NORTHAM

PLATINUM LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND ABRIDGED ANNUAL REPORT 2013

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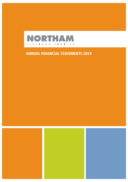
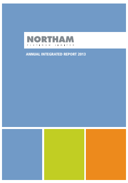
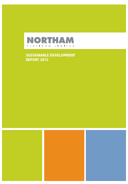
REPORTING SUITE



Notice of AGM and abridged annual report 2013



Integrated report 2013



Sustainable development report 2013

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NORTHAM
PLATINUM LIMITED

NOTICE OF THE 2013 ANNUAL GENERAL MEETING

NORTHAM PLATINUM LIMITED
(Registration number 1977/003282/06)
Share code: NHM
Debt issuer code: NHMI
ISIN: ZAE000030912
("Northam" or "the group" or "the company")

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008 (as amended), ("the Companies Act") that the annual general meeting ("AGM") of shareholders of Northam will be held in Room HB1, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall, Johannesburg on Wednesday, 6 November 2013 at 10h00 for the following purposes:

Considering and, if deemed fit, adopting, with or without modification, the ordinary and special resolutions set out below:

ORDINARY RESOLUTIONS

- receiving, considering and adopting the audited group annual financial statements of Northam for the year ended 30 June 2013;
- re-electing directors;
- re-appointing the auditors;
- re-electing the audit and risk committee members;
- approving the group remuneration policy;
- approving the directors' remuneration paid for the year ended 30 June 2013;
- approving the issue of authorised but unissued ordinary shares; and
- approving the issue of equity securities for cash.

SPECIAL RESOLUTIONS

- approval of amendment to the existing memorandum of incorporation ("MOI") – executive directors;
- approval of amendment to the existing MOI – distributions;
- approval of non-executive directors' remuneration for the year ending 30 June 2014;
- financial assistance; and
- general authority to repurchase issued shares.

Transacting any other business as may be conducted at an AGM.

RECORD DATES

In terms of section 59(1)(a) and (b) of the Companies Act, the board of directors of the company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the company's securities register in order to receive notice of the AGM) as Friday, 27 September 2013, and
- participate in and vote at the AGM (being the date on which a shareholder must be registered in the company's securities register in order to participate in and vote at the AGM) as Friday, 1 November 2013.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NUMBER 1: ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

"Resolved that the audited annual financial statements for the year ended 30 June 2013, including the reports of the directors, auditors and the audit and risk committee, be and are hereby adopted."

The summarised audited annual financial statements for 2013 as per Annexure 1 are contained in this document, of which this notice forms part. The complete 2013 annual integrated report, containing the audited annual financial statements and the relevant reports for the year, is available at *www.northam.co.za* or may be obtained from the company's registered office on request.

ORDINARY RESOLUTION NUMBERS 2.1, 2.2 AND 2.3: RE-ELECTION OF DIRECTORS

"Resolved that Mr CK Chabedi, who retires by rotation in terms of the company's MOI and being eligible and offering himself for re-election, be and is hereby re-elected as a director."

"Resolved that Ms ET Kgosi, who retires by rotation in terms of the company's MOI and being eligible and offering herself for re-election, be and is hereby re-elected as a director."

"Resolved that Mr AR Martin, who retires by rotation in terms of the company's MOI and being eligible and offering himself for re-election, be and is hereby re-elected as a director."

Brief biographies of the directors are included in Annexure 2 contained in this document, of which this notice forms part.

ORDINARY RESOLUTION NUMBER 3: RE-APPOINTMENT OF EXTERNAL AUDITORS

"Resolved that Ernst & Young Inc. (with the designated registered auditor being Michael Christoffel Herbst) be and is hereby re-appointed as the independent external auditor of the company."

The audit and risk committee has evaluated the performance of Ernst & Young Inc. and recommends their re-appointment as independent auditors of the company.

ORDINARY RESOLUTION NUMBERS 4.1, 4.2, 4.3 AND 4.4: RE-ELECTION OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE

"Resolved that Mr ME Beckett, being eligible and offering himself for re-election, be and is hereby re-elected a member of the audit and risk committee."

"Resolved that Mr R Havenstein, being eligible and offering himself for re-election, be and is hereby re-elected a member of the audit and risk committee."

"Resolved that Ms ET Kgosi, being eligible and offering herself for re-election, be and is hereby re-elected a member of the audit and risk committee, subject to her re-election as a director pursuant to ordinary resolution number 2.2."

"Resolved that Mr AR Martin, being eligible and offering himself for re-election, be and is hereby re-elected a member of the audit and risk committee, subject to his re-election as a director pursuant to ordinary resolution number 2.3."

Members of the audit and risk committee are set out in Annexure 3, whilst brief biographies are set out in Annexure 2 of this document.

ORDINARY RESOLUTION NUMBER 5: APPROVAL OF GROUP REMUNERATION POLICY

"Resolved, as a non-binding resolution, that the group remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in the third King report on Corporate Governance for South Africa 2009, commonly referred to as King III."

The group remuneration policy as well as detail of the social, ethics and human resources committee is set out in Annexure 4 of this document, of which this notice forms part.

ORDINARY RESOLUTION NUMBER 6: APPROVAL OF DIRECTORS' REMUNERATION PAID FOR THE YEAR ENDED 30 JUNE 2013

"Resolved that the directors' remuneration for the year ended 30 June 2013, as set out in Annexure 5 of this document, be and is hereby approved."

ORDINARY RESOLUTION NUMBER 7: APPROVAL FOR THE ISSUE OF AUTHORISED BUT UNISSUED ORDINARY SHARES

"Resolved that, as required by the company's MOI and subject to the provisions of section 41 of the Companies Act and the requirements of the Johannesburg Stock Exchange ("JSE") on which the shares in the capital of the company may from time to time be listed, the authorised but unissued shares in the capital of the company be and are hereby placed under the control and authority of the directors of the company and that the directors of the company be and are hereby authorised, as they in their discretion think fit, to allot, issue and otherwise dispose of, or grant options over, shares representing not more than 5% (five percent) of the number of ordinary shares in the issued share capital of the company as at 30 June 2013 (for which purposes any shares approved to be allotted and issued by the company in terms of the share option scheme or share incentive plan for the benefit of employees shall be excluded), such authority to endure until the next AGM of the company (whereupon this authority shall lapse, unless it is renewed at the aforementioned AGM)."

ORDINARY RESOLUTION NUMBER 8: APPROVAL FOR THE ISSUING OF EQUITY SECURITIES FOR CASH

"Resolved that, subject to the passing of ordinary resolution number 7 set out in this notice of meeting, the directors are authorised until the next AGM (whereupon this authority shall lapse unless it is renewed at the aforementioned AGM), provided that it shall not extend beyond 15 (fifteen) months of the date of this AGM, to allot and issue equity securities for cash, subject to the Companies Act and the JSE listings requirements on the following basis:

(a) the allotment and issue of equity securities for cash shall be made only to persons qualifying as public shareholders as defined in the JSE listings requirements and not to related parties;

(b) equity securities which are the subject of general issues for cash:

  (i) in the aggregate, in any one financial year, may not exceed 5% (five percent) of the company's relevant number of equity securities in issue of that class;

  (ii) of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;

  (iii) as regards the number of securities which may be issued (5%) limited referred to in (i), same shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application, less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year, plus any securities of that class to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition (in respect of which final terms have been announced) which acquisition issue securities may be included as though they were securities in issue at the date of application;

(c) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price on the JSE of such equity securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the company;

(d) after the company has issued equity securities for cash, which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of equity securities of that class in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the company;

(e) the equity securities which are the subject of the issue for cash are of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

In terms of the JSE listings requirements, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the AGM, must be cast in favour of this ordinary resolution for it to be approved.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF AMENDMENT TO THE EXISTING MOI – EXECUTIVE DIRECTORS

"Resolved that the existing clause 40 of the MOI is deleted and replaced with the following new clause:

40 EXECUTIVE DIRECTORS

40.1 The board may appoint, from time to time, one or more of the directors as executive directors, who shall be employees of the company, on such terms and conditions of employment as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of the board, for a period not exceeding 5 (five) years, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

40.2 The appointment of an executive director as an employee of the company shall, without prejudice to any claim of any nature whatever which any such director may have against the company, cease if for any reason he ceases to be a director.

