dwarsrivier, the river that traverses the Booysendal mining area. It is envisaged that future expansions to the conservation areas will look to join the Buttonshope Conservancy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

Common River Frog – found in a tributary to the Groot Dwars Rivier.

Booysendal and the Buttonshope Conservancy Trust properties

The Buttonshope Conservancy Trust manages approximately 8 500 hectares of the 15 492 hectares of freehold land owned by Booysendal and the Trust, including 4 141 hectares of designated biodiversity offset areas.


Key
Buttonshope Conservancy Trust owned properties
Veloren Valei Nature Reserve
De Berg Nature Reserve area
Booysendal Mining Rights Area
Booysendal Mine area of physical surface disturbance
N
0 0.75 1 3 4.5 6 7.5 km



New species of Bulbine identified in the Buttonshope Conservancy Trust

The De Berg Private Nature Reserve forms part of the greater Buttonshope Conservancy Trust.

Approximately 640 terrestrial land-based animal species were recorded within the De Berg Private Nature Reserve, including frogs, reptiles, birds and mammals. High levels of aquatic diversity have also been observed, with a total of 47 macroinvertebrate families sampled.

Approximately 930 plant species were recorded, 32 of these are endemic to the area, with a further 30 species considered threatened or near threatened.

As part of the conservation work done by the Buttonshope Conservancy Trust, various environmental studies and surveys are conducted. A recent discovery was a new species of *Bulbine, B. decastroi*, named the *Bulbine, B. decastroi* Gideon F.Sm, after Gideon F. Smith, a researcher from the Department of Botany at the Nelson Mandela University.

The new species (pictured) is restricted to the north-central area of the Mpumalanga province in South Africa. The *Bulbine decastroi* species is currently only found in three localities within Mpumalanga, one of which is the De Berg Private Nature Reserve, and is considered rare.

It is our people that make our business successful

Ngcobo Zile, Metallurgical assistant at Zondereinde

Our key stakeholders

As a responsible corporate citizen, we have a responsibility to all our stakeholders to communicate clearly, concisely and transparently. We identify our stakeholders as any party that has an interest in our company, and who can either affect, or be affected by our business.

We operate in a multifaceted economic, legislative and social environment. Our stakeholders comprise a broad spectrum of parties, both local and international, with each stakeholder having different needs, concerns and opinions.

Northam has adopted the AA1000 Stakeholder Engagement Standard (SES) 2015, in our approach to stakeholder engagement, and remains conscious of our accountability towards being inclusive, transparent and responsive to all our stakeholders.

As a company we strive to deliver sustainable value to all our stakeholders. We do so by maintaining trusted relationships with our stakeholders. These relationships are key to the long-term sustainability of our company and should be mutually beneficial to both our internal and external stakeholders. We continuously engage with our stakeholders to better understand and respond to their specific needs, concerns and opinions.

The information that follows details our stakeholders in no particular order, in terms of who they are, the role they play and why we engage with them. This includes our approach, aim and means of engagement.

Below are some of the key stakeholder interactions for F2023:

Investors

Maiden dividend for Northam Holdings and **dividend policy implemented**, which is the final phase of the strategy we embarked on in 2015

Providers of funding

Since 2012, Northam has developed a **significant** and **sustainable** presence in the debt capital markets through its **R15.0 billion DMTN Programme**

Communities

Shareholding in Northam Holdings through the **Zambezi BEE Transaction**

Precious metal refiners

Two international **precious metal refiners** with long term agreements in place

SARS

R4.4 bn paid in taxes by Northam together with **R1.6 bn** paid by employees

JSE Limited

Top 40 company plus **substantial capital growth** since 2015

Unions

5-year wage agreements entered into with organised labour at all locations

Employees

R7.5 bn paid to employees during F2023 together with **12 288 new jobs** created since 2015

Credit rating agency

The credit rating agency, Global Credit Rating Company Limited (GCR), upgraded Northam's national scale long-term credit rating to **A+(za)** from A(za), with the short-term credit rating re-affirmed at A1(za) and the outlook accorded as **Stable**

Eskom

Developments at Eskom have resulted in **significant electricity tariff increases** over the past decade, with **R2.1 bn** paid to Eskom during the current financial year

Customers

Long-standing customer base with production offtake agreements in place

Financial institutions

At year end the group had **R11.0 bn** worth of undrawn facilities

Investors and providers of funding

Equity investors

Northam's equity investors are those investors who invest in our company by purchasing shares in Northam Holdings on the JSE Limited.

Equity investors represent the ownership in the company and have the right to vote on certain decisions of the company, as well as to share in the profits paid by the company in the form of dividends. These investors invest, with the expectation that their investment will either earn dividends, or will increase in value over time. Equity investors represent an important part of the capital structure of the company.

An analysis of Northam Holdings shareholders has been included in this report.

Debt investors

Unlike equity financing, debt financing is used to facilitate the growth of the group.

Northam's debt investors comprise institutional investors through notes issued under Northam's DMTN Programme.

The DMTN Programme was established in 2012, and has developed a significant and substantial presence in the debt capital market through our R15.0 billion DMTN Programme.

The DMTN Programme has a staggered maturity profile over the next five years which will consequently assist with the liquidity profile of the group.

The company has adopted a prudent approach to managing its long-term funding facilities which includes the DMTN Programme, and we will continue this approach going forward.

Interactions during the year

Key issues raised	Our response
Capital allocation	The long-term success of the business depends on achieving an optimal balance between growth, 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. Mining is a capital intensive business with relatively long-time horizons. Commodity prices follow shorter cyclical patterns. Therefore, capital allocation planning requires consideration of both short and long-term technical planning, as well as the global economic outlook and cyclical commodity price variances. This manifests in 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. Since 2015 we have pursued a strategy of growing production down the industry cost curve whilst reducing operational risk and returning free cash generated from our operations to shareholders. This strategy remains unchanged. We initiated our strategy during the market down cycle employing counter cyclical capital allocation in acquisitions and organic growth through project development. Feedback with regards to the capital allocation of the group is provided to shareholders, as part of both our interim as well as our year-end results.
Returning meaningful value to shareholders	There are a number of ways that value can be returned to shareholders. This includes cash dividends, as well as share buybacks. The group has returned R20.6 billion of value to shareholders through the acquisition of Zambezi Preference Shares and Northam Platinum Shares, which collectively culminated in a 28.9% reduction in the group's issued share capital through the early maturity of the Zambezi BEE Transaction. Accumulated dividends on the Zambezi Preference Shares (acquired and held by Northam) were settled through a transfer of Northam Platinum Shares from Zambezi to Northam, resulting in a share buyback. The board has now implemented a formal dividend policy and a maiden dividend for Northam Holdings has been declared.

Key issues raised	Our response
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. Refer to our managing risks and opportunities section included in this report, which provides detailed disclosure with regards to risks and opportunities impacting the business and therefore, potentially shareholder value.
Remuneration policy	We have adjusted our remuneration policy to cater for the concerns expressed by our shareholders. Our shareholders voted against our remuneration philosophy and policy as well as our remuneration policy implementation report at our Annual General Meeting (AGM) in October 2022. We have therefore made every effort to actively seek feedback on our remuneration policy and the implementation thereof through various interactions with shareholders. This feedback has been incorporated into our metrics and the remuneration committee believes that shareholder concerns have been addressed.
Investment in Royal Bafokeng Platinum Limited (RBPlat)	It was noted that a number of shareholders were not satisfied with the company's decision to invest in RBPlat. Subsequent to Northam Holdings announcing its initial acquisition of an interest in RBPlat on 9 November 2021, the platinum group metals (PGM) market strengthened significantly, resulting in a peak increase of around 41% between November 2021 and March 2022. The PGM prices remained strong throughout 2022, with a net increase of approximately 10% from November 2021 to the date of Northam Holdings announcing its firm intention to make a voluntary, conditional offer to RBPlat shareholders to acquire the remaining RBPlat Shares not already held by Northam Holdings on 9 November 2022 (Northam FIA). Subsequent to the Northam FIA, PGM prices declined substantially signalling a possible protracted cyclical downturn in the PGM market. The basket price declined by more than 35% with a net decrease from November 2021 to June 2023 of more than 28%. These adverse market developments have resulted in a material contraction in profit margins and cash generation capacity across the PGM industry (including that of RBPlat). As a consequence, equity valuations across the entire PGM sector have declined substantially. Against this backdrop, Northam's own operations continue to perform well, as reflected in our 30 June 2023 year-end results. Following the occurrence of the relevant Material Adverse Changes in PGM prices, Northam Holdings terminated the Northam Offer, further details of which are set out in the SENS announcement published by Northam Holdings on 5 April 2023 (Termination Announcement). From the date of the Termination Announcement to 18 July 2023, the Basket Price deteriorated further by almost 18%. The Implats Mandatory Offer provided Northam with full optionality since December 2021. Subsequent to year-end, on 20 July 2023, Northam Holdings submitted its acceptance of the Implats Mandatory Offer in respect of all of the 100 219 552 RBPlat Shares held by Northam Holdings (representing 34.52% of RBPlat Shares in issue). The offer consideration receivable per RBPlat Share tendered into the Implats Mandatory Offer amounted to R90.00 cash and 0.3 new ordinary shares in Implats. Northam Holdings therefore received, in aggregate, R9.0 billion in cash and 30 065 866 Implats Shares. In light of the prevailing PGM market conditions and negative medium-term outlook, the lmplats Mandatory Offer presented a unique and attractive opportunity for Northam to lock in substantial value in relation to the RBPlat Shares held by Northam, with a strong cash underpin that was not adversely affected by the steep decline in PGM equity valuations across the sector. This also presented Northam with an opportunity to significantly strengthen our balance sheet and liquidity position, which in turn provides additional flexibility and optionality for Northam Holdings to, subject to the relevant regulatory requirements and approvals necessary, *inter alia*, potentially (i) declare a maiden dividend; (ii) introduce a formal dividend policy; (iii) consider a share buy-back; and/or (iv) reduce Northam's third party debt. Northam believes that the prevailing PGM market conditions and the material decline in the PGM prices may signal a potentially protracted cyclical downturn. Relative positioning on the industry cost curve, the ability to retain operational flexibility and balance sheet strength will become increasingly important over time. Northam has always maintained inherent optionality and flexibility in executing its growth strategy and these considerations remain key drivers to all decisions. For these reasons the RBPlat investment was liquidated, and the company has embarked on its strategy of returning value to shareholders.

Unions

Northam's trade unions include the National Union of Mineworkers (NUM) who represent our employees at Zondereinde and Eland, and the Association of Mineworkers and Construction Union (AMCU) who represent our employees at Booysendal.

These trade unions represent our organised labour, and are governed in accordance with the Labour Relations Act, 1995, whereby every employee has the right to participate in forming a trade union, and to join a trade union in terms of their freedom of association, and their basic labour right.

In addition, the collective bargaining rights for organised labour are based on a recognition threshold of 33.3%.

During F2023, there were no unprotected strikes or lockouts at any of the operations.

The labour relations climate at all of Northam's wholly-owned operations is characterised by respectful, cooperative and constructive relationships. Against this background the 2021 wage negotiations at Zondereinde and Eland resulted in historic five-year wage agreements with NUM.

At Booysendal, in 2019, the first wage agreement was reached since the mine transitioned to an 'owner operator' mine, with both management and labour concluding a five-year wage agreement, with AMCU, which terminates in 2024.

Accordingly 97.8% of the groups workforce are covered by a collective bargaining agreements.

Management's continued focus is to maintain stable labour relations, and a working environment that promotes continuous meaningful engagement that is supported by constructive platforms for negotiations in the future, while the employee complement grows, in line with the group's expansion strategy.

We believe that through constructive dialogue, more can be achieved and the benefits are endless for all parties.

Interactions during the year

Key issues raised	Our response
Continuous engagements at both mine and regional level	The group proactively and regularly engages with union leadership in a collaborative approach to ensure employee concerns are appropriately addressed. These engagements are done at both a mine and regional level.

Employees

Our employees comprise the directors, officers, personnel and contractors who are employed by the company on either a full-time or part-time basis, and it is predominantly our employees who drive our strategy and operational goals.

At Northam, we believe that capable people from various backgrounds, thinking in diverse ways, will generate a confident workforce overall, one that is vital to our strategic objectives. Achieving these characteristics is the basis of our people strategy.

We aim to provide our employees with the right skills and resources for them to perform consistently at their best while at Northam, and for future employability.

A positive work environment is one that values the people we recruit for their abilities and contributions regardless of any other attributes. We recognise the benefits of diverse perspectives from people with different backgrounds, and how such benefits can only be amplified by a clear commitment and processes against all forms of discrimination.

Northam is a labour intensive business, creating new jobs at scale. We have created more than 12 200 new, direct, meaningful and sustainable jobs since 2015, and of these, 1 216 were created during the current financial year.

Growing our employee workforce rapidly, however, does not mean foregoing employee learning and development. As we grow, we also evolve. We are employing a range of skills, trades and professions, many of which are inherently transforming across our operations.

In line with our growth strategy, we will continue to employ new people. As we do this, we will adapt our recruitment approach to align with forecast growth. This embraces technology, engagement with educators, harnessing existing colleagues' skills and seeking diverse talent in a wider workforce pool.

We continue to prioritise recruiting people from our local communities. This creates a positive impact on the livelihoods of employees, their families, and on the wider socio-economic environment. In addition, as we grow, we ensure a core focus on internal recruitment and succession. We develop and harness the critical skills we need from inside Northam, but we also recognise the extensive opportunities from expanding the talent pool.