40.3 Any director appointed in terms of article 40.1 –

40.3.1 shall not (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, be subject to retirement by rotation; and

40.3.2 shall not, during the currency of such appointment, be taken into account in determining the rotation of retirement of directors; and

40.3.3. shall be subject to the same provisions as to the removal as the other directors of the company, and if he ceases to hold office as a director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination."

Reason and effect

The reason for and the effect of this special resolution is that the existing MOI of the company excludes the rotation of executive directors and having regard to international best practice, good governance and recent circumstances, wherein institutional investors have required that executive directors must be included in the rotation process and run for re-election, the board has decided to amend the company's MOI to include the retirement by rotation of executive directors, as per the proposed special resolution.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF AMENDMENT TO THE EXISTING MOI – DISTRIBUTIONS

"Resolved that the existing clause 46 of the MOI is deleted and replaced with the following new clause:

46 DISTRIBUTIONS

46.1 Subject to the provisions of the Companies Act and this MOI, the board may declare any distribution and a shareholders' meeting may declare any distribution which is authorised by resolution of the board. All distributions shall comply with the JSE listings requirements.

46.2 Distributions (in the form of a dividend or otherwise) are to be declared by the board in accordance with the Companies Act.

46.3 The company shall transmit any distribution or amount payable in respect of a security by electronic bank transfer to such bank account as the holder thereof may have notified the company in writing for this purpose, and the company shall not be responsible for any loss in transmission. In the case of joint holders, the bank account of the first named in the register (or sub register, as the case may be) in respect of such joint holdings, the details of which bank account were furnished to the company by such person, and the electronic transfer of the distribution or amount payable into such bank account shall be a good discharge by the company in respect thereof. For the purposes of this article 46.3, no notice of change of bank account or instructions as to payment being made into any other bank account which is received by the company after the date on which a holder must be registered in order to qualify for a distribution or other amount payable or which would have the effect of changing the currency in which such payment would be made, shall be effective in respect of such payment. A security holder who is a South African resident shall only be entitled to supply a Rand denominated bank account of a bank registered to operate such account in the Republic. In the event that a security holder has failed to furnish the company with a valid bank account as envisaged in this article 46.3, the distribution or other amount payable shall be deemed unclaimed distributions in accordance with article 46.5.

46.4 The company shall not be responsible for a holder's loss arising from any fraudulent, diverted or incorrect electronic funds transfer of distributions or other amounts payable to a holder unless such loss was due to the company's gross negligence or wilful default.

46.5 Any distribution or other money payable on or in respect of a security –

46.5.1 which is unclaimed, may be retained by the company and held in trust indefinitely until lawfully claimed by such shareholder/s or until the shareholder's claim therefore prescribes in terms of article 46.5.3;

46.5.2 which is unclaimed for a period of three years from the date on which they were declared may be declared forfeited by the board for the benefit of the company. The directors shall be entitled at any time to annul such forfeiture upon such conditions (if any) as the board deems fit;

46.5.3 which is retained and unclaimed for three years, should the company be wound-up or deregistered, after the payment date of the distribution or money in question, shall be forfeited and revert to the company or its assigns and may be dealt with by the directors or such assigns as they deem fit; and

46.5.4 shall not bear interest against the company,

and the board shall, for the purpose of facilitating the winding-up or deregistration of the company before the date of any such forfeit, be entitled to delegate to any bank, registered as such in accordance with the laws of the Republic, the liability for payment of any such distribution or other money, payment of which has not been forfeited in terms of the aforegoing.

46.6 Distributions (in the form of a dividend or otherwise) shall be paid to shareholders registered as at a record date subsequent to the date of declaration or, if applicable, date of confirmation of the distribution, whichever is the later date."

Reason and effect

The reason for and the effect of this special resolution is to provide that distributions (in the form of a dividend or otherwise) to shareholders, be paid by means of electronic funds transfer into a bank account designated for such purposes by members, with payments by cheque no longer being permissible unless the member has specifically requested that such payments be made by cheque.

SPECIAL RESOLUTION NUMBER 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDING 30 JUNE 2014

"Resolved that the following remuneration for directors be and is hereby approved for the year ending 30 June 2014:

Board fees

- Board chairman – R116 100 per annum
- Lead independent director – R86 100 per annum
- Board members – R55 200 per annum
- Board meeting attendance fees – R35 700 per meeting

Audit and risk committee fees

- Committee chairman – R51 900 per annum
- Committee members – R26 400 per annum
- Committee meeting attendance fees – R17 300 per meeting

Social, ethics and human resources committee fees

- Committee chairman – R44 400 per annum
- Committee members – R21 900 per annum
- Committee meeting attendance fees – R13 800 per meeting

Other board appointed committee fees

- Committee chairmen – R41 400 per annum
- Committee members – R20 700 per annum
- Committee meeting attendance fees – R13 800 per meeting
- Ad hoc fees – R2 760 per hour."

Reason and effect

The reason for and the effect of this special resolution is to approve the basis for calculating the remuneration payable by the company to its non-executive directors for their services as directors of the company for the period ending 30 June 2014. Further details are included in Annexure 5 which forms part of this document.

SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

"Resolved that the board of directors of the company ("the board") be and is hereby authorised in terms of and subject to the provisions of section 45 of the Companies Act, to cause the company to provide any financial assistance in any form or amount to any company or corporation which is related or inter-related to the company (as defined in the Companies Act), on the terms and conditions that the board may determine from time to time."

Reason and effect

The reason for and the effect of this special resolution which is required in terms of section 45 of the Companies Act to grant the directors of the company the authority to cause the company to provide financial assistance by way of loans, guarantees, the provision of security or otherwise, to any company which is related or inter-related to Northam i.e. its subsidiaries. The special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the company.

The provision of financial assistance to subsidiaries of Northam is necessary for the sustainability of the business of the group, taking into account that the financial performance of the operations is dependent on numerous external factors, which include the prices of platinum group metals, and the Rand/US Dollar exchange rate.

The board is satisfied that immediately after granting the abovementioned financial assistance, the company will satisfy the solvency and liquidity test set out in the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company as referred to in Annexure 8 which forms part of this document.