Our employees include women, in particular, women in mining. Women play a pivotal role in our company and the broader South African mining industry, being only legally allowed to work underground from 1996 onwards. We are proud of our women in mining, and all our employees.

Interactions during the year

Key issues raised	Our response
Employee engagement and communication	We engage and communicate with our employees through: ▪ Regular management interaction and clear communication structures ▪ Our training interventions, internal newsletters and communiques, as well as through the various representative union bodies, where information is disseminated ▪ Various channels including, employee representative forums, as well as the independent ethics and fraud hotline of the group through which concerns are addressed ▪ Our code of ethics and conduct, as well as ongoing refresher training
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.
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.

Key issues raised	Our response
Elements of fixed remuneration	Employees are employed in terms of their contracts of employment, and the remuneration and benefit schemes, as well as practices, are applicable to their job grades. Employment contracts are concluded on a permanent basis as a general principle (i.e. for an indefinite period), except where fixed-term or short-term temporary contracts are required for specific projects. Guaranteed salaries are reviewed annually, with annual increases effective 1 July of every year, except on promotion of individuals, in which case they may be implemented during the year. Non-union affiliated employees have job profiles which stipulate the key performance areas of their positions. These serve as the basis for performance assessment and measurement of performance linked to salary increases and bonuses. For union affiliated employees, guaranteed salary levels depend on the outcome of wage negotiations with the representative union. Various allowances and benefits are paid to union affiliated employees depending on their position. Specific consideration is given to lower paid workers.
Elements of variable remuneration	Annual bonuses are based on operational performance targets. The Toro Employee Empowerment Trust is an employee profit scheme at the Zondereinde mine for eligible employees (Paterson C band employees and below). 4% of after-tax profits of the Zondereinde mine is contributed to the Toro Employee Empowerment Trust. Eligible employees receive payment at the end of each five-year cycle, the first and second of which were made in 2013 and 2018, respectively. Contributions to the Toro Employee Empowerment Trust will be made for the life of mine and a minimum cycle pay out of R15 000 per eligible employee has been guaranteed by the company, with the next payment due in 2023. Through the Composite Transaction, Northam Holdings Shares were transferred to the Northam Employee Trust which unlocked and transferred unencumbered value, created within Zambezi to Zambezi Ordinary Shareholders. To ensure continued compliance with the Mining Charter, we will secure HDP ownership in the Northam group for a further 15 years, focusing our empowerment initiatives on the extension of our employee and community participation. This ensures that we continue to transfer value created within Northam to our employees and host communities.
Attracting and retaining talent, as well as succession planning	Attracting talent in the PGM mining industry is a challenge, due to competition within the PGM sector, targeting the same talent from a small pool of experience in South Africa. Northam aims to attract, motivate and retain talent at all levels, particularly those employees with scarce or critical skills, through fixed and variable remuneration. This includes incentivising and rewarding employees for their performance. We have established clear talent retention and development strategies in place and continue to invest in experienced talent, and leverage their knowledge to upskill new talent, thereby facilitating the transfer of knowledge and succession planning.
Income inequality in South Africa	We ensure that our lowest paid employees are remunerated well in excess of the minimum wage. We have structured annual salary adjustments such that our lowest paid employees receive the highest percentage increases, as well as benchmark group remuneration policies and practices, against listed peers.
Variable remuneration must be based on stretched targets	Our Key Performance Indicators (KPI's) focus on basic mining principles. These KPI's are largely under management's control and if met will lead to increased value for shareholders.
Gender pay gap	We are committed to gender equality and equal pay for equal work.

Communities

People are important to our business. Northam understands the important role our employees and host and affected communities play in this. We also understand that in South Africa, we operate in a multifaceted economic, legislative and social environment, where socio-economic issues are sometimes extreme.

As a responsible corporate citizen, we contribute to improving the well-being of our employees and host and affected communities.

Communities are those communities surrounding our operations, and are home to many of our employees. Implicit in this, is our goal to create value for our local communities in the South African provinces of Limpopo, Mpumalanga and North-West, which host our mining operations.

We believe in mining that matters; mining that benefits our employees, our communities, the environment and our investors.

We do this by focusing on specific community needs, which we identify through multiple sources, be it through, direct engagement with our host and affected communities, municipality level integrated development plans, our operations' social and labour plans (SLPs), including our local procurement, enterprise and supplier development approaches, as well as our community trusts that are in place at Booysendal and Zondereinde.

We focus in several areas to help improve the socio-economic status of our local communities, implementing against our SLPs and established community programmes, which includes our corporate social investment (CSI). In addition, we have recognised community trusts that fund both health and education initiatives in areas local to our operations.

Our operations regularly promote local procurement opportunities to the local communities, and offer enterprise and supplier development programmes, helping our communities' aspiring entrepreneurs. Local businesses are given priority in certain procurement opportunities, and our local and preferential procurement has grown significantly in recent years.

In line with our growth strategy, we will continue to create new jobs, focusing on employment from our local communities. In this regard, we enhance local community employability through our dedicated training programmes, learnerships, internships and cadetships. The company also invests in literacy development in our local communities to further empower future generations.

Our community investments comprise a wide range of mine and labour sending community development projects. These include, goodwill initiatives which focus on urgent needs that are not catered for through our SLPs, including early learning development, education, health and community relief. In addition, we lead community development activities for the benefit, empowerment and upliftment of local beneficiaries, each with a defined mandate to fund health care initiatives, education and development.

Procuring goods and services locally, in part, remains a key focus at our operations to stimulate and contribute to local economic activity, job creation and skills transfer. This creates the platform for the training and development of aspiring local entrepreneurs and suppliers, as a commitment to the growth and sustainability of our local communities.

Interactions during the year

Key issues raised	Our response
Details regarding the Community Trusts	Multiple meetings were held during the year, raising awareness in terms of the two Community Trusts, in particular how these Trusts: ▪ Benefit the local community through their empowerment and upliftment ▪ Provide opportunities for HDPs to enter the South African minerals industry ▪ Contribute to the group's HDP equity ownership credentials, through their shareholding in Northam Holdings ▪ Comply with HDP ownership targets set by the Mining Charter
Youth unemployment	Through consistent and regular engagement with the various youth forums, initiatives to address unemployment amongst youth in the areas surrounding our mining operations have been established with mutually agreed plans and initiatives.

Precious metal refiners and customers

Precious metal refiners

Heraeus Deutschland GmbH & Co. KG and Johnson Matthey PLC are Northam's precious metal refiners, as well as customers to Northam.

The precious metal refining process is complex and requires leading technology and practices.

Our precious metal refiners are leading entities in their field of expertise and we have long standing relationships with both these companies.

Customers

Northam derives its revenue from sales to a limited number of customers with whom we have long-standing relationships.

In respect of PGMs, our customers are predominantly industrial companies. This reduces our exposure to demand in the automotive sector.

Our chrome product is sold through a single third party *via* a guaranteed offtake and security of supply contributions agreement. This lowers down-side risk to sales and sales revenue, even during depressed market conditions.

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. On a daily basis we interact with our precious metal refiners to arrange logistics, confirm volumes, assays and settlement quantities. Twice a year, both at London and New York Platinum week, the company has structured interactions and meetings with both our refiners as well as our customers.
Responsible sourcing and climate change	We have an established 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 GHG emissions) and socio-economic development. In addition, we have taken a pro-active decision to adopt the Initiative for Responsible Mining Assurance (IRMA) programme.

Eskom Holdings SOC Limited (Eskom)

Eskom is a South African electricity public utility, and the largest state owned enterprise in South Africa. It is also the largest producer of electricity in Africa, operating a number of power stations across the country.

The provision of energy is a critical element of Northam's business processes. Most of the energy we employ is in the form of electricity, which to date has been sourced, in the main, from the national electricity provider, Eskom.

The bulk of the electricity that Eskom generates comes with a relatively high GHG emissions footprint due to its reliance on coal. This, consequently, impacts Northam's GHG scope 2 emissions.

In addition, the group's sustainability could be negatively impacted by our dependence on Eskom, and its national grid. It puts Northam at risk of both planned and unplanned power outages thereby impacting production, as well as the potential for ongoing above-inflation electricity tariff hikes.

The past year has seen an ever increasing decline in energy supply security, with record amounts of load shedding and load curtailment. Recent updates by Eskom on the integrity of the electrical grid infrastructure means that this situation is likely to continue into the medium-term. Together with ongoing above-inflation tariff hikes, this situation could compromise Northam's production capability, as well as negatively impact overall cost inflation and consequent profitability.

As part of the group's ongoing energy strategy and to mitigate some of the supply challenges afforded by Eskom, Northam management, together with a panel of experts, have explored various mechanisms and options to secure the supply of renewable and alternative sources of energy.

In order to develop a sustainable business, the group has an energy policy and strategy that is driving our approach to reducing our energy risk and dependence on Eskom, as well as reducing our GHG emissions.

The basic tenets of Northam's energy policy are our commitments to:

- Preserving natural resources and conserving energy
- Sustaining operations through minimising the impact on the environment
- Efficient energy use – best in class for the South African PGM mining industry
- Continuous improvement through actively managing energy consumption
- Responsible and economically prudent application of renewable energy
- Employee awareness of energy conservation

This policy informs our energy strategy which, in relation to the provision and use of electricity, focuses on energy efficiency, together with the cost effective combination of supply from Eskom, as well as other renewable energy sources.

In addition to this, our production growth is focused on the Booysendal and Eland mines, which have lower energy requirements.

Interactions during the year

Key issues raised	Our response
Compliance with contractual load curtailment and requirements, and notified maximum load demand	We have established comprehensive load management protocols at each of the group's operations in order to manage load requirements whilst optimising production levels. In addition, we have daily communications with Eskom in terms of load curtailment. As part of our renewable energy initiative, we have engaged with energy consultants. For more information on this, please refer to our managing risks and opportunities section included in this report, where we detail the risk of energy supply and the cost thereof.
Eskom guarantees	Northam Holdings has issued parent company guarantees to Eskom to the value of R340.6 million, in respect of electricity charges for Northam Platinum Limited, Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited. This has replaced banking guarantees previously in place.

Industry associations

Northam, as a South African PGM mining company, subscribes to various industry associations. These associations actively stimulate investor demand, PGM research and development, as well as the promotion for PGM beneficiation, which collectively contributes to the continuing demand for our products.

Some of our industry associations include the World Platinum Investment Council (WPIC), Platinum Guild International (PGI), International Platinum Group Metals Association (IPA), Minerals Council South Africa, as well as other various professional affiliate organisations.

Paul Dunne, the group's chief executive officer, is a non-executive director of the IPA, and vice president of the Minerals Council South Africa.

Interactions during the year

Key issues raised	Our response
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 Initiative for Responsible Mining Assurance (IRMA) programme together with the development of a group-wide responsible sourcing procedure.
Industry issues	During the year various interactions were held with industry associations to discuss various issues and concerns. An active role is played by Northam where possible.

Government

The Northam group operates under the legislative framework of the South African government, comprising; the national, provincial and local government. These three spheres of government are responsible for the promulgation of law in South Africa, governing the country, as well as ensuring that law is upheld.

The national or executive sphere of government includes the President and his Cabinet, together with the relevant departments, for example the DMRE. The DMRE represents the ultimate government body responsible for the regulation of mineral resources. However, the group is also in constant engagement with various other national regulatory departments, including the Department of Environmental Affairs and the Department of Water and Sanitation (DWS), amongst others.

The provincial sphere of government refers to the nine provinces in South Africa, each with its own legislature, premier and executive council.

At a provincial level, government is responsible for social services such as education, health and social development, economic functions like agriculture and roads, as well as provincial governance and administration which include the legislature, local government, provincial treasury, and human settlements.

Local government, in turn largely comprises municipalities, and it is these municipalities that are primarily responsible for providing the basic services to the communities in which we operate. All three spheres of government comprise other governmental bodies and associated institutions, collectively setting the legislative framework in which we operate.

We engage through 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. Also refer to the section of this report discussing our specific interactions with the DMRE in this regard. We also make submissions 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. At a local level, we participate in various meetings and engagements with local forums, associations and agencies that are either affected by or affect our operations in some manner.

As a producer and exporter of precious metals, we also engage with the South African diamond and precious metals regulator.