SPECIAL RESOLUTION NUMBER 5: GENERAL AUTHORITY TO REPURCHASE ISSUED SHARES

"Resolved, as a special resolution, that a mandate be and is hereby given to the company (or any one of its wholly-owned subsidiaries) providing authorisation, by way of a general authority, to acquire the company's own issued shares, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the MOI of the company, the Companies Act and the JSE listings requirements, and subject further to the following terms and conditions:

(a) Any repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party.
(b) At any one time, the company may only appoint one agent to effect any repurchase.
(c) This general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from date of passing of this special resolution.
(d) An announcement shall be published as soon as the company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such acquisitions.
(e) Repurchases by the company and/or its subsidiaries in aggregate in any one financial year may not exceed 20% of the company's issued share capital as at the date of passing of this special resolution or 10% of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company.
(f) Repurchases may not be made at a price greater than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date on which the transaction was effected.
(g) The company or its subsidiaries may not repurchase securities during a prohibited period as defined in the JSE listings requirements unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement over the Securities Exchange News Service prior to the commencement of the prohibited period.
(h) The company may not enter the market to proceed with the repurchase of its ordinary shares until the company's sponsor has confirmed in writing to the JSE that it has discharged its responsibility in terms of schedule 25 of the JSE listings requirements."

In respect of the general authorities to be granted in terms of this special resolution, the directors will not undertake either of these activities until such time as they have applied the solvency and liquidity test required in terms of section 4 of the Companies Act:

- The assets of the company and group, fairly valued, equal or exceed the liabilities of the company and group, fairly valued, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- There is reason to believe that the company will be able to pay its debts as and when they become due in the ordinary course of business;
- For the purpose of determining the fair value of the company's and group's assets and liabilities, due cognisance has been taken of any contingent assets and liabilities that may arise as a consequence of the distribution.

Reason and effect

The reason for this special resolution is, and the effect thereof will be to grant, in terms of the provisions of the Companies Act, the JSE listings requirements and subject to the terms and conditions embodied in the said special resolution, a general authority to the directors to approve the acquisition by the company of its own shares, or by a subsidiary of the company of the company's shares, which authority shall be used by the directors at their discretion during the course of the period so authorised.

ADDITIONAL DISCLOSURE REQUIREMENTS IN TERMS OF THE JSE LISTINGS REQUIREMENTS:

In terms of the requirements of the JSE as amended or replaced from time to time ("the listings requirements"), the following information refers:

Directors – Refer to Annexure 2.

Major shareholders – Refer to Annexure 7.

Directors' interests in securities – Refer to Annexure 7.

Share capital of the company – Refer to Annexure 7.

Directors' responsibility statement – The directors, whose names are given in Annexure 2, collectively and individually accept full responsibility for the accuracy of the information pertaining to the resolutions set out above and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement in these resolutions false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by law and the listings requirements.

Litigation – The company and its subsidiaries are not, and have not in the twelve (12) months preceding the date of this notice of AGM been involved in any legal or arbitration proceedings which may have or have had a material effect on the financial position of the company and its subsidiaries, nor is the company aware of any such proceedings that are pending or threatened save for what has been disclosed in the litigation statement included in Annexure 10.

Material change – Other than the facts and developments reported on in this summarised annual report, there have been no material changes in the affairs, financial or trading position of the company since the end of the financial period. The company's products are priced in US dollars and therefore volatility in the Rand/US dollar exchange rate could affect the company's revenues negatively.

TO TRANSACT ANY OTHER BUSINESS AS MAY BE CONDUCTED AT AN AGM

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolutions 1 to 7 contained in this notice of AGM require the approval of more than fifty percent (50%) of the total votes cast on the resolutions by shareholders present or represented by proxy at the AGM.

Ordinary resolution 8 and special resolutions 1 to 5 contained in this notice of AGM require the approval of at least seventy-five percent (75%) of the total votes cast on the resolutions by shareholders present or represented by proxy at the AGM.

IMPORTANT NOTICE REGARDING ATTENDANCE AT AGM

A person attending the AGM must present reasonably satisfactory identification. The chairman of the AGM must be reasonably satisfied that the right of a person to participate and vote at the AGM either as a shareholder, or as a proxy for a shareholder, has been reasonably verified.

TELEPHONIC PARTICIPATION

For the benefit of shareholders who are unable to attend the AGM but wish to participate therein, a simultaneous audiolink will be available at the following numbers:

South Africa:	011 535 3600 0800 200 648
UK:	0800 917 7042 0808 162 4061
Other countries:	+27 11 535 3600

PROXY

All shareholders who are entitled to attend, speak and vote at the AGM may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a member of the company.

Should shareholders, both certificated and dematerialised, be unable to attend the AGM and wish to be represented thereat, they should appoint one or more proxies to attend, speak and vote in their stead. However, those shareholders who hold their certificated shares in the name of a nominee or shareholders who have already dematerialised their shares and have not selected own name registration and wish to attend the AGM, should timeously arrange with their nominee or their Central Securities Depository Participant (CSDP) or their broker to furnish them with the necessary authorisation to attend and vote at the AGM. Should these shareholders not wish to attend they may, pursuant to the terms of the agreement entered into with their nominee, CSDP or broker, instruct such nominee, CSDP or broker how they wish their votes to be cast in respect of any matter to be considered at the AGM. Shareholders, who are unsure of their status, or the action they should take, are advised to consult their CSDP, broker or financial adviser.

A proxy form is attached for use by registered certificated shareholders and dematerialised shareholders with own name registration. To be effective, a proxy form must be executed in terms of the company's MOI and in accordance with the relevant instructions set out on the form, and must be lodged with the transfer secretaries not less than 48 hours before the time set down for the AGM. If required, additional proxy forms may be obtained from the transfer secretaries.

VOTING

On a show of hands, every shareholder of the company present in person or represented by proxy shall have only one (1) vote. On a poll, every shareholder of the company shall have one vote for every share held in the company by such shareholder.

Shares held by a trust or scheme will not have their votes at the AGM taken into account for purposes of resolutions proposed in terms of the listings requirements. Shares held as treasury shares may also not vote.

PROOF OF IDENTIFICATION REQUIRED

Any shareholder or proxy who intends to attend or participate at the AGM must be able to present reasonably satisfactory identification at the AGM for such shareholder or proxy to attend and participate in the AGM. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

By order of the board.

PB Beale
Company secretary

27 September 2013

ANNEXURE 1 –

SUMMARISED 2013 AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
ASSETS				
Non-current assets	**12 622 989**	9 831 213	**8 287 148**	8 147 929
Property, plant and equipment	**6 222 226**	4 598 689	**2 147 090**	2 027 614
Mining properties and mineral resources	**5 708 825**	4 537 133	**121 762**	130 369
Interest in associates and joint ventures	**495 498**	505 415	**122 442**	47 533
Investments in subsidiaries			**5 801 514**	5 863 688
Unlisted investment	**6**	6	**6**	6
Land and township development	**15 553**	43 849	**–**	–
Long-term receivables	**87 400**	64 937	**–**	–
Investments held by Northam Platinum Restoration Trust Fund	**40 948**	35 689	**33 913**	31 231
Environmental Guarantee Investment	**42 407**	35 720	**35 965**	31 523
Buttonshope Conservancy Trust	**10 126**	9 775	**–**	–
Long-term subsidiary loans			**24 456**	15 965
Current assets	**1 734 675**	1 232 339	**5 534 946**	3 647 671
Short-term subsidiary loans			**4 119 639**	2 640 498
Inventories	**878 530**	811 183	**872 333**	811 183
Trade and other receivables	**547 920**	303 268	**333 959**	155 877
Cash and cash equivalents	**298 580**	104 980	**209 015**	38 358
South African Revenue Service	**9 645**	12 908	**–**	1 755
Mineral resources classified as held for sale	**–**	1 180 300	**–**	–
Total assets	**14 357 664**	12 243 852	**13 822 094**	11 795 600