Interactions during the year

Key issues raised	Our response
Community projects with government (Community Trust)	We ensure that our community development and stakeholder engagement policies and practices are aligned with those of local municipalities IDPs and community needs as far as reasonably possible. In respect of the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust, we have, in collaboration with various branches of government, undertaken the following: ▪ Construction of a clinic in the local community, of which the foundation of the building has been completed and work on the rest of facility is progressing ▪ Establishment of a programme in conjunction with the Department of Traffic to assist community members in obtaining their driving licences, thereby enabling the pursuit of sustainable employment opportunities ▪ Initiation of an e-learning project in conjunction with Vodacom, consisting of a donation of tablets and laptops to local schools ▪ Continuation and extension of the bursary project resulting in a number of beneficiaries graduating during the year ▪ Hosting of school summer camps for matric students from local schools in collaboration with the Department of Education

Key issues raised	Our response
Environmental authorisations, licences and compliance	We have engaged with various national and provincial government entities in relation to several environmental authorisations and water use licence amendments at all our operations. At Zondereinde we have engaged with the local authorities for the amendment of our atmospheric emission licence, as well as the development of an air quality offset programme. The smelter furnaces and convertors are sources of sulphur dioxide (SO_2) and particulate matter (dust) emissions in off-gases. The smelter and convertor circuit currently operates within the limits of its Atmospheric Emissions Licence issued in terms of the National Environmental Management: Air Quality Act No. 39 of 2004, and the Mine Health and Safety Act, No. 29 of 1996 (Mine Health and Safety Act). As part of Northam's environmental commitment, we initiated an emissions reduction project in 2019, which was completed in December 2022. The refurbishments and upgrades made will further improve ground level and point source concentrations of SO_2 and dust, both within and in the vicinity of the metallurgical complex, enhancing general hygiene conditions at the metallurgical complex and mitigating broader environmental impacts. The rebuild and upgrade to smelter furnace 1 has been completed. Together with an environmental impact this also increases processing capacity whilst significantly reducing operational risk. Zondereinde is also in the process of implementing an air quality offset programme, as a condition of its Atmospheric Emissions Licence, as part of the stack emission limit postponement agreement. Additionally, all operations have extensive networks of dust buckets to monitor dust fallout from production activities at the mine. The dust fallout rate from all monitoring points at the three operations were within the defined industrial limits prescribed in terms of the National Dust Control Regulations. An application for an environmental assessment for the development of a solar power plant has also been submitted. All of Northam's operations hold valid WULs. By their very nature, mining operations use large amounts of water, mainly in extraction activities. Water supply is included as one of the group's strategic risks underpinning the objective of the operations to minimise water use from natural sources, whilst maximising the re-use and recycling of water. Together with the management of water use, water quality monitoring is in place at all our operations, as required by their WULs. Surface and groundwater samples are regularly taken by the environmental team and independent service providers for analysis. These monitoring reports are submitted to the DWS annually in compliance with Northam's WULs.

Regulatory authorities

Regulatory authorities represent an extension of the South African government. These authorities are generally government entities, departments or agencies accountable for implementing the rules and regulations in various sectors.

It is among the respective regulatory authorities' functions to apply the norms, restrictions or limitations, as well as to establish the standard for operations, including the enforcement of these functions applied to ensure conformance by all relevant industry participants.

Some of the pertinent regulatory authorities in South Africa include the Department of Trade, Industry and Competition (DTIC), the TRP, as well as the South African Bureau of Standards (SABS).

Interactions during the year

Key issues raised	Our response
ISO accreditation	All Northam operations have risk-based safety management systems in line with the group's safety operating model. Policies and procedures govern all actions related to safety and health, and target continuous improvement. These policies apply to all employees and contractors. Zondereinde mine is certified to the ISO 45001 safety management system. Booysendal and Eland are working towards certification by the end of 2023 and 2025 respectively.
SARB approval for foreign payments	On an annual basis, SARB approval is obtained for all foreign payments made by the group. As a mining company, various goods and services are obtained from entities outside the borders of the Republic of South Africa, for which approval is required.
TRP	In relation to Northam's voluntary offer to acquire the remaining shares in issue in RBPlat, (Northam Offer), Northam engaged with the TRP, *via* its legal advisors, in respect of the various announcements and the offer circular. Additionally, Northam, *via* its legal advisors, engaged with the TRP in relation to the Implats Mandatory Offer and ancillary matters thereto, to ensure Northam's rights as an RBPlat shareholder were at all times protected.
DTIC and Competition Authorities	The Northam Offer was conditional on, *inter alia*, receipt of approval from the Competition Authorities. Accordingly, various engagements were held between Northam, *via* its legal advisors, and the Competition Authorities with the aim of obtaining the requisite Competition Authority approvals required to implement the Northam Offer. Additionally, Northam, *via* its legal advisors, became an interested party in the Competition Authority proceedings applicable to the Implats Mandatory Offer.

Department of Mineral Resources and Energy (DMRE)

The DMRE is a national department of the South African government, primarily responsible for the regulation of South Africa's Mineral Resources and energy sector.

As part of its responsibility, the DMRE is responsible for the Mineral regulation which relates to the administration and management of prospecting rights, mining rights, mining permits, as well as the monitoring of compliance with the Mineral and Petroleum Resources Development Act (MPRDA), and environmental management.

In addition, the DMRE is responsible for the Mineral policy and promotion in terms of collecting and collating all mineral and mining related statistics within South Africa. This includes, mine health and safety which is geared to protect and safeguard the health and safety of mine employees and communities affected by mining operations, like Northam.

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.
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. A comprehensive safety and mine update was presented to the DMRE as part of the group's commitment to maintaining a progressive safety culture.
Rehabilitation	In terms of, *inter alia*, the National Environmental Management Act, a mining entity is required to make financial provision for decommissioning and restoration costs which will be incurred upon the cessation of mining activities. Northam makes full provision for both restoration as well as decommissioning liabilities in terms of the commercial closure cost assessments, which are updated on an annual basis, using an independent third party. The group has issued guarantees to the DMRE in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund.

South African Revenue Services (SARS)

SARS is the revenue service of the South African government, and is responsible for administering the country's tax system and customs service.

As part of its responsibility, SARS enforces compliance with related legislation with a significant degree of autonomy, under the policy control of the South African Minister of Finance.

The Northam group has been classified as one of the largest taxpayers in South Africa and has made significant contributions in terms of income tax and royalties paid, as well as the pay as you earn paid by our employees.

Our contributions make a direct impact to the overall economy in South Africa.

Interactions during the year

Key issues raised	Our response
Annual submission	All income tax submissions/returns have been submitted and have been assessed by SARS.
VAT returns	There are currently no material long outstanding VAT refunds.
Royalty refund	The second provisional mineral royalty payment relating to Booysendal for the 30 June 2021 financial year (F2021), was based on information available at the time of submission. After the completion of the F2021 year-end audit, additional information about pre-existing conditions that existed at year-end was obtained and subsequently resulted in an update to the calculation of the mineral royalty tax that was submitted during December 2021 which resulted in a refund due by SARS. Due to the quantum of the refund, SARS requested an audit of the claim. To date, no findings have been identified or communicated by SARS. However, SARS would only consider settling the refund due if security was provided by Booysendal in terms of section 190(3) of the Tax Administration Act. Security in the form of a guarantee from Northam Holdings was therefore issued to SARS. Should the audit identify that Booysendal is not entitled to the refund, the guarantee will be called upon. An independent tax opinion supporting the position, taken as part of the final calculation of mineral royalty taxation, was obtained. A guarantee to the value of R436.4 million was issued to SARS during the year under review.

JSE Limited or the securities exchange it operates (JSE) and JSE sponsor team

The JSE is the largest stock exchange in Africa. The JSE raises primary capital by channelling cash resources into productive economic activity, thereby building the economy while enhancing job opportunities and wealth creation, as well as providing investors with returns on their investments.

The company was initially listed in 1987 on the JSE as Northam Platinum Limited (Northam Platinum) under share code NHM.

In 2021, the Northam Scheme was implemented pursuant to which, Northam Holdings was listed on the Main Board of the JSE under share code NPH, and Northam Platinum Limited became its operating subsidiary, and was subsequently delisted.

Notwithstanding the delisting of Northam Platinum from the Main Board of the JSE, Northam Platinum has an established Domestic Medium Term Note (DMTN) Programme registered with the JSE, in terms of which Northam Platinum issues and lists debt securities on the interest rate market of the JSE under debt code NHMI.

Pursuant to Northam Holdings' listing on the Main Board of JSE and the listing of Northam Platinum's debt securities on the interest rate market of the JSE, Northam Holdings and Northam Platinum are required to appoint a JSE equity sponsor and JSE debt sponsor, respectively. The appointed JSE equity and debt sponsor team interacts with the JSE on Northam's behalf on all matters related to Northam's respective listings in terms of the JSE Limited Listings Requirements and JSE Debt Listings Requirements.

The appointed JSE equity and debt sponsor team assists Northam on the application of the JSE Listings Requirements and the JSE Debt Listings Requirements, as well as assisting Northam in meeting the company's continuing obligations thereunder. All announcements required in terms of the JSE Listings Requirements and JSE Debt Listings Requirements are published on the Stock Exchange News Service operated by the JSE.

Through the appointed JSE equity and debt sponsor team, Northam maintains a professional relationship with the Issuer Regulation Division of the JSE.

Interactions during the year

Key issues raised	Our response
Approval of Circulars	Should Northam propose a corporate action/transaction requiring a circular to be distributed to shareholders, such circular is required, in certain circumstances, to be approved by the JSE. The Northam Offer amounted to a corporate action/transaction which required circulars to be distributed to shareholders and the approval by the JSE of such circulars prior to their distribution. Northam, *via* its JSE equity sponsor and independent sponsor appointed for purposes of the Northam Offer, engaged with the JSE for purposes of obtaining the necessary approvals required to enable the distribution of the circulars in respect of the Northam Offer.
Approval of applicable pricing supplements issued as part of the DMTN Programme	Northam raised various debt funding during the year under review through the issue of DMTNs under its DMTN programme, which required the publication of various applicable pricing supplements. Northam, *via* its JSE debt sponsor, engaged with the JSE for purposes of obtaining the necessary approvals required to publish the various applicable pricing supplements to enable the issue and listing of the DMTNs.
Annual submission made in terms of our year-end reporting process	In terms of the JSE Limited Listings Requirements and JSE Debt Listings Requirements, Northam is required to make various submissions to the JSE, including in relation to year-end reporting processes. All such submissions are required to comply with the applicable JSE Limited Listings Requirements and JSE Debt Listings Requirements and Northam's appointed JSE equity and debt sponsor assists in this process and makes the various submissions on Northam's behalf.

Financial institutions and credit rating agencies

Financial institutions refers to the companies within the financial services sector that Northam deals with for financial and monetary related transactions of the company. These institutions include the commercial banks in South Africa, as well as insurance companies, who offer protection by selling insurance policies as cover against potential future losses.

Northam Platinum has finance facilities available in the form of a revolving credit facility (RCF) of R10.0 billion with a syndicate of lenders and a general banking facility (GBF) of R1.0 billion with Nedbank Limited. Northam Holdings, Booysendal and Eland have all signed a letter of guarantee concerning these facilities.

In addition, the credit rating agency, Global Credit Rating Company Limited (GCR), has upgraded Northam Platinum's national scale long-term credit rating to A+(za) from A(za), with the short-term credit rating re-affirmed at A1(za) and the outlook accorded as Stable.

The upgrade of Northam Platinum's rating is in view of Northam Platinum's enhanced liquidity position with significant flexibility, along with the expectation that the Northam group will continue to deliver a strong operating performance in various price scenarios.

The GCR announcement in regard to Northam Platinum's credit rating is available from the GCR website at https://gcrratings.com/caegory/announcements/.

Interactions during the year

Key issues raised	Our response
Results presentation including interim year-end reporting	Regular update meetings are held with all financial institutions and credit rating agencies to update them on the latest developments in the PGM market and the impact on our business and therefore the liquidity of the group.
Covenants certificates	For both the interim and year-end results, a covenants certificate is issued to the syndicate of lenders relating to the RCF. As part of the covenants certificate, the auditors also issue an agreed upon procedure report in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements, to confirm the accuracy of managements covenant calculations.

Suppliers

Suppliers are the providers of goods and services required by the group in the conduct of our business and operations. These entities form part of Northam's supply chain and comprise various suppliers listed on our vendor database.

Our procurement approach is underpinned by the principles of inclusivity, transformation and transparency in line with South Africa's Mining Charter. By identifying procurement opportunities that support these principles at various levels of the South African economy, we aim to transform and diversify our supplier base.

A significant portion of our operating costs is attributable to sourcing goods and services for our mines. At our operations we aim to use the procurement process as a way of reaching local would-be suppliers, as to make a more immediate economic contribution to our host communities.

Our primary focus is on community-based enterprises in our host communities and other areas affected by our operations. We promote local preferential procurement from mine communities, whereby goods and services are procured locally to contribute to local economic activity, employment creation and skills transfer.

Northam has established various enterprise and supplier development programmes as part of our procurement approach, providing training and development to aspiring local entrepreneurs and suppliers as a commitment to the growth and sustainability of our local communities.

Fundamental to our approach is sourcing from South African suppliers, owned and run by historically disadvantaged persons (HDPs) and black economic empowerment (BEE) compliant companies. All suppliers need to meet the requirements of our vendor governance systems and responsible sourcing standard.

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. These initiatives are ongoing.

Third party purchase contracts

Northam has concluded various Purchase of Concentrate (POC) agreements, whereby concentrate is purchased and further refined.

This increases the number of feed streams for the group and is aligned to Northam's operational risk diversification strategy.

The concentrates purchased, as part of the POC agreements, are treated at the group's metallurgical operations, located at Zondereinde.

The additional production enhances the profitability of the group and positions Northam well into the future.

Interactions during the year

Key issues raised	Our response
Quantity and quality of concentrates purchased	On an ongoing basis the concentrates purchased, as part of the various POC agreements, are reconciled and agreed with the third party concentrate suppliers.
Renewal of POC agreements	On a regular basis the various POC agreements are revisited and negotiated to take any changes or new requirements from either Northam or the third party concentrate suppliers into account.

Women in mining at Northam

Thembi Mthomobothi ,
Mechanised miner at Booysendal

There is no excuse for abuse

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

These threats are real for many of the women in our industry and those who work at our mines.

These women are frequently sole breadwinners, working to provide food, shelter and education for their children. They deserve our respect and our support.

Gender-based violence and sexual harassment are endemic in our society and inevitably, the mining industry reflects these threats. Nobody should turn a blind eye to prejudice, bullying and violence, especially at work.

We all have a responsibility to ensure that every incident is reported and dealt with. There is no excuse for abuse.