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
EQUITY AND LIABILITIES				
Stated capital/share capital and share premium	**8 599 655**	8 597 648	**8 599 655**	8 597 648
Retained earnings	**2 220 477**	1 622 833	**2 063 282**	1 427 527
Equity compensation reserve	**–**	202 634	**–**	202 634
Share of other comprehensive income from associate	**(14 013)**	(9 868)	**–**	–
Equity attributable to owners of the parent	**10 806 119**	10 413 247	**10 662 937**	10 227 809
Non-controlling interests	**9 516**	–	**–**	–
Total equity	**10 815 635**	10 413 247	**10 662 937**	10 227 809
Non-current liabilities	**1 997 826**	648 600	**1 909 754**	575 857
Deferred tax liability	**476 053**	504 628	**484 447**	500 365
Long-term provisions	**133 267**	111 118	**90 299**	75 492
Long-term loans	**47 564**	32 854	**–**	–
Share-based payment liability	**90 942**	–	**85 008**	–
Domestic medium-term notes	**1 250 000**	–	**1 250 000**	–
Current liabilities	**1 544 203**	1 182 005	**1 249 403**	991 934
Current portion of long-term loans	**3 801**	2 430	**–**	–
Share-based payment liability	**16 665**	–	**14 518**	–
Revolving credit facilities	**250 000**	–	**250 000**	–
South African Revenue Service	**156 963**	101 900	**52 848**	–
Trade and other payables	**1 012 104**	981 209	**826 650**	895 468
Short-term provisions	**104 670**	96 466	**104 670**	96 466
Short-term subsidiary loans			**717**	–
Total equity and liabilities	**14 357 664**	12 243 852	**13 822 094**	11 795 600

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Revenue	**4 510 475**	3 802 662	**4 579 424**	4 394 469
Sales revenue	**4 420 977**	3 684 000	**4 243 420**	3 648 663
Cost of sales	**3 813 301**	3 345 311	**3 745 036**	3 320 299
Operating costs	**2 826 094**	2 632 926	**2 759 433**	2 607 914
Concentrates purchased	**657 540**	624 774	**657 540**	624 774
Refining and other costs	**161 591**	100 612	**161 591**	100 612
Depreciation and write-offs	**234 690**	190 287	**232 930**	190 287
Change in metal inventories	**(66 614)**	(203 288)	**(66 458)**	(203 288)
Operating profit	**607 676**	338 689	**498 384**	328 364
Share of earnings from associate/dividends received	**13 783**	16 602	**16 740**	816
Investment revenue	**33 434**	53 951	**174 311**	34 124
Finance charges	**(17 946)**	–	**(119 669)**	–
Sundry expenditure	**(28 254)**	(36 885)	**(70 666)**	(654 483)
Sundry income	**88 362**	80 228	**193 067**	720 767
Profit before tax	**697 055**	452 585	**692 167**	429 588
Taxation	**169 054**	142 073	**149 149**	137 099
Profit for the year	**528 001**	310 512	**543 018**	292 489
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss	**(4 145)**	(9 868)	**–**	–
Share of associate's exchange differences on translating foreign operations	**(4 105)**	(9 582)	**–**	–
Share of associate's fair value adjustment on available for sale financial assets	**(40)**	(286)	**–**	–
Total comprehensive income for the year	**523 856**	300 644	**543 018**	292 489

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Profit attributable to:				
Owners of the parent	**504 907**	310 512	**543 018**	292 489
Non-controlling interests	**23 094**	–	**–**	–
Profit for the year	**528 001**	310 512	**543 018**	292 489
Total comprehensive income attributable to:				
Owners of the parent	**500 762**	300 644	**543 018**	292 489
Non-controlling interests	**23 094**	–	**–**	–
Total comprehensive income for the year	**523 856**	300 644	**543 018**	292 489
	Cents	Cents	Cents	Cents
Earnings per share	**132.0**	81.2		
Fully diluted earnings per share	**132.0**	81.2		
Headlines earnings per share	**136.5**	80.9		
Fully diluted headline earnings per share	**136.5**	80.9		

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Share capital*	Share premium*	Equity compensation reserve	Retained earnings	Other comprehensive income from associate	Non-controlling interest	Total
	R000	R000	R000	R000	R000	R000	R000
GROUP							
Balance at 1 July 2011	3 824	8 592 258	156 076	1 363 194	–	–	10 115 352
Share-based payments expense	–	–	53 049	–	–	–	53 049
Total comprehensive income for the year	–	–	–	310 512	(9 868)	–	300 644
Profit for the year	–	–	–	310 512	–	–	310 512
Other comprehensive income for the year	–	–	–	–	(9 868)	–	(9 868)
Transfer of equity compensation reserve to retained earnings	–	–	(6 491)	6 491	–	–	–
Dividends declared	–	–	–	(57 364)	–	–	(57 364)
Issue of new shares	1	1 565	–	–	–	–	1 566
Balance at 30 June 2012	3 825	8 593 823	202 634	1 622 833	(9 868)	–	10 413 247
Share-based payments expense	–	–	13 807	–	–	–	13 807
Transfer of equity compensation reserve to share-based payment liability	–	–	(123 704)	–	–	–	(123 704)
Transfer of equity compensation reserve to retained earnings	–	–	(92 737)	92 737	–	–	–
Non-controlling interest arising on a business combination	–	–	–	–	–	8 169	8 169
Total comprehensive income for the year	–	–	–	504 907	(4 145)	23 094	523 856
Profit for the year	–	–	–	504 907	–	23 094	528 001
Other comprehensive income for the year	–	–	–	–	(4 145)	–	(4 145)
Dividends declared#	–	–	–	–	–	(21 747)	(21 747)
Issue of new shares	1	2 006	–	–	–	–	2 007
Balance at 30 June 2013	**3 826**	**8 595 829**	**–**	**2 220 477**	**(14 013)**	**9 516**	**10 815 635**

Non-controlling interest's portion of dividends declared by entities within the Northam group.

* *Share capital and share premium were converted to no par value shares and are now referred to as stated capital.*

EQUITY COMPENSATION RESERVE

The equity compensation reserve represents the value of equity-settled share-based payments provided to employees as part of their remuneration.

OTHER COMPREHENSIVE INCOME FROM ASSOCIATE

The value of other comprehensive income from associate relates to the translation differences on foreign subsidiaries held by the associate, as well as the fair value adjustment on available for sale financial assets.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Cash flows from operating activities	**524 200**	437 662	**428 377**	496 690
Cash generated from operations	**915 317**	608 378	**829 423**	639 209
Interest received	**29 290**	50 723	**17 468**	30 896
Change in working capital	**(281 104)**	(90 367)	**(308 050)**	(41 430)
Taxation paid	**(139 303)**	(131 072)	**(110 464)**	(131 985)
Cash flows utilised in investing activities	**(1 703 238)**	(2 010 021)	**(1 640 058)**	(1 388 968)
Property, plant, equipment, mining properties and mineral reserves				
– additions to maintain operations	**(363 914)**	(331 070)	**(347 871)**	(328 312)
– additions to expand operations	**(1 383 200)**	(1 684 331)	**–**	–
– disposals proceeds	**4 497**	6 488	**3 689**	5 762
Land and township development				
– additions	**(17 683)**	(12 942)	**–**	–
– disposals proceeds	**45 979**	25 011	**–**	–
Investment in associate				
– cash distributed	**16 740**	816	**16 740**	816
Increase in subsidiary loans			**(1 401 345)**	(1 714 300)
Increase in investments held by Northam Platinum Restoration Trust Fund	**(5 259)**	(4 098)	**(2 682)**	(1 932)
Increase in investments held by Environmental Contingency Fund	**(6 687)**	(6 249)	**(4 442)**	(4 102)
Increase in investment held in Buttonshope Conservancy Trust	**(351)**	(9 775)	**–**	–
Acquisition of subsidiary net of cash acquired	**6 416**	–	**(10 000)**	–
Dividends received	**224**	6 129	**105 853**	653 100