At Northam, we acknowledge that we need to continue our proactive support to women. We need to look out for signals and situations which could cause discomfort, fear, anxiety or pain.

As the CEO, I give my full commitment to act appropriately against perpetrators of harassment of any kind.

Paul Dunne
Chief executive officer

22 August 2023

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

NEVER

"IT'S ~~JUST~~ A JOKE"

SAY NO TO HARASSMENT

Report any harassment to the ethics and fraud hotline

0800 152 539

Independent • Anonymous • Confidential

Nomathemba Mudzielwana,
Laboratory analyst
at Booysendal

Phumeza Nonabe,
Control room operator
at Zondereinde

Cindy Rossouw,
IT coordinator
at Group Services

each one teach one

Celebrating women in mining

19%

Total workforce of the group are women (F2022: 18%)

17%

Women in management across the group (F2022: 15%)

21%

of new recruits during F2023 were female (F2022: 27%)

44%

of the Northam board are women (target of 20%)

Equal pay for equal work

Learning and development programmes specifically for women

Special personal protective equipment available for women

Enhanced maternity benefits

We will not tolerate any form of harassment against women

Refer to our Women in mining publication issued on international Women's Day, 9 March 2023 which celebrates our women in mining, available on our website.

Booysendal's first female foreman

Anida Thobela is the first female to be appointed as foreman at Booysendal mine. Anida first joined Booysendal mine as a learner in 2018, through the mine's learnership programme, where she spent two years and acquired her Mechanical Fitter Trade Certificate at her first attempt.

She was then employed as an engineering assistant, prior to her promotion to Beltsman: Trade on her way to her current role as a Foreman: Mechanical at Booysendal's North mine. Her current role comprises monitoring compliance, infrastructure inspections and ensuring that proper maintenance is performed.

Through Booysendal's educational sponsorship programme, she was able to qualify as a fitter, including obtaining her Trade Certificate and she is in the process of further expanding her qualifications.

Anida says: "I encourage all women to have the ambition of getting involved in the mining industry, a lot of women have achieved a lot, gained experience and changed their lives through guidance and support from companies such as Northam."

Anida is one of a number of successful women across the group and her progress is testament to the importance that Northam places on our female workforce and the programmes that are in place to further their development and growth through our operations.

Safety and progress inspection by Paul Dunne, the chairman, Temba Mvusi, and members of the board at Number 3 shaft

Message from our independent chairman, Temba Mvusi

This year has been both challenging and rewarding for the group and our stakeholders. As a board we are particularly pleased with the group's strong operational performance, continued delivery on organic growth projects and the various further de-risking initiatives currently under way.

The board continues to navigate the challenges faced by the mining industry and South Africa with a focus on mining safety, efficient growth, long-term sustainability and black economic empowerment.

Disposal of investment in Royal Bafokeng Platinum Limited

During the year under review, the board, investment committee and management team spent significant time considering our investment in Royal Bafokeng Platinum Limited (RBPlat) made during the previous financial year, our voluntary offer to potentially increase our stake in this business as announced in November 2022 and, after year-end, the decision to accept the Impala Platinum Holdings Limited (Implats) Mandatory Offer.

Governance over the investment decision making processes remained a central focus throughout the period. The investment committee, comprising independent non-executive board members, played an integral role undertaking recurring reviews and evaluations of the original investment rationale and objectives, monitoring the changing and developing market conditions and outlook, and assessing the impact of the investment on Northam's balance sheet, liquidity and long-term strategic positioning.

Northam's pursuit of a voluntary conditional offer to potentially increase our stake in RBPlat was contingent on, *inter alia*, two critical commercial conditions. The first condition was obtaining outright control of the company, thereby allowing Northam to pursue and control the value creation initiatives identified at RBPlat, and the second relied on PGM prices and general economic indicators remaining within a predetermined range in support of the long-term valuation of the asset.

We outlined the second condition in detail in a Material Adverse Change (MAC) clause in the SENS announcement published on 9 November 2022. This condition provided a safety net in the event of dramatic changes in the PGM market or global economic circumstances after Northam's publication of its firm intention to make an offer.

During the second half of the financial year, the MAC provisions were breached following a dramatic decline in the rhodium price and the ZAR PGM basket price, which decreased by 45% and 28% respectively over the period.

The board unanimously agreed that the unpredictable nature of the short to medium-term PGM market necessitated invoking the MAC protections, leading to the termination of the voluntary offer.

Subsequent to the termination of the voluntary offer, the PGM basket price continued to decline by a further 17.6% from the date of termination to 18 July 2023. The board holds the view that the prevailing PGM market conditions may signal a potentially protracted cyclical downturn and considered it prudent to position Northam for such a possible outcome.

These adverse market developments resulted in a material contraction in profit margins and cash generation capacity across the PGM industry (including at RBPlat). Consequently, equity valuations across the entire PGM sector declined substantially, corresponding with a decline in asset valuations.

Against this backdrop, relative positioning on the industry cost curve, and the ability to retain operational flexibility and balance sheet strength, will become increasingly important over time.

Northam has always maintained inherent optionality and flexibility in executing its growth strategy and these considerations remain key drivers to all decisions.

Once the board decided to terminate the voluntary offer and thereby not pursue obtaining outright control of RBPlat in these market conditions, the board considered the merits of potentially accepting the Implats Mandatory Offer for all the remaining RBPlat Shares as a new and standalone investment decision. The substantial cash underpin of the Implats Mandatory Offer was not affected by substantially lower equity and asset valuations across the sector. The Implats Mandatory Offer presented a well-timed opportunity for Northam to fully recover the cash applied by Northam in acquiring its original stake in RBPlat, thereby securing a very significant cash injection which would materially strengthen the group's balance sheet and liquidity position and position Northam more favourably in a challenging PGM market and broader economic environment.

The board therefore unanimously resolved to accept the Implats Mandatory Offer and to dispose of Northam's entire 34.5% interest in RBPlat in July 2023, for a consideration of R9.0 billion in cash and 30 065 866 Implats shares. Northam also cancelled the put and call options entered into between itself and the Royal Bafokeng Holdings Proprietary Limited group (RBH), without any compensation accruing to either party, which in turn enabled RBH to accept the Implats Mandatory Offer.

Empowerment

The purchase consideration payable for our initial investment in RBPlat, being a combination of cash and Northam Holdings shares, was purposefully structured to introduce RBH, through its wholly-owned subsidiary Royal Bafokeng Investment Holding Company Proprietary Limited, as a strategic empowerment shareholder in Northam Holdings. This objective has not changed with the sale of our stake in RBPlat.

RBH represents the Royal Bafokeng Nation, the host communities and most of the employees of RBPlat. We consider RBH to be a meaningful, blue chip, sustainable empowerment shareholder and we look forward to a productive long-term relationship with RBH.

The RBH shareholding in Northam also fulfils the empowerment requirements as stipulated under mining legislation.

Going forward, our further empowerment efforts will focus on Northam's employees and communities pursuant to our extended empowerment transaction already approved by our shareholders.

Safety

The safety of all our employees remains of paramount importance and takes precedence over all production and other objectives.

Tragically, we experienced three separate underground fatalities at our Zondereinde mine during 2022.

Mr Mosetlha David Matlhoahela, a winch operator, lost his life in September 2022 under suspicious circumstances. The incident remains under investigation by the South African Police Service. Mr Patrick Mokhachane, a team leader, lost his life in October 2022 in an ore cleaning incident and Mr Mogapi Silas Ntshabele, a general worker, lost his life in December 2022 in a material reclaiming incident. We wish to express our sincere condolences to the families, friends and colleagues of the deceased.

Comprehensive safety reviews were undertaken following these incidents, and remedial actions have been implemented.

It should also be noted that these incidents happened away from the working face, and that Zondereinde remains fall of ground fatality free. However, we remain very aware and concerned about the severity of injuries resulting from incidents. Improving safety performance, as well as the health and wellness of our workforce remain critical focus areas for the business.

On a positive note, Booysendal passed the milestone of 8 million fatality free shifts and continues to operate without a fatality since the mine began 13 years ago.

Eland recorded a maiden 1 million fatality free shifts during November 2022, also operating without a fatality since our purchase of the mine in 2018.

The board, together with the health, safety and environmental committee, remain committed to continuously improving the monitoring of our safety initiatives, applying learnings from incidents and using technology to reduce safety risks.

Electricity supply

The past year has seen an ever increasing decline in energy supply security, with record amounts of load shedding and load curtailment in South Africa. This situation is likely to continue into the medium-term.

To mitigate the impact, we are in the process of adding additional diesel generator capacity across the group and are actively seeking further augmentation of our generation capacity.

The board also closely monitors power requirements and developments at Eskom to ensure necessary contingency plans are in place.

Environmental, social and governance

The board, along with its committees, remained vigilant in monitoring the group's environmental, social, and governance (ESG) metrics and the reporting thereof. We placed particular emphasis on evaluating the energy efficiency and emissions impacts of both new projects and existing operations.

Our target is to reduce total greenhouse gas (GHG) emissions by 27%, from a 2019 baseline, by 2030. We are pleased to report that our implemented initiatives have already resulted in a 23% reduction in energy use and GHG emissions, and we will continue to closely track our progress towards achieving our target.

The chairperson of the remuneration committee actively engaged with investors regarding our ESG initiatives and the relevant metrics included in our remuneration policy. More detailed information on these engagements can be found in the stakeholder engagement section of this report.

We take immense pride in our biodiversity offset agreement between the Buttonshope Conservancy Trust (the Trust), the Mpumalanga Tourism and Parks Agency (MTPA) and Booysendal. This agreement serves as a benchmark for successful public-private collaboration. It commits the Trust to expand its offsets and land under management, aligning with the long-term conservation goals of the MTPA. Currently, the Trust manages approximately 8 500 hectares of pristine conservation area.

Capital management, declaration of a maiden dividend, introduction of a dividend policy and a share buyback programme

We remain committed to return free cash not required in the advancement of the group's ongoing growth programme to our shareholders. The board previously approved, and the company successfully implemented, a c. 30% share buyback upon conclusion of the Zambezi empowerment transaction.

Following the decision to terminate Northam's voluntary offer in respect of RBPlat and the subsequent decision to accept the Implats Mandatory Offer, the substantial cash injection received by Northam has allowed the board to accelerate the return of value to shareholders in the form of the declaration of a maiden dividend and the introduction of a formal dividend policy, accompanied by a R1 billion share buyback programme.

These decisions are possible predominantly as a result of the successful and sustainable execution of Northam's growth trajectory during the past 8 years, notwithstanding the current headwinds experienced by the industry in the form of, amongst various other challenges, a dramatic slump in PGM prices and the high frequency of load curtailments.

The group remains well capitalised and the long-term credit rating was upgraded to A+(za) and the short-term credit rating was re-affirmed at A1(za), during the year under review.

Board and committee mandate, charter and compositional review

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

In addition, the board commenced a structured review and reassessment of the mandates, charters and compositions of the various board committees.
The board charter will be reviewed by the board in the coming 12 months.

Significant time was also spent on succession planning for the board and the executive management. The board is comfortable that adequate succession plans are in place.

Future focus areas

Safety – The board, with the assistance of the health, safety and environmental 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 be an area of particular focus.

Capital allocation – 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. Against this backdrop, a key consideration for the board remains the effective allocation of capital.

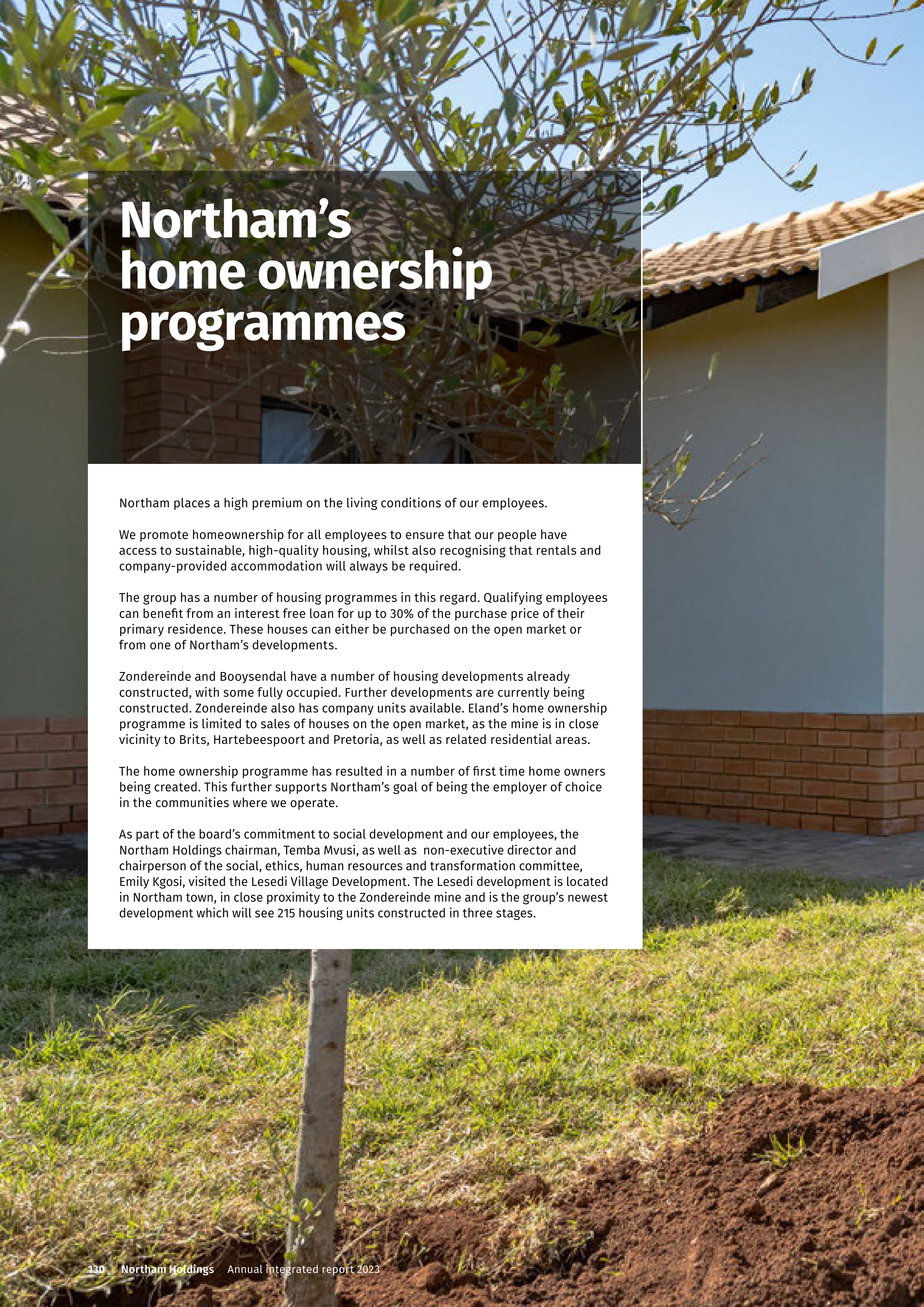
ESG – The board, through its committees, will continue to monitor the various ESG metrics of the group, and the reporting thereof. In addition, the energy efficiency and emissions impacts for all new projects and existing operations will be scrutinised and challenged by the board. This is to ensure that we continue to grow our group sustainably, taking into consideration our impact on climate change.