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Cash flows generated from/ (utilised in) financing activities	**1 372 638**	(20 514)	**1 382 338**	(55 798)
Proceeds from issue of shares	**2 007**	1 566	**2 007**	1 566
Finance charges	**(123 703)**	–	**(119 669)**	–
Dividends paid	**(21 747)**	(57 364)	**–**	(57 364)
Increase in long-term loans	**16 081**	35 284	**–**	–
Revolving credit facilities utilised	**250 000**	–	**250 000**	–
Domestic medium-term notes issued	**1 250 000**	–	**1 250 000**	–
Increase/(decrease) in cash and cash equivalents	**193 600**	(1 592 873)	**170 657**	(948 076)
Cash and cash equivalents at beginning of year	**104 980**	1 697 853	**38 358**	986 434
Cash and cash equivalents at end of year	**298 580**	104 980	**209 015**	38 358

CHIEF EXECUTIVE OFFICER'S REVIEW OF BUSINESS

The travails of the 2012 financial year, which signified such an alarming wake-up call for the industry and the country as a whole, have not abated. The company's performance, notably where we measure ourselves against what we consider to be our material concerns, can probably best be described as mixed. What is significant is that these material issues, the core of which were identified in the past two years, have not gone away, and that the pressures they present are becoming more acute, threatening the realisation of our corporate vision, which remains unchanged as we aim to deliver on our strategy of:

- being a leader in the mining, processing and the independent marketing and sales of PGMs to a global customer base;
- growing our resources and output either by way of acquisition or green- or brownfields development; and
- creating maximum returns for our investors and meaningful, sustainable benefits for all our stakeholders.

The business of mining and processing PGMs in a complex South African operating environment continues to be aggravated by the protracted global economic downturn, which has had a sustained adverse impact on the markets for PGMs. For Northam, our long standing reputation as an independent and reliable supplier of metals has facilitated the sustained offtake of our product by customers in established worldwide markets, even since the global downturn in 2008.

The death of an employee, Mr Amose Dlamini, at Zondereinde during the year blighted what was an improved safety performance all round. Both the Zondereinde and Booysendal operations reached the one million fatality-free shifts milestone; and in April this year Zondereinde reached the two million level. With the ramping up of Booysendal, I believe that we will soon be in a position to start leveraging the institutional knowledge which is now being built up at two such varying operations.

Despite the challenges of mining in South Africa, which included safety stoppages, labour disruptions at the Zondereinde mine in April 2013 and the sluggish markets, the business posted improved results year on year on the back of increased sales volumes from our established Zondereinde mine, combined with a significant 13.5% weakening of the rand against the US dollar, which contributed to a 20.0% increase in sales revenues to R4.4 billion (F2012: R3.7 billion). The rand weakness went a long way towards offsetting the effect of the lower US dollar prices for PGMs, which resulted in the average dollar basket price for the year being 5.1% lower at US$1 276/oz (F2012: 1 345/oz).

Headline earnings of R522.2 million translated into headline earnings per share of 136.5 cents per share. Given Booysendal's ramp-up phase, and the uncertain labour relations climate, the board has not declared a final dividend.

The instability in the labour movement over the past year, which gave rise to a number of violent incidents, has not really improved although the associated atrocities have not been quite as visible. The stability accord, signed by all the unions under the auspices of the Minister of Mineral Resources and the DMR in February 2013, appears to have been effective in reducing the extent of the violence which was so disturbing to the nation, and indeed the rest of the world.

In the first half of the financial year, our operations remained unscathed by the strife and conflict elsewhere in the industry. We remained on our guard, however, and operational management in particular was constantly alive to any issues which could have been used to foment any industrial unrest. What has become apparent is a trend for employees, seemingly being aggrieved or dissatisfied with unions and their structures, preferring to select leaders amongst their rank and file locally, without union representation, to lead them in any industrial action. For us as management, this presents further difficulties in our attempts to resolve any such disputes within the parameters of South Africa's labour relations legislation (notably the Labour Relations Act (LRA)) which is not designed to deal with such workers' committees and their actions.

Our policy at Northam is to grant organisational rights to any union with representivity of 15% or more in a relevant employee category; bargaining rights are granted to a union which can prove representation of not less than 33.3% of the relevant constituency. I must emphasise too that we are committed at Northam to treat all unions with bargaining rights fairly, and we will consult with any worker representatives or committees to resolve arising matters. On the operations, management has made some strides in enhancing its direct communication with employees.

At a senior executive level, I have been personally involved too with working with my peers in the industry to consider the current climate where we direct our efforts towards reducing the impact of inter-union rivalry and other disputes, and to stabilise the platinum industry.

Nonetheless, the three-week strike in April this year by rock drill operators at the Zondereinde operation was protracted, and resulted in the loss of some 17 000oz. The rock drill operators' dispute centred on the payment methodology of production-related bonuses.

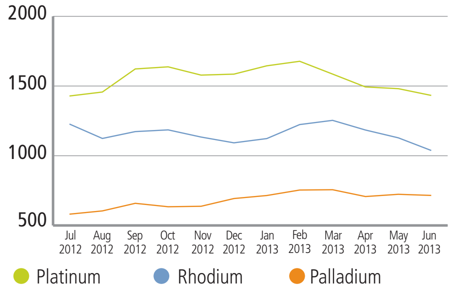
The permanent power supply at Booysendal was commissioned on 10 March 2013, after which cold and hot commissioning of the concentrator continued until year end.

IN CONCLUSION

The past year has been one of the toughest in the industry for a number of years, with external pressures continuing to pose unprecedented challenges, particularly for our operational management teams. I must congratulate management and employees at both our operations for sustaining an operational recovery at Zondereinde on the one hand and, on the other, for the timely commissioning of our new asset on the eastern limb.

Glyn Lewis
Chief executive officer
27 September 2013

PGM RESOURCE PRICING ($/oz)*



*Source: Johnson Matthey

ANNEXURE 2 –

DIRECTORS

ME Beckett (77) (British)
BSc, FIMM
Independent non-executive director

Joined the board in 1999.

Mr Beckett is non-executive chairman of Endeavour Mining Corporation, and a director of International Hotels Investment Limited and Petroamerica Oil Corporation. A geologist by training, Mr Beckett was formerly managing director of Consolidated Gold Fields plc.

CK Chabedi (45)
BSc Mining Engineering, MDP
Independent non-executive director

Joined the board in 2009.

Mr Chabedi has many years' experience in the mining industry, having worked in various management positions for Anglo Coal. He currently consults to the mining industry while lecturing mining methods in both opencast and underground mining at the University of the Witwatersrand. He teaches an international post-graduate course which attracts students from around the world. Mr Chabedi has undertaken research and advises the South African coal mining industry in the problem of spontaneous combustion. His current research includes the mechanism of moving the centre of coal from Emalahleni to the Waterberg in the medium term.

JAK Cochrane (49) (British)
BEng (Hons) MBA
Non-executive director

Joined the board in 2011.

Mr Cochrane holds an MBA and a BEng (honours) degree in mining and petrochemical engineering. Formerly an executive director of Eurasian Natural Resources Corporation plc ("ENRC") responsible for marketing and logistical operations. Mr Cochrane is an independent director of Jindal Stainless Limited, India's largest stainless steel producer. His previous appointments include head of M&A and business development at ENRC, marketing director at Samancor Chrome Limited and operations manager at Impala Platinum Holdings Limited.

NJ Dlamini (Dr) (54)
MBChB, DOH, MBA
Independent non-executive director

Joined the board in 2004.

Dr Dlamini is the chairman of Mbekani Group. She started her career as a medical practitioner and specialised in Occupational Health before moving to business. After spending two years at HSBC, in the Transport & Energy Corporate Finance division, she left to pursue her entrepreneurial interests. She is a founder and trustee of Mkhiwa Trust, a family vehicle for social responsibility initiatives. She is also the non-executive chairman of Aspen Pharmacare Holdings Limited. As announced on 15 August 2013, Dr Dlamini tendered her resignation as a director of Northam, with effect from 30 September 2013.

R Havenstein (57)
MSc (Chemical Engineering), BComm
Independent non-executive director

Joined the board in 2003.

Mr Havenstein's current non-executive directorships include Hernic Ferrochrome Proprietary Limited, Omnia Holdings Limited and Reatile Proprietary Limited. He was previously chief executive officer of Anglo American Platinum Limited, prior to which he was an executive director of Sasol Limited responsible for Sasol Chemical Industries.

ET Kgosi (Ms) (59)
BComm Hons
Independent non-executive director

Joined the board in 2004.

Ms Kgosi is the cluster manager in Supply Chain Operations, Eskom Group Commercial. She has extensive experience in the banking sector mainly in a treasury operations environment, having held positions at a number of South Africa's main banking groups as well as Credit Suisse First Boston (NY).

AZ Khumalo (49)
CA (SA)
Financial director

Joined the board in 2010.

Mr Khumalo, a chartered accountant by profession, holds a BCompt (Honours) and BComm degree from the University of South Africa and has extensive mining and corporate finance experience. From September 2008 he was the group finance executive of Coal of Africa Limited. Prior to that, from 2004 to 2008, he was director – finance of Aquarius Platinum South Africa Proprietary Limited.

GT Lewis (56) (British)
BSc (Mining Engineering), MBA
Chief executive officer

Mr Lewis joined Northam in 2001 as mine manager, was appointed general manager in 2002 and chief executive officer in 2005. Prior to joining Northam, he was the manager of the Tarkwa Mine in Ghana. He has extensive experience in the mining industry in both metalliferous and non-metalliferous mines.

AR Martin (75)
BComm, CA (SA)
Independent non-executive director

Joined the board in 2009.

Mr Martin is chairman of the audit and risk committee and is lead independent director. His other directorships include Datacentrix Holdings Limited, Petmin Limited and Trans Hex Group Limited.

PL Zim (53)
BComm (Hons) MComm DComm
Non-executive chairman

Joined the board in 2007.

Mr Zim is a director of Zim Capital Proprietary Limited, Sanlam Limited and Sanlam Life Insurance Limited. He is also a past President of the Chamber of Mines of South Africa. Previously chairman of Telkom Limited, he has also held senior executive positions at Anglo American South Africa Limited and MTN Group Limited. He also serves on the International Advisory Board of the Capital Group.

ANNEXURE 3 –

DETAILS OF THE AUDIT AND RISK COMMITTEE MEMBERS

Members of the audit and risk committee:

AR Martin (Chairman)

ME Beckett

R Havenstein

ET Kgosi

All members of the audit and risk committee are independent non-executive directors.

ANNEXURE 4 –

REMUNERATION POLICY

The social, ethics and human resources (SE&HR) committee (formerly known as remuneration, nomination and employment equity committee), comprises the following members:

Ms ET Kgosi (chairperson), Mr ME Beckett, Dr NJ Dlamini and Mr R Havenstein, all of whom are independent non-executive directors.

The committee is charged with oversight of the group's compliance with the Labour Relations Act (LRA), the Basic Conditions of Employment Act (BCEA) and various forms of remuneration. Both the Department of Labour (DoL) and the Department of Mineral Resources (DMR) have inspected Northam in the past 24 months. After its inspection, the DoL made certain remedial recommendations which Northam has since complied with. The DoL has confirmed that compliance has been maintained.

The DMR visited both mine operations in 2012. The visits focussed on progress made against the approved Social and Labour Plans (SLPs) for each mine. These audits resulted in the receipt of Section 93 notices for each mine. These notices requested that key elements of the SLPs be revisited in line with current economic trends and social conditions in the sector. Section 102 applications to realign the current approved SLPs for each mine were requested by the DMR. These were submitted in December 2012. Approval is still awaited. The committee is also responsible for the remuneration philosophy within the Northam group in terms of its mandate from the board.

The aims and objectives of the committee regarding remuneration are to establish and implement a remuneration policy and to ensure that competent individuals are nominated and appointed as directors and senior managers.

In order to do this, the committee has implemented the following three forms of remuneration which are monitored for effectiveness on an on-going basis:

1. salaries and remuneration packages, including those of the executive directors;
2. various bonus schemes;
3. a share incentive plan.

The committee is also responsible for mandating management on appropriate wage increase percentages for negotiation with the unions. It also advises on the following matters:

- the appropriate composition and size of the board;
- the scale of fees to be paid to non-executive directors, which are submitted to shareholders for approval.

The group's remuneration policy is designed to support its strategic goal in a way that aligns the interests of employees, managers, executives and directors with those of shareholders. The group aims to attract, retain, incentivise and reward top quality staff at all levels, particular where scarce or critical skills are involved.

The remuneration policy is not intended to be a 'one size fits all' statement of rules and procedures, but rather to serve as the basis for a flexible approach to the variable and changing needs of the dynamic and competitive mining employment environment.

There are, however, a number of key principles that are the basis of the remuneration policy:

- the attraction and retention of core skills, such as artisans, engineers and management, for which the group must compete within the broader mining industry;
- the harmonisation of working conditions and salaries and wages throughout the group which has two mining operations, namely Booysendal and Zondereinde;
- compliance with all statutory and regulatory requirements and a commitment to applying best practice guidelines in all aspects of remuneration and benefits; and
- the offering of remuneration packages that, at all employment levels, are competitive, fair and reasonable in all respects.

MAIN FEATURES OF THE REMUNERATION POLICY

Contracts of employment are prepared in compliance with employment legislation in South Africa. As a general principle, employment contracts are concluded on a permanent basis (i.e. for an indefinite period), except where business needs and prevailing circumstances dictate the use of either fixed-term or short-term temporary contracts. The notice period for the termination of employment contracts is typically one (1) month, but for critical positions this can be extended by mutual agreement to a maximum of one year.

The group regularly seeks and consults remuneration survey services and uses an appropriate job grading system.

Job grades, salary scales and employee benefit costs are benchmarked against mining industry standards and reviewed annually. The midpoints of the group's salary scales are compared to industry percentiles and adjusted annually, in line with the changing size, structure, financial performance and general circumstances of the group over time.

The group's salary scales have a range of approximately 40% (20% on either side of the midpoint) to allow for the appropriate positioning of individuals according to factors such as qualifications, experience, performance, growth, development and market imperatives. However, in a very competitive market where skills are scarce such as is the case of the mining industry, often market comparisons at the top of the range are considered and paid, in order to attract and keep critical staff.

The committee approves salary increases for all categories of staff in advance each year. Any material changes to allowances, benefits, bonus schemes, or any other aspect of remuneration policy are approved by the committee prior to implementation.

The group provides a market-competitive basic salary plus compulsory medical aid and retirement fund membership at all job levels. Various fixed and variable allowances are paid at certain job levels or to certain job categories.