Board and committee composition and charter review – The board will continue reassessing its composition and that of its committees during the coming 12 months.

In addition, the board will continue its review and reassessment of the mandates and charters of the board committees during the coming financial year.

Temba Mvusi
Independent chairman

22 August 2023



Northam's home ownership programmes

Northam places a high premium on the living conditions of our employees.

We promote homeownership for all employees to ensure that our people have access to sustainable, high-quality housing, whilst also recognising that rentals and company-provided accommodation will always be required.

The group has a number of housing programmes in this regard. Qualifying employees can benefit from an interest free loan for up to 30% of the purchase price of their primary residence. These houses can either be purchased on the open market or from one of Northam's developments.

Zondereinde and Booysendal have a number of housing developments already constructed, with some fully occupied. Further developments are currently being constructed. Zondereinde also has company units available. Eland's home ownership programme is limited to sales of houses on the open market, as the mine is in close vicinity to Brits, Hartebeespoort and Pretoria, as well as related residential areas.

The home ownership programme has resulted in a number of first time home owners being created. This further supports Northam's goal of being the employer of choice in the communities where we operate.

As part of the board's commitment to social development and our employees, the Northam Holdings chairman, Temba Mvusi, as well as non-executive director and chairperson of the social, ethics, human resources and transformation committee, Emily Kgosi, visited the Lesedi Village Development. The Lesedi development is located in Northam town, in close proximity to the Zondereinde mine and is the group's newest development which will see 215 housing units constructed in three stages.

Temba Mvusi and Emily Kgosi, planting a tree at one of the employee houses.

CEO Q&A – A message from Paul Dunne

Why did Northam pursue the initial acquisition in RBPlat?

Our views on the RBPlat asset base, in particular the value of a shallow, long-life orebody, are well publicised. Northam retains the fundamental belief that these assets, over time and supported with capital and strong mining interventions, have the potential to deliver sustainable long-term returns. Northam has a very strong operational track record of developing orebodies, as we have shown at Booysendal, as well as the ability to mine in challenging conditions, which gave us the conviction to pursue the asset.

We predicted from the outset that Implats might respond to our acquisition of a substantial stake in RBPlat by pursuing its own competitive bid, which is exactly what happened. We also predicted upfront that this would likely provide Northam with, in commercial terms, essentially a put option, should the market conditions change adversely to the point where equity valuations no longer stack up against our initial valuation. This is precisely what transpired in 2023. Northam purposefully never crossed the 35% threshold, thereby never triggering a mandatory offer, and retained and vigorously protected the company's optionality throughout.

Did you seek to engage with Implats to potentially pursue a joint venture?

Yes we did. To provide more context to this, Implats chose, as was their right, to also acquire a substantial interest in RBPlat at the outset and then crossed into a mandatory offer position very early on in December 2021 without first engaging with Northam as the then largest RBPlat shareholder.

During late 2022, when both entities were in a position of holding less than 40% of RBPlat and after Northam published its firm intention to make a voluntary conditional offer, we reached out to Implats to establish whether a form of joint venture, to use a common term, could be pursued. Implats, again as was their right, declined the invitation and we accepted their position.

If the asset was of such importance to Northam, why did Northam terminate its offer and eventually accept the Implats offer?

The importance of the asset must always be cross-checked against the value proposition and various risk adjusted outcomes taking into account changing market circumstances.

During 2021 and 2022, the PGM market presented very different fundamentals to what has transpired in 2023. The price of rhodium has declined by more than 70% since we acquired the initial stake and palladium has also declined substantially since then. The timing and structure of Northam's voluntary conditional offer allowed Northam to gain medium-term market information and certainty against which to evaluate the asset, whilst Northam also retained full optionality against the Implats Mandatory Offer. This provided a substantially break-even cash exit position for Northam compared to the cash invested to acquire Northam's initial shareholding in RBPlat, plus a very liquid instrument in the Implats shares.

It is most unusual for any investor to be able to pursue a possible asset acquisition with substantial potential upside, whilst retaining, commercially speaking, a put option with full protection against the cash cost of the entry should market conditions adversely change. This was exactly Northam's position – it could pursue its own offer at any stage, or simply hold onto its stake in RBPlat and prevent a delisting of RBPlat whilst being able to *veto* any related party transactions involving Implats. Alternatively it could accept the Implats Mandatory Offer. Given the substantial cash underpin to the Implats Mandatory Offer, the overall exposure was largely protected.

The upside possibilities from this approach were sufficient to support the strategy, with extensive downside protection for Northam.

Importantly, Northam gained a strong, blue chip black economic empowerment shareholder in RBH, which has some of the most broad-based effective ownership credentials in South Africa, combined with a very strong investment portfolio which did not require any funding from Northam. To the contrary, RBH partially funded Northam's acquisition of its RBPlat stake. The value of this empowerment shareholding is clear when considering the series of BEE transactions which Implats announced in respect of not only RBPlat, but also Implats.

Northam resolved to accept the Implats Mandatory Offer in July 2023 not because it changed its fundamental view of the RBPlat assets or was not comfortable holding onto its 34.5% shareholding, rather it was because the risk-adjusted benefits to accepting the Implats Mandatory Offer were considered to be a prudent response to a potentially protracted downturn in PGM fundamentals and the ability to return substantial value to shareholders whilst PGM equities are potentially underperforming against the broader market.

What do you make of the R4.1 billion impairment arising from the RBPlat transaction?

Northam accepted from the outset that there is a possibility that Northam may not extract exactly the same value from its investment in RBPlat compared to what was paid to RBH upfront, should the strategy to acquire control over RBPlat not materialise, including as a result of Northam choosing not to pursue it further and decide to dispose of the RBPlat shareholding, as what transpired in 2023.

The red line for Northam was not to make a cash loss on the transaction.

The impairment is largely driven by the adjusted equity valuations, including the substantial decline in the Implats share price in 2023.

When comparing the equity and cash elements involved in the RBPlat transaction, the cash proceeds from Northam's disposal to Implats approximates the cash paid to RBH and dividends received from RBPlat. On a "cash for cash" basis, we knew since 2022 that we had covered our entry cash cost.

On the equity side, the Northam equity used to settle a portion of the RBH purchase consideration was issued at a time when the Northam share price was trading at R243.28 per share.

Firstly, if we consider the equity element and the significant BEE credentials it introduced to Northam on a standalone basis, taking into account the material equity devaluations which occurred across the PGM sector since the beginning of 2023, then we consider there to be standalone value attributable to the BEE outcome, outside of the RBPlat transaction, for Northam. Secondly, if one accepts that the equity valuations across the sector represent restated relative asset values, then the adjusted value differential between the Implats share consideration received by Northam, and the Northam equity paid to RBH, are in relatively close range. Furthermore, Northam has retained the RBH BEE benefit and did not pass this benefit across to Implats upon accepting the Implats Mandatory Offer. The importance of BEE, especially in mining, is evident from Implats' BEE transactions across RBPlat and Implats.

What will Northam do with the proceeds received from the RBPlat disposal?

The proceeds enabled Northam to further accelerate our current phase of returning value to shareholders quite dramatically, following our c. 30% share buyback completed in 2021, which buyback was partially debt funded.

The Board has resolved to declare a maiden dividend of R6.00 per Northam share, representing c. R2.4 billion of cash value returned to shareholders. Secondly, the Board has established a dividend policy of a minimum of 25% of headline earnings. Thirdly, the Board has approved a R1 billion share buyback programme. A fourth consequence of the RBPlat disposal is an automatic and significant de-gearing of the Northam balance sheet, despite the maiden dividend and share buyback capital allocations. We have already achieved a significant reduction in gearing prior to the RBPlat disposal and this was driven by a strong operational performance and production increases, notwithstanding the high inflationary environment and high frequency of load curtailment events.

We are immensely proud to be able to return significant value to our shareholders despite the challenging PGM pricing and operating environment and to do so whilst significantly de-gearing and de-risking the balance sheet.

How do you see the near term for PGMs and Northam?

Current indications are that the market may remain under pressure for some time to come and we have not yet seen fundamentals arising which are likely to move the market into more positive territory.

As such, we will continue to place emphasis on cost management and production efficiencies, including through pursuing smart production growth initiatives, as we have done in the past.

Our asset base is world class, very well developed and, importantly, also well funded. We have not compromised on development during the previous cyclical downturn and we believe our shareholders will benefit from this going forward. We have also completed substantial and very important upgrades to our above surface infrastructure and de-risked our routes to market, all of which places the overall asset portfolio on a strong footing should a protracted cyclical downturn materialise.

From a balance sheet perspective, we have increased and restructured our debt facilities and all of these remain fully undrawn, which provides a significant funding buffer. Moreover, we have surplus cash, after taking into account the dividend declaration and share buyback programme, that will allow a reduction in short to medium-term external debt upon settling maturities arising in the ordinary course from our DMTN Programme.

We believe lower PGM prices will quickly demonstrate to the market where relative risk and value lie in the sector, as we have seen in the past. Conversely, should PGM prices recover quicker and stronger than currently anticipated, Northam is very well positioned to benefit from upside potential.

Paul Dunne
Chief executive officer

22 August 2023

Governance at Northam

Northam is committed to the highest standards of good corporate governance, which is fundamental to the success, sustainability and legitimacy of the group.

Our governance practices encompass an organisation-wide set of principles, frameworks and risk management practices that ensure decisions made are aligned with the values and strategic objectives of the group.

The foundations of governance are driven by the tone from the top, with the Northam board of directors ultimately accountable for the performance and reputation of the group, ensuring that it continues to function in line with our values.

The board

The board of directors provides leadership and strategic guidance to safeguard stakeholder value creation within a framework of prudent and effective controls. This makes it possible to assess and manage risk to ensure long-term sustainable development and growth. The board has ultimate accountability and responsibility for the performance and affairs of the company and ensures that the group adheres to the highest standards of ethical behaviour.

Delegation of authority

In order to manage its workload, the board has delegated certain of the responsibilities assigned to it, to the board committees.

The board committees assist the board in the discharge of its duties and responsibilities. Each board committee has terms of reference that are reviewed annually and effectively delegated in respect of certain of the board's responsibilities. The board monitors these responsibilities to ensure effective coverage of and control over the operations of the group.

Refer to the Corporate governance report for the year ended 30 June 2023, available on our website for the reports from the committees detailing their activities for the year

Northam's board also delegates authority to management for day-to-day business functions. This delegation is contained within the delegation of authority framework, which lists designation levels and approval limits for various business functions.

The board regularly reviews and monitors management's execution of the group's strategy, practices and frameworks, being mindful of the challenging environment in which the group operates.

Operating in a higher-than-average risk environment, with long time horizons, presents a series of challenges which require the careful and measured application of capital with considered commensurate risk in order to accrue significant reward. The governance structures of the group are crucial to achieving this and Northam's growth, since the inception of our growth strategy in 2015, is testament to this.

Group Governance framework

The Group Governance Framework (GGF), developed in line with international best practice, legislative requirements and King IV™, determines how the board executes its direction and oversight responsibilities, and how the exercise of power, and delegation of authority within the group should be approached and conducted.

Operation of, and compliance with the GGF provides the board with assurance that the group is operating as they direct, appropriately managing risk, complying with applicable legislation and regulatory requirements and applying the principles of effective governance as expressed in King IV™.

This underpins the achievement of clear governance outcomes and sustainable value creation across the group. The GGF is reviewed annually by the board to ensure it remains relevant and functions as designed.

Combined assurance

Northam applies a combined integrated assurance model to confirm that the information we provide supports the credibility and integrity of our reporting. The model encompasses four lines of assurance, used to distinguish both the level and extent of assurance provided. It establishes clear accountability and ownership for risk management, the control environment and required mitigating management actions.