Severance payments upon termination of service are governed by legislation, agreements with unions, individual contract and/or group policy and practice. In the case of retrenchment, the group's most common policy at all job levels is to pay the contractual notice period (if not worked) and severance pay equal to two weeks' for the first 10 years of service with the group and one week's remuneration per year of service with the group there after.

The group does not provide any special retirement benefits other than the standard benefits available to employees as members of one of the group's recognised retirement funds, with the exception of those employees who were in service with the group on 31 December 1998. In respect of these employees, a contribution is made to a post-retirement healthcare fund. These contributions cease when the employee leaves the service of the group for any reason.

All components of the group's remuneration system are subject to regular internal and external audits, as well as routine monitoring by the South African Revenue Services. The group is compliant with all pertinent regulations.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING

The majority of the group's employees are contributing members of the National Union of Mineworkers (NUM) (mainly category 2 and 8 bargaining units). Therefore, their salary levels, annual increases, allowances and benefit packages are negotiated annually or every two years, on a collective basis, between the group and the trade unions that meet a representative threshold of 33.3% within a bargaining unit. The other unions, (UASA, Solidarity, and Amalgamated Mine and Construction Union (AMCU)) do not have adequate representation to bargain on behalf of their members at present.

Such employees, in addition to their wages, also earn various forms of bonuses from time to time to incentivise performance. These bonuses are implemented and monitored by management.

NON-UNION STAFF AND MANAGEMENT

Members of management at both the group's corporate office and the mining operations are treated individually in accordance with their contracts of employment and the remuneration and benefit schemes and practices applicable to their job grades. Salaries are reviewed annually, effective 1 July. Salary increases are determined individually, according to individual performance, retention and market-matching criteria.

All non-union staff, managers and executives have detailed job profiles which stipulate the key performance areas of their positions and serve as the basis for performance and management of assessments and the determination of performance-linked salary increases and bonuses.

Details of the remuneration paid to the directors are disclosed in Annexure 5 of this notice of meeting.

EMPLOYEE BONUSES

The group has a variety of bonus schemes for employees graded in the C band and higher, whereby the achievement of production and other targets is rewarded.

EXECUTIVE AND MANAGEMENT BONUSES

Executives and management are not paid a guaranteed bonus. The short-term cash bonus scheme is subject to the achievement of certain safety, production and other targets as well as individual performance.

In terms of the rules of the bonus scheme, executives may earn a bonus based on the extent to which they have achieved the targets and objectives set for them during the financial year by the chief executive officer and the board of directors. Bonuses are payable half-yearly.

Typically, the bonus scheme will be based on a combination of targets such as:
- safety,
- linear metres achieved,
- square metres achieved,
- total tonnes milled,
- recoverable metals produced,
- cash operating costs per unit,
- transformation (referring to social employment quotas/criteria that must be met in terms of employment legislation in South Africa), and
- personal performance.

Such key performance areas are weighted to total 100% and the bonus is payable on the basis of the extent of achievement of each of these targets, starting at 90% of achievement, up to 110%. Depending on the extent of achievement, bonuses payable range from 5% of basic remuneration package (BRP) for a 90% achievement of target to 125% of BRP for 110% achievement of target for each key performance indicator multiplied by its relative weighting.

BRP represents the remuneration paid to senior employees excluding the 12.5% pension contribution paid by the group. On average, executive directors and senior managers were paid 30.4% of their BRP in bonuses in F2013.

The board of directors, through the SE&HR committee, determines the performance targets and objectives of the chief executive officer and the financial director, and conducts their performance assessment and decides the quantum of their performance bonus. The financial director's performance is evaluated with the input of the chief executive officer.

The chief executive officer and the SE&HR committee determine the performance targets and objectives of the financial director and managers, conducts their performance assessments and proposes the quantum of performance bonuses for approval by the board of directors.

LONG-TERM EXECUTIVE RETENTION SCHEME AND PLAN

The group operates the Northam Share Incentive Plan ("the Plan") as well as the discontinued Northam Share Option Scheme ("the Scheme"). The Scheme was discontinued due to its dilutionary nature, although share options issued before its discontinuance are allowed to run their course. Details of the Scheme are more fully disclosed in Annexure 5 on page 178 of the annual integrated report. The Plan however was introduced in 2011, in line with current market trends of attracting, incentivising and retaining skilled senior managers. The target group for the Plan includes all senior officials and executives in job grades D1 and above.

In March 2013 the JSE approved a change to the rules of the Scheme and the Plan. Option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which Northam shares traded on the day preceding the exercise date and the exercise price. Options which are cash settled are regarded as having been exercised. Participants in the Plan may elect to receive either the shares that have vested or an amount equal to the volume weighted average price on the day preceding the settlement date. The committee approves the annual allocation of shares as well as proposed changes to the Plan rules.

In terms of the Plan, senior officials are allocated shares which incorporate either one or a combination of the conditional share plan (CSP) and the forfeitable share plan (FSP). Under the more often used CSP, a smaller portion (approximately one-third in 2012) of the shares is allocated to senior employees. These are known as "retention" shares and are allocated with no performance conditions attached. These are received by the employee, who does not have to pay for them, and may be exercised after a two-year period. The larger portion of the shares allocated, known as "conditional" shares, have performance conditions attached to them, and these conditions must be met, fully or in part, before they can be allocated. These conditional shares are also free to the employee. The conditional shares vest after a three-year period. The key features common to both the CSP and FSP are outlined in detail in the directors' report, which is contained in the 2013 annual integrated report.

As mentioned above, the final number of conditional performance shares allocated to senior officials and management are subject to certain performance criteria which must be met fully or in part. The performance criteria is based on factors such as:

- safety,
- estimated recoverable platinum group metals (3PGM+Au) produced, and/or
- unit cash costs.

Each of these factors is weighted with targets set for a three-year period. For staff to earn their allocation, each factor's target must be measured per year, over the three year period. Allocations are made annually, depending on the extent of the targets met in that year.

However, for each three-year period allocation, the committee may set different factors, targets and weightings as appropriate. A typical target for safety might be an improvement of 10% over the previous financial year's safety record, with a weighting of say 30%. For unit cash costs, the target may be achieving the budgeted unit costs for the current year with a weighting of 30%. Estimated recoverable metals may then, in this example, be weighted at 40%, with the sum of the weightings totalling 100%.

On measurement of the achievement or not of these targets, each factor's achievement rank depends on the extent of achievement for each factor and for that year, ranging from a ranking of 1 (which represents a 90 to 100% achievement of target). This could mean, for example, a 100% award of conditional shares. This rises to a ranking of 4, which, for example might be an achievement of over 105%, which may equate to a share award of 135%. An achievement of less than 90% of target results in no shares being awarded at all. Every year the committee, with the assistance of management, assesses and approves the allocation of both retention and conditional performance shares per employee.

EMPLOYEE PARTICIPATION SCHEME (TORO EMPLOYEE EMPOWERMENT TRUST)

The group has entered into an agreement with the representative unions at the Zondereinde mine in terms of which the group contributes 4% of Zondereinde mine's after-tax profits to a registered trust fund (The Toro Employee Empowerment Fund), providing Zondereinde mine's unskilled and semi-skilled employees with an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, with the first five-year cycle ending in FY2013. A similar scheme may be considered for Booysendal mine employees in future.