Each assurance activity is linked to the capitals of value and is determined by the risks identified through our risk management process, with the four lines as follows:

Line 1: Operations (management reviews incorporating group services function)

Line 2: Corporate (executive directors and executive committee reviews)

Line 3: Third party (independent providers of confirmation and/or assurance, internal and external audit, as well as independent experts)

Line 4: Board and board committees

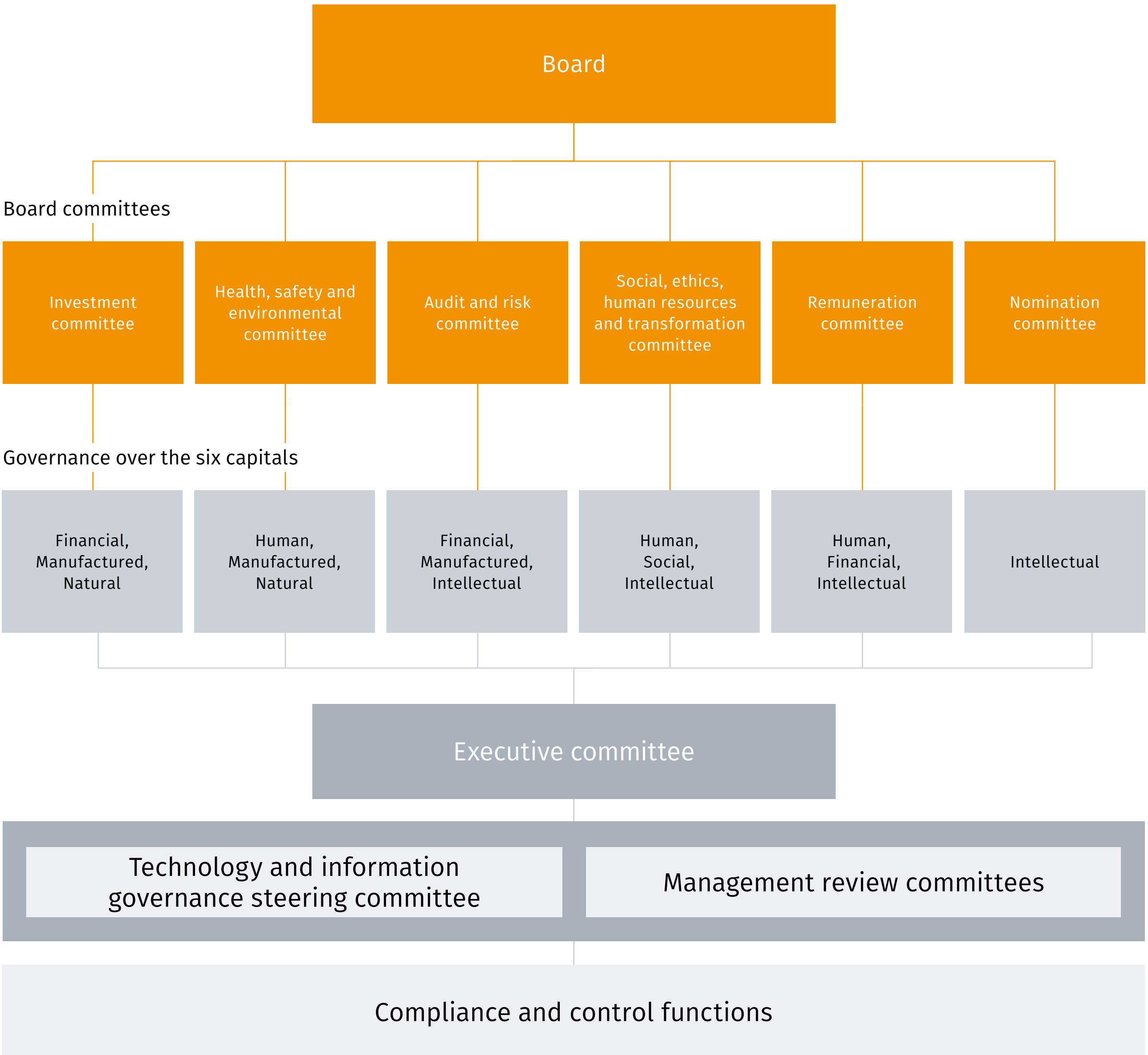
Internal control

The group's system of internal control ensures the effective functioning of the business, and the integrity of financial information for reporting purposes. The controls promote accountability throughout the business and assist in preventing fraud.

The oversight of the design and operating effectiveness of these controls are the responsibility of the executive directors, with the assurance supporting the attestation of these controls provided by the group's internal compliance and risk teams, as well as the outsourced internal and external auditors and other independent, external providers of assurance.

Refer to the chief executive officer and finance director responsibility statement included in the Annual financial statements of Northam Holdings for the year ended 30 June 2023, available on our website.

Group governance framework



Northam's Group Governance Framework (GGF) applies to all employees and directors.
The GGF enhances the organisational understanding of ethics and promotes the desired governance culture.

Board of directors

Gender diversity

4
Female (44%)

5
Male (56%)

Northam target for female board representation: 20%

Age diversity

78
Oldest

43
Youngest

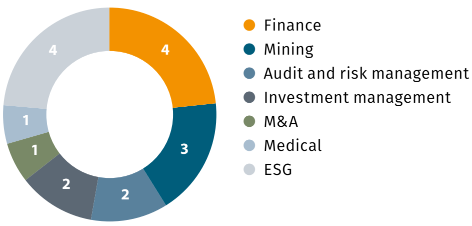
Average age of 63 with 22% aged under 50

Meetings

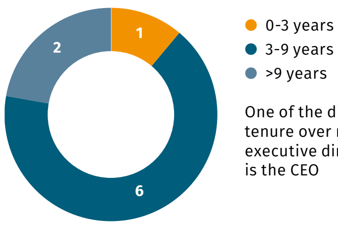
8
Board meetings held, inclusive of 1 independent board meeting

98%
Board and committee attendance

Board skills



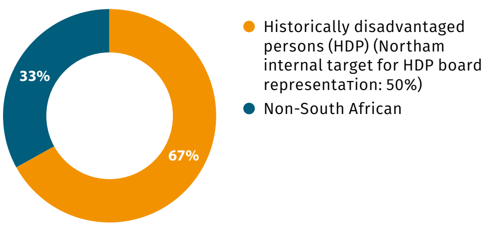
Tenure



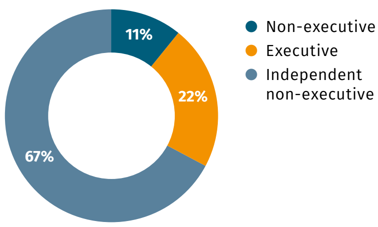
One of the directors with a tenure over nine years is a non-executive director, the other is the CEO

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 CEO, have extensive exposure and experience as CEOs.

Board demographics



Independence



Independent non-executive

1 TI Mvusi BA, ELP, MAP, PDP (67) I N R
Independent chairman

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

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

Experience: Previous chief executive and executive director responsible for market development at Sanlam. Also an exco member and executive head: external interface at Sanlam Investments Proprietary Limited. Former general manager of Gensec Property Services Limited and marketing manager of Franklin Templeton Asset Management and has held positions with various companies in the financial services industry.

2 HH Hickey CA (SA) (69) A R I
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) (78) H I N
Board member of Northam Holdings since September 2021 and of the group since January 2017.

Experience: Former CEO and director of operations at Implats.

4 Dr NY Jekwa MBA (Finance), MBBCh (Bachelor of Medicine and Bachelor of Surgery), MIoDSA (48) 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) (63) A R
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 (SOC) Limited.

6 GT Lewis BSC (Mining Engineering), MBA (66) 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 (60) 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) (43)
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 EY 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) (69) S N
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).

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

Managing risks and opportunities

Managing risks and opportunities

As a South African PGM mining company, we operate in a higher-than-average risk environment. Mining presents both high risks and high rewards, and differs from businesses which have a conventional short-term margin outlook.

Risk management is integral to our business and is key to minimising downside threats, whilst maximising upside potential.

As a primary industry, the rewards that accrue from mining can be significant, benefitting not only shareholders but also the broader economy. It is not possible to reap such rewards without investing capital and accepting the commensurate risk.

Our continued existence is influenced by the degree to which returns outweigh the risks.

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 independently evaluates the design adequacy and effectiveness of controls.

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

Risk appetite and tolerance

Northam's risk appetite and 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 or minimise the risk.

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

Risks that have 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 updated 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, management actions are accelerated or enhanced to ensure the risks remain within threshold levels. 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 controls that have significant safety implications is very low. The group evaluates these controls with technical experts at our operations. The results of these assessments determine the risk appetite, along with the management responses required to mitigate any issues identified.

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

Integrated enterprise risk management

Governance: Board and board committees

Group strategy

Risk strategy
Provides direction and scope, following a top down approach to risk management

Risk appetite and tolerance
Defines the amount and level of risk deemed appropriate to take in pursuit of value

Enterprise risk management framework
Guides management's decision making process in pursuit of the group's strategy

Roles and responsibilities
Establishes accountability for effectively managing risks and opportunities

Combined assurance
Ensures comprehensive review, assessment and coverage of key business risks

Oversight
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:

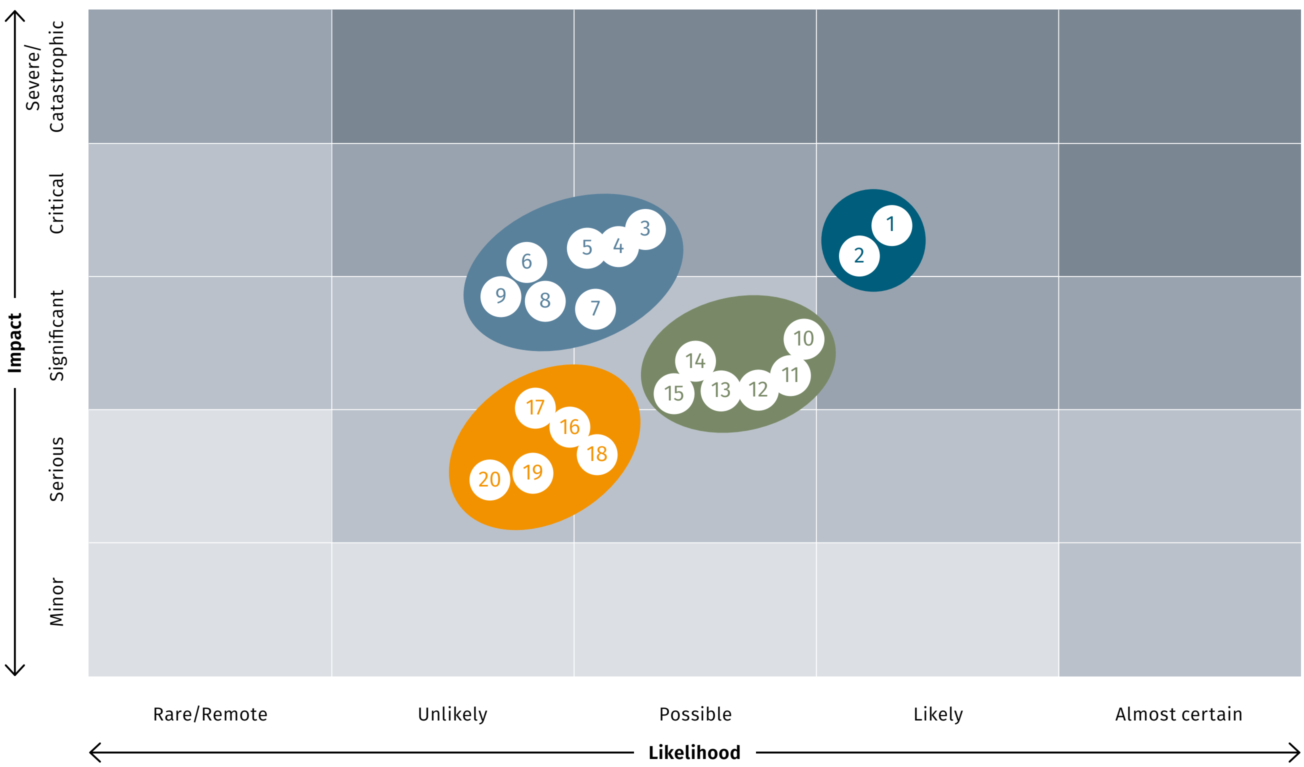
The ability to identify risks which may hamper or promote performance	The appetite to accept and/or tolerate a certain amount of risk in pursuit of strategic goals	The development of a risk register and the assessment of both the likelihood of those risks occurring, as well as the consequence severity, 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

Northam's residual risk heat map

The heat map below reflects the 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. Details of the top 20 principal risks of the group are set out on the following pages.

Risks

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



Moderate business risks

These risks are considered as part of normal operating business activities with ongoing review and monitoring.

High likelihood exposures

These risks are considered as part of the periodic business planning and review process.

High impact exposures

These risks are monitored against established key performance indicators (KPIs).

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.

1 Exchange rate and commodity price volatility

G F

Exchange rate and commodity price volatility	Related material issues
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.	▪ Liquidity management to mitigate market volatility

Risk/impact

- Lower commodity prices, or ZAR strengthening, thereby 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 to this are the various policy announcements relating to and the 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, impacts 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 The People's Republic of 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 for more than 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 ensuring sufficient working capital
- 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 industry 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

Executives responsible	Committees responsible
Chief financial officer	B A E

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

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

Operational exposure
- Higher
- Lower
- Neutral

Indicators
- E Environmental
- S Social
- G Governance
- F Financial performance

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

2 Demand for PGMs

E G F

Demand for PGMs	Related material issues
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.	▪ Liquidity management to mitigate market volatility

Risk/impact	Opportunity
▪ Legislative restrictions on ICE vehicles negatively impacting demand. Pertinent to this are the various policy announcements on global warming ▪ Delayed introduction of Chinese regulation impacting the demand for new vehicles and therefore the demand for autocatalysts in the short-term ▪ Supply constraints for vehicle manufacturing components negatively impacting demand ▪ Substitution of rhodium for platinum in the manufacturing of fibre glass ▪ Weak demand compromising sales volumes and therefore growth, negatively impacting the profitability of the group ▪ Ongoing conflict and turmoil in various parts of the globe creating uncertainty to the supply and demand dynamic	▪ Higher demand promotes sales volumes and increased commodity prices relating to: — Environmental legislation, including global clean air legislation, driving increased PGM 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, which utilise platinum and iridium catalysts — Primary supply being obtained from rare, depleting resources that have been under-capitalised for more than a decade — Rhodium remaining as 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 informed by the supply and demand dynamic, particularly for platinum, rhodium, ruthenium and iridium
- Operating at the current lower end of the industry 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 off-take 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		

Executives responsible	Committees responsible
Chief executive officer Chief financial officer	B I

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

3 Health and safety

S G F

Underground mining is inherently hazardous. Our growth strategy requires increasing the number 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 wellbeing of our employees.

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom

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, which is likely to affect morale and will ultimately result in reputational damage. This could potentially compromise our licence to operate
- Potential work stoppages and associated downtime are 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 awareness 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 awareness and education programmes for employees and local communities
- Wellness programmes, including periodic harassment and gender-based violence campaigns 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 a safety culture	Conventional mine with larger, older workforce

Executives responsible

Chief executive officer

Executives: Operations

Executive: Human resources

Committees responsible

B E H M S

Risk appetite

- Currently within the risk appetite

Risk tolerance

- Within risk tolerance

4 Energy supply and the cost thereof

E S G F

Northam obtains its bulk supply of energy from Eskom SOC Limited (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 will compromise Northam's production without commensurate intervention. In addition, given the trebling of electricity tariffs over the past decade, it has become a key cost driver.	**Related material issues** ▪ Managing the environmental impact of our operations and conserving natural resources ▪ Managing production and performance ▪ Reliability and sustainability of electricity supply from Eskom
Risk/impact	**Opportunity**
▪ 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 alternative energy supply, including on demand back-up power generation	▪ Independent external provider could provide electricity supply at lower costs once established ▪ Establishment of internal renewable energy supply to reduce the cost of electricity and improve the security of supply ▪ Reduction of carbon footprint through renewable energy projects and initiatives

Response

- Northam's long-term energy strategy and accompanying policy are based on energy efficiency rather than energy reduction, given the group's growth strategy
- Energy efficiency initiatives implemented across the group include:
  - Hydropower and backfill at Zondereinde
  - Dry slag handling at all of the smelter furnaces of the metallurgical complex
  - Hydropower at Eland
  - Battery electric vehicles 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
- Additional generators procured with installations of a combined 33.6 MW in progress across the group to manage operational energy capacity requirements during extended periods of load curtailment. This brings generating capacity at the mines to:
  - 34.6 MW at Zondereinde – providing cover for level 4 load curtailment (equivalent to level 6 load shedding)
  - 13.7 MW at Booysendal – providing cover for level 4 load curtailment (equivalent to level 6 load shedding)
  - 8.4 MW at Eland – providing cover for level 5 load curtailment (equivalent to level 8 load shedding)
- The generator installations at Zondereinde (25.0 MW) and Eland (4.8 MW) allow the operations to transition from load curtailment to supplemental demand response. This exempts the operations from level 1 and level 2 load curtailment, and reduces load curtailment at levels 3 or higher, representing an 80% reduction to exposure of load curtailment
- Dual stream processes and excess surge capacity throughout our mining and processing operations, allowing the management of power interruptions whilst maintaining production levels
- Installation of advanced metering and software to accurately measure consumption and assist with identifying areas for improved efficiency, as well as the elimination of wastage
- Procurement of high efficiency equipment when replacing damaged and/or obsolete equipment
- On- and off-site renewable energy initiatives in progress:
  - Development of a combined 100 MW solar installation at Zondereinde (80 MW) and Eland (20 MW)
  - Installation of 1 MW solar arrays on the carports at Booysendal and Eland mine
  - Investigations into off-take agreements with independent power producers
  - Investigations into additional energy capacities for Zondereinde Western extension (20 MW) and Booysendal (20 MW to 40 MW)

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

Executives responsible	Committees responsible
Executive: Sustainability Executives: Operations Executive: New business Chief financial officer Chief executive officer	B E H I M S

Risk appetite	Risk tolerance
▪ 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	▪ Within risk tolerance

5 Operational performance

S G F ▽

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** ▪ Continuing to improve the safety performance and the health and wellness of our employees ▪ Effective project execution ▪ Managing production and performance ▪ Liquidity management to mitigate market volatility ▪ Reliability and sustainability of electricity supply from Eskom ▪ Maintaining constructive communication channels with all our stakeholders

Risk/impact	Opportunity
▪ Underperformance of operational assets (infrastructure and orebodies) resulting in production targets not being achieved ▪ 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 industry peers drives negative market perception and sentiment	▪ 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
- Regular production reviews and interventions where required

Operational exposure

Booysendal	Eland	Zondereinde
Increased mining flexibility due to ongoing decline development at North and South mines	Eland is currently ramping up with high associated fixed costs, and the operational performance is therefore key	Growing mining flexibility due to increased mineable reserve in the Western extension and the eastern portions of the mine

Executives responsible	Committees responsible
Executives: Operations Chief executive officer	B A E M

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

6 Liquidity

S G F

Prudent liquidity management enables sufficient working capital, as well as available funding through an adequate amount of committed credit facilities.

Related material issues

- Appropriate capital allocation
- Liquidity management to mitigate market volatility
- Reliability and sustainability of electricity supply from Eskom

Risk/impact

- The prevailing market conditions and the material decline in PGM prices may signal a potential protracted cyclical downturn. This impacts the ability to retain operational flexibility and balance sheet strength which will become increasingly important over time
- Insufficient financing to fund operational and expansionary aspirations
- Inappropriate capital allocation decisions due to lack of funding
- Insufficient cash for return of value to shareholders
- Breach of financial covenants
- Compromised profitability, jeopardising sustainability which poses a going concern risk

Opportunity

- Prudent liquidity management provides flexibility to return value to shareholders and the 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
- 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, as well as balance sheet strength
- Improved credit rating, reducing the cost of credit facilities
- Secured additional debt facilities during the year
- Acceptance of the Implats Mandatory Offer which has bolstered the balance sheet with R9.0 billion in cash
- Ongoing evaluation and consideration of the current PGM market together with Northam's operational and cash flow requirements, as well as the optionality in relation to both the cash and Implats Shares received in terms of the Implats Mandatory Offer

Operational exposure

Booysendal	Eland	Zondereinde

This risk affects all operations equally

Executives responsible

Chief financial officer

Committees responsible

B A E M

Risk appetite

- Within risk appetite

Risk tolerance

- Within risk tolerance

7 Critical skills and key personnel

S G F △

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

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 achieved, 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
- Performance based remuneration and appropriate retention mechanisms attract and retain specialist skills
- Effective career planning and talent management programmes support the development of critical skills

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 within the mining industry
- Identification of potential succession candidates from within the group
- Contribution to various bursary programmes to promote mining related careers, including internships
- 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 the mine being in ramp-up phase	Aging, established management team and workforce

Executives responsible

Executive: Human resources
Executives: Operations
Chief executive officer
Chief financial officer

Committees responsible

B E N M R S

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

8 Tailings Storage Facilities (TSFs)

E S G F

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
- Reliability and sustainability of electricity supply from Eskom

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, thus 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 with 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 with and execution of 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

Executives responsible

Executives: Operations
Executive: Sustainability
Chief executive officer

Committees responsible

B E H M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

9 Critical or single stream plant and equipment

E S G F

Critical or single stream plant and equipment with no redundancy. The failure of which could result in both safety and operational implications.

Related material issues

- Continuing to improve the safety performance and the health and wellness of our employees
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom

Risk/impact

- Failure resulting in operational stoppages, compromising the health and safety of employees
- Inability to timeously evacuate employees, resulting in potential injuries or fatalities
- Operational stoppages and/or process bottlenecks resulting in targets not being achieved
- Profitability is 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

Opportunity

- Increasing operational units and diversifying production increases production volumes whilst reducing dependency on single stream plant and equipment

Response

The group is currently pursuing a growth strategy, a key element of which is risk reduction through diversification of its operational, geographical and metal contribution footprints, which in itself creates value. This includes:
- Continuous capacity and process flow reviews to evaluate critical and single stream plant and equipment related processes. These inform future capital allocations
- Comprehensive pro-active maintenance programmes for critical plant and equipment
- Focus on developing mechanisable orebodies for increased safety and employing technology for improved working conditions
- Internal and external audits
- Continuous production reviews and interventions where required
- Dual stream system implementation 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
- Engagement of a second PGM refiner
- Increasing 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, which is scheduled to be operational in 2024

Executives responsible

Executives: Operations
Executive: New business
Chief executive officer

Committees responsible

B A E H I M S

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

10 Capital allocation

E S G F

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.

Capital allocation planning is critical in 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.

Our capital allocation decisions are driven by our fundamental belief in the importance of PGMs and are aligned with the strategy we have been pursuing since 2015. This informs our approach to capital allocation.

Related material issues

- Appropriate capital allocation
- Effective project execution
- Liquidity management to mitigate market volatility
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

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 the 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
- Low-cost growth potential

Response

- Capital allocation planning applied to, *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 moderately increase estimation uncertainty over time
- Continuous board assessment and evaluation on the most appropriate mechanism to allocate funds, taking into account the group's capital structure, economic operating environment, capital commitments and the strategic imperative of returning value to shareholders
- Sale of the investment in RBPlat to maintain inherent optionality and flexibility in executing the group's growth strategy, which remains the key driver to our decisions with regards to capital allocation

Operational exposure

Booysendal	Eland	Zondereinde

This risk affects all operations equally

Executives responsible

Chief executive officer
Chief financial officer

Committees responsible

B A E I

Risk appetite

- Within risk appetite

Risk tolerance

- Within risk tolerance

11 Community relations

E S G F

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

- Maintaining our legislative and regulatory compliance
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

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 engender community support

Response

- Social labour plan (SLP) project identification and development in collaboration with existing and recognised community structures, aligned with local integrated development plans (IDPs)
- Dedicated stakeholder engagement teams and structures
- Focused 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
- Continued community upliftment and empowerment programmes through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust
- Strong community participation through the trusts' shareholding in Northam Holdings, as well as the approved increased envisaged participation through the Extended Empowerment Transaction
- Local and community procurement initiatives, including enterprise and supplier development programmes
- Management intervention on community related issues

Operational exposure

Booysendal	Eland	Zondereinde
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

Executives responsible

Executive: Sustainability
Executive: Human resources

Committees responsible

B E M S

Risk appetite

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

Risk tolerance

- Within risk tolerance

12 Employee relations

S G F

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** ▪ Maintaining our legislative and regulatory compliance ▪ Continuing to improve the safety performance and the health and wellness of our employees ▪ Managing production and performance ▪ Reliability and sustainability of electricity supply from Eskom ▪ Managing constructive communication channels with all our stakeholders

Risk/impact	Opportunity
▪ Workforce unrest due to labour related issues could result in: — Work stoppages and a negative impact on employees, as well as 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 awarded to employees on an annual basis
- Insurance policies in the event of damage or production losses
- Five-year wage agreements concluded at all operations, providing labour stability
- Profit share scheme initiatives through the Toro Employee Empowerment Trust at Zondereinde, and the negotiated matching of payment to both Booysendal and Eland employees
- Continuous contributions to the various employee trusts which will increase with the implementation 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

Executives responsible	Committees responsible
Executives: Operations Executive: Sustainability Executive: Human resources	B E H M R S

Risk appetite	Risk tolerance
▪ Within risk appetite	▪ Within risk tolerance

13 Social licence to operate

E S G F

Compliance with the MPRDA, Mining Charter, SLPs and environmental legislation is 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 social licence to operate is maintained.	**Related material issues** ▪ Maintaining our legislative and regulatory compliance ▪ Managing the environmental impact of our operations and conserving natural resources ▪ Reliability and sustainability of electricity supply from Eskom ▪ Maintaining constructive communication channels with all our stakeholders

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 by communities	▪ Ongoing compliance with 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 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's 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
- Initiated compliance with the IRMA standard, which includes self-assessment measurement tools and independent assessments by third parties
- Independent task force on climate-related financial disclosure (TCFD) assessment conducted
- TCFD project established to align compliance with sustainability and climate change responses in accordance with the TCFD reporting guidelines

Operational exposure

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

Executives responsible	Committees responsible
Executives: Operations Executive: Sustainability Executive: Human resources Chief executive officer	B A E H M R 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

14 Regulatory, political and legal environment

E S G F

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 ▪ Reliability and sustainability of electricity supply from Eskom
Risk/impact ▪ Political instability ▪ Penalties relating to non-compliance ▪ Emerging legislation, and cost of system implementation and compliance ▪ Changes in the process to issue new/renew 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 ▪ Impacts capital allocation decision making	**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 governance 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 with legislative requirements
- Membership of the Minerals Council South Africa, which represents the mining industry in a consolidated approach
- Transparent and continuous engagement through the establishment of relationships with regulators, investors, and other affected stakeholders

Operational exposure

Booysendal	Eland	Zondereinde

This risk affects all operations equally

Executives responsible	Committees responsible
All executives	B A E H I R S M

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

15 Environmental, social and governance (ESG)

E S G +

Northam's commitment to sustainability places significant emphasis on ESG performance, which is attracting growing attention from diverse stakeholders.

Meeting non-financial ESG targets has become essential for investors, leading to heightened compliance and disclosure requirements.

Related material issues

- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Risk/impact

- Emerging legislation, and cost of system implementation and compliance
- Penalties relating to non-compliance
- Inadequate or insufficient disclosure of non-financial ESG information
- Negative impact on reputation which is likely to affect Northam's rating as a sound investment opportunity
- Reduced institutional investment interest, limiting market capitalisation
- Protest action by focus groups disrupting operations and generating negative media coverage

Opportunity

- Ongoing adherence to ESG reporting enhances Northam's reputation, improving our rating as a sound investment opportunity thereby attracting additional investors and creating improved access to funding for future growth and development

Response

- Established governance structures with regular ESG reviews
- Sustainability strategy, processes and protocols
- Inclusion of ESG targets in the executive directors' KPI's and remuneration structures, as per shareholder request
- Bolstering the resourcing in the sustainability team to improve reporting and disclosure capabilities
- Ongoing improvement in external reporting of non-financial information
- Development of a road map to enhance disclosure of key non-financial ESG information
- Compliance with sustainability and climate change disclosure guidance documents published by regulators. This includes adherence to the TCFD reporting guidelines
- 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

Executives responsible

All executives

Committees responsible

B A E H R S

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

16 Project execution

E S G F

The group's growth strategy has been focused on growing production down the industry 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 group's 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.

The ability to produce into the future is what drives a mining company's sustainability.

Related material issues

- Effective project execution
- Liquidity management to mitigate market volatility
- Reliability and sustainability of electricity supply from Eskom

Risk/impact

- 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 industry cost curve

Opportunity

- Delivering ahead of schedule and/or below budget improves investment returns and would further enhance the 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, thus 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

Executives responsible

Executives: Operations
Executive: New business
Executive: Sustainability
Chief executive officer

Committees responsible

B A E I M

Risk appetite

- 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

Risk tolerance

- Within risk tolerance

17 Information technology and cyber security

S G F ▽

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 ▪ Reliability and sustainability of electricity supply from Eskom

Risk/impact	Opportunity
▪ Cyber attacks which result in information being stolen 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 ▪ Fines and penalties ▪ 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 on a continuous basis
- 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 dependent on information technology
- Contract independent third parties 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
- Dedicated security operations centre, administered by an internationally recognised cyber security technology company
- Disaster recovery and back-up plans, as well as regular disaster recovery tests
- Physical security

Operational exposure

Booysendal	Eland	Zondereinde
/	/	/

This risk affects all operations equally

Executive responsible	Committees responsible
Chief financial officer	B A T

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

18 Fraud and theft

S G F ▽

Bribery, collusion, misappropriation of funds, employee dishonesty, theft and general misuse of company assets for personal gain.

Related material issues

- Maintaining our legislative and regulatory compliance
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Risk/impact

- Non-compliance with 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

Opportunity

- None

Response

- Established governance protocols within the group
- Conflict of interests policy
- Internal controls reviewed for compliance and continuous improvement
- 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 and security team, supplemented with specific independent experts and support when required
- Segregation of duties together with supervisory controls, including regular verification of segregation of duties, access control and change management
- Appropriate delegation of authority and established 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

Executives responsible

All executives

Committees responsible

B A E M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

19 Environment

E S G F

Northam, as a committed corporate citizen, is conscious of the inherent impact that our operations have on the natural environment. Our safety, health, wellness and environmental strategy focuses on key elements which are visible and tangible. These include safety, leadership, climate change, energy, land stewardship, rehabilitation, biodiversity, waste and emissions. Northam seeks to comply with environmental legislation and strives to mitigate our environmental impact through careful planning, operational efficiencies, environmental rehabilitation and, where necessary, the establishment and conservation of biodiversity offset areas.	**Related material issues** ▪ Maintaining our legislative and regulatory compliance ▪ Effective project execution ▪ Managing the environmental impact of our operations and conserving natural resources ▪ Reliability and sustainability of electricity supply from Eskom ▪ Maintaining constructive communication channels with all our stakeholders
Risk/impact	**Opportunity**
▪ Environmental risks associated with mining and processing activities ▪ Non-compliance with 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 with relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity

Response

- Dedicated environmental officers employed at all operations
- Independent task force on climate-related financial disclosure (TCFD) assessment conducted
- TCFD project established to align climate change responses with the recommendations of the TCFD
- Compliance with accepted environmental practices including climate change, energy, land stewardship, rehabilitation, biodiversity, waste and emissions
- Compliance with applicable legal requirements
- Established environmental management plans and reporting systems per operation
- Inclusion of ESG targets in the executive directors' KPI's and remuneration structures, as per shareholder request
- Specific set targets which are monitored and tracked on an ongoing basis
- Renewable energy projects and initiatives in progress, in line with the group's energy policy and strategy
- Adopting appropriate technological and engineering responses to environmental 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 with water use licences (WULs) at all operations and increase in recycling and re-use of process water used
- Continuous and ongoing rehabilitation performed by independent third party experts on all mining operations. This includes full financial provisioning for both restoration and decommissioning liabilities, based on the commercial closure cost 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

Executives responsible	Committees responsible
Executive: Sustainability Executives: Operations Chief executive officer	B A 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

20 Water supply

E S G F

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 WULs, which must be complied with.

Related material issues

- Managing the environmental impact of our operations and conserving natural resources
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom

Risk/impact

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

Opportunity

- Sound water management assists ongoing production, enhancing our position relative to our 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
- Inclusion of ESG targets in the executive directors' KPI's and remuneration structures, as per shareholder request
- Water management embedded in our sustainability strategy
- Water usage optimisation through significant recycling and re-use
- Procedural and engineering controls, including measures to prevent contamination of natural water resources
- Utilisation of potable water at Zondereinde, operating within a closed loop system, to keep water use to a minimum
- Ring feed system commissioned at Booysendal to minimise the amount of fresh water intake
- On-site water storage facilities
- Participation in industry water user forums
- All operations hold valid WULs
- Adherence and compliance with WULs

Operational exposure

Booysendal	Eland	Zondereinde

Positive water balance

Executives responsible

Executive: Sustainability
Executives: Operations

Committees responsible

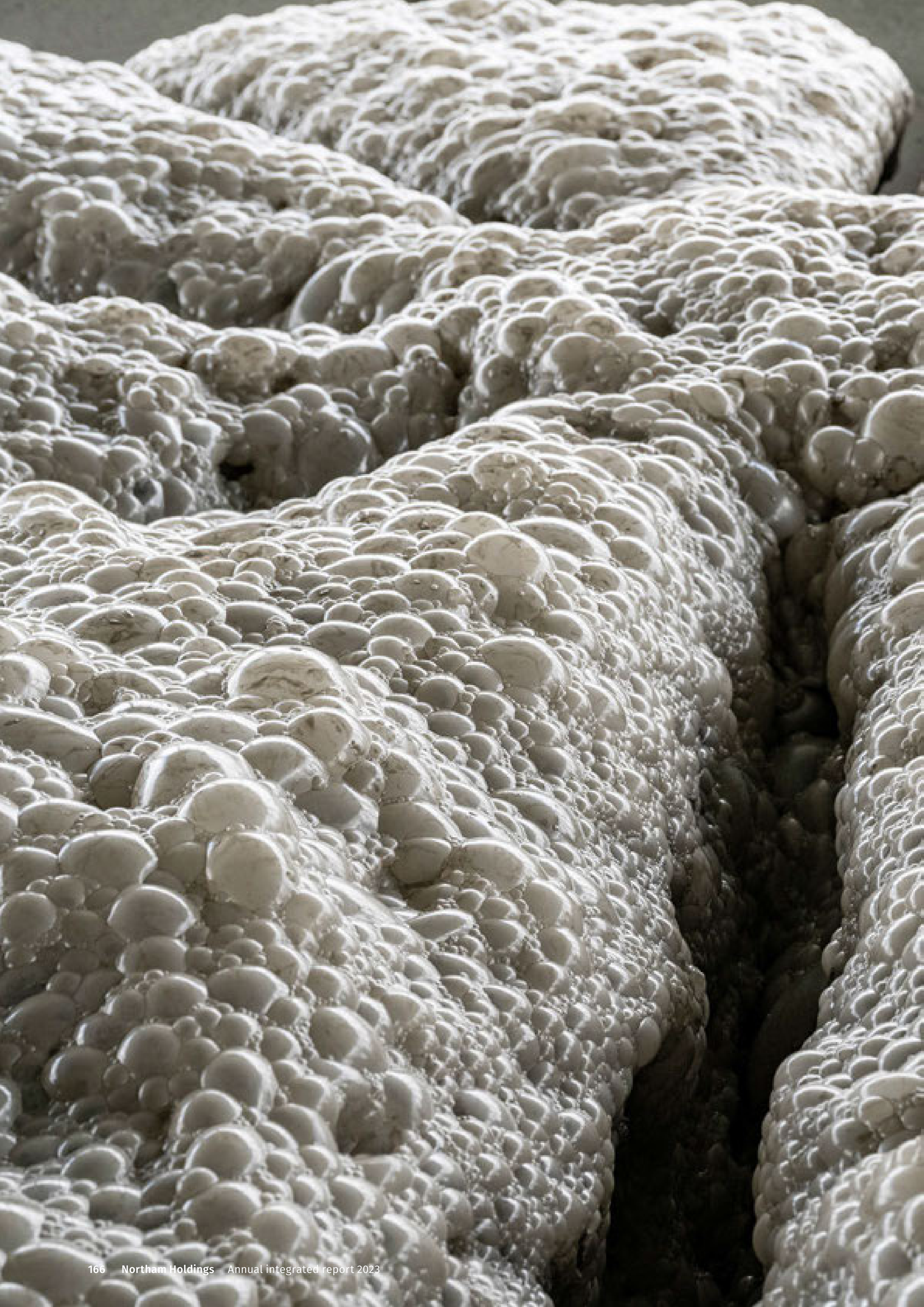
B E H M

Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance



Concentrate in one of the flotation cells at the Booysendal concentrator

Analysis of Northam Holdings shareholders

The analysis of shareholders as at 30 June 2023 was as follows:

Shareholding range	Number of shareholders 30 June 2023	Total shareholding 30 June 2023	Percentage holding (%) 30 June 2023
1 – 5 000	20 926	12 815 681	3.23
5 001 – 10 000	524	3 824 801	0.96
10 001 – 50 000	752	17 748 921	4.48
50 001 – 100 000	207	14 216 348	3.58
100 001 – 1 000 000	309	88 341 342	22.27
1 000 001 and more	55	259 668 785	65.48
	22 773	**396 615 878**	**100.00**

Geographical analysis of shareholders	Total shareholding 30 June 2023	Percentage holding (%) 30 June 2023
South Africa	280 748 118	70.79
Americas	65 774 043	16.58
Europe	19 883 166	5.02
United Kingdom	15 594 376	3.93
Far East (excluding The People's Republic of China)	9 720 670	2.45
Africa (excluding South Africa)	3 966 836	1.00
Middle East	608 243	0.15
Australasia	240 947	0.06
The People's Republic of China	79 479	0.02
	396 615 878	**100.00**

Shareholders with a holding of more than 5% of the issued share capital	Total shareholding 30 June 2023	Percentage holding (%) 30 June 2023)
Public Investment Corporation (SOC) Limited	70 318 623	17.73
M and G Investment Managers Proprietary Limited	39 520 586	9.96
Royal Bafokeng Investment Holding Company Proprietary Limited	34 399 725	8.67
BlackRock Inc.	22 546 536	5.68
Old Mutual Limited	19 995 373	5.04

Shareholder spread	Number of shareholders 30 June 2023	Number of shares held 30 June 2023	Percentage holding (%) 30 June 2023
Public	22 761	387 305 333	97.65
Non-public			
Directors of Northam Platinum Holdings Limited or of any of its major subsidiaries	7	266 788	0.07
Associates of Northam Platinum Holdings Limited and/or of any of its major subsidiaries	4	6 378 355	1.61
Associates of directors of Northam Platinum Holdings Limited or of any of its major subsidiaries	1	2 665 402	0.67
Trustees of any employee share scheme or pension fund established for the benefit of any directors or employees of Northam Platinum Holdings Limited or any of its subsidiaries	–	–	–
Prescribed officers of Northam Platinum Holdings Limited	–	–	–
Controlling shareholder/s	–	–	–
Any person restricted on trading in Northam Platinum Holdings Limited’s listed securities, as imposed by Northam Platinum Holdings Limited	–	–	–
	22 773	**396 615 878**	**100.00**

Administration and contact information

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

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Registration number 1977/003282/06
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Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM019
Bond ISIN: ZAG000168105
Bond code: NHM020
Bond ISIN: ZAG000172594
Bond code: NHM021
Bond ISIN: ZAG000181496
Bond code: NHM022
Bond ISIN: ZAG000190133
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