ANNEXURE 5 –

DIRECTORS' REMUNERATION

The directors' remuneration for the year ended 30 June 2013 was as follows:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2013						
Executive						
AZ Khumalo	–	2 392	955	391	–	3 738
GT Lewis	–	5 841	2 291	809	–	8 941
Non-executive						
ME Beckett	475	–	–	–	–	475
CK Chabedi	389	–	–	–	–	389
JAK Cochrane	282	–	–	–	–	282
NJ Dlamini	512	–	–	–	–	512
R Havenstein (1)	892	–	–	–	–	892
ET Kgosi	510	–	–	–	–	510
AR Martin	517	–	–	–	–	517
MSMM Xayiya (2)	112	–	–	–	–	112
PL Zim	280	–	–	–	–	280
	3 969	8 233	3 246	1 200	–	16 648

(1) *Mr R Havenstein was paid an ad hoc fee of R217 000 in respect of special work done for the board.*

(2) *Mr MSMM Xayiya resigned as a director on 7 December 2012.*

ANNEXURE 5 –

DIRECTORS' REMUNERATION CONTINUED

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2012						
Executive						
AZ Khumalo	–	1 752	699	228	–	2 679
GT Lewis	–	3 091	7 617	398	–	11 106
BR van Rooyen [1]	–	1 950	185	62	–	2 197
Non-executive						
ME Beckett	402	–	–	–	–	402
CK Chabedi	308	–	–	–	–	308
JAK Cochrane [2]	188	–	–	–	–	188
NJ Dlamini	385	–	–	–	–	385
R Havenstein	469	–	–	–	–	469
ET Kgosi	436	–	–	–	–	436
AR Martin	361	–	–	–	–	361
MS Xayiya	174	–	–	–	–	174
PL Zim	258	–	–	–	–	258
	2 981	6 793	8 501	688	–	18 963

Notes:

[1] *Mr BR van Rooyen retired as an executive director on 12 March 2012.*

[2] *Mr JAK Cochrane was appointed a non-executive director with effect from 10 November 2011.*

SERVICE CONTRACTS

Mr AZ Khumalo, the financial director, has a service contract with the company which is subject to a notice period of three months, whilst Mr GT Lewis, the chief executive officer, has a service contract that expires on 31 December 2013 which is intended to be extended. None of the non-executive directors have a service contract with the company.

DIRECTORS' FEES

In terms of Northam's MOI the fees for services as directors are determined by the company in general meeting. The current level of fees paid to non-executive directors for their services is as follows:

BOARD FEES

- Board chairman – R110 400 per annum.
- Lead independent director – R82 200 per annum.
- Board members – R52 500 per annum.
- Board meeting attendance fees – R34 000 per meeting.

AUDIT AND RISK COMMITTEE FEES

- Committee chairmen – R49 500 per annum.
- Committee members – R25 200 per annum.
- Committee meeting attendance fees – R16 500 per meeting.

SOCIAL, ETHICS AND HUMAN RESOURCES COMMITTEE FEES

- Committee chairmen – R42 300 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 200 per meeting.

OTHER BOARD APPOINTED COMMITTEE FEES

- Committee chairmen – R39 600 per annum.
- Committee members – R19 800 per annum.
- Committee meeting attendance fees – R13 200 per meeting.
- Ad hoc fees – R2 640 per hour.

The above fees were set in 2012, and in order to recognise the ever increasing regulatory environment as well as the effects of inflation, it is proposed that they be increased by an average of 5.0% to bring them into line with market norms. The proposed fee for ad hoc work is calculated on the basis of 1/5 (one fifth) of the board appointed committee meeting attendance fee, on the basis that the average meeting preparation and attendance time is five hours.

Subject to approval by members, the revised level of fees will be as follows:

BOARD FEES

- Board chairman – R116 100 per annum.
- Lead independent director – R86 100 per annum.
- Board members – R55 200 per annum.
- Board meeting attendance fees – R35 700 per meeting.

AUDIT AND RISK COMMITTEE FEES

- Committee chairman – R51 900 per annum.
- Committee members – R26 400 per annum.
- Committee meeting attendance fees – R17 300 per meeting.

SOCIAL, ETHICS AND HUMAN RESOURCES COMMITTEE FEES

- Committee chairman – R44 400 per annum.
- Committee members – R21 900 per annum.
- Committee meeting attendance fees – R13 800 per meeting.

OTHER BOARD APPOINTED COMMITTEE FEES

- Committee chairmen – R41 400 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 800 per meeting.
- Ad hoc fees – R2 760 per hour.

At the forthcoming AGM members will accordingly be requested to consider a special resolution providing for the increase in the fees for the year ending 30 June 2014 as set out above.

ANNEXURE 6 –

SHARE OPTION SCHEME AND SHARE INCENTIVE PLAN

NORTHAM SHARE OPTION SCHEME (THE SCHEME)

The Scheme was established on 4 January 1995 with the objective of attracting and retaining employees with appropriate levels of ability and expertise who made a significant contribution to the operations of the company.

The Scheme was discontinued in 2011 owing to its dilutionary nature, although share options issued before its discontinuance will be allowed to run their course.

Options were offered at the volume weighted average price at which Northam shares traded on the JSE on the trading day immediately preceding the offer date. In terms of the rules of the Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within seven years of the offer date shall lapse.

In March 2013 the JSE approved a change to the rules of the Scheme in terms of which option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which Northam shares traded on the day preceding the exercise date and the exercise price. Options which are cash settled are regarded as having been exercised.

A summary of the options held at the year end is as follows:

Earliest and latest exercise date	Price per share R	Total number of options
24 October 2007 and 23 October 2012	17.00	56 700
23 October 2008 and 21 October 2013	38.45	1 071 000
22 October 2009 and 21 October 2014	48.00	1 467 500
27 November 2010 and 26 November 2015	32.38	1 955 500
5 November 2011 and 4 November 2016	36.95	2 752 500
1 July 2012 and 30 June 2017	45.59	125 000
12 October 2012 and 11 October 2017	46.57	3 242 500
Number of options held at 30 June 2012		10 670 700
Number of options forfeited during the year		556 000
Number of options exercised during the year		
– refer Annexure 5 of the 2013 annual integrated report		
Equity settled options		56 700
Cash settled options		1 283 000
Number of options held at 30 June 2013		**8 775 000**

At 30 June 2013 the outstanding options were exercisable as follows:

Earliest and latest exercise date	Price per share R	Total number of options	Options vested at 30 June 2013	Options exercisable in F2014
23 October 2008 and 22 October 2013	38.45	1 058 000	1 058 000	–
22 October 2009 and 21 October 2014	48.00	1 397 500	1 397 500	–
27 November 2010 and 26 November 2015	32.38	1 237 000	1 237 000	–
5 November 2011 and 4 November 2016	36.95	2 050 000	2 050 000	–
1 July 2012 and 30 June 2017	45.59	125 000	62 500	62 500
12 October 2012 and 11 October 2017	46.57	2 907 500	1 453 750	1 453 750
Number of options held at 30 June 2013		**8 775 000**	**7 258 750**	**1 516 250**

Full details of the options exercised during the year are set out in Annexure 5 of the 2013 annual integrated report, and are summarised as follows:

	Equity settled options			Cash settled options		
Grant date	Number of options exercised	Exercise price R	Consideration received R000	Number of options exercised	Exercise price R	Total gain paid to participants R000
24 October 2005	56 700	17.00	964	Nil	–	–
27 November 2008	Nil	–	–	680 500	32.38	4 561
5 November 2009	Nil	–	–	602 500	36.95	1 373
Total	**56 700**		**964**	**1 283 000**		**5 934**

NORTHAM SHARE INCENTIVE PLAN (THE PLAN)

The Plan was approved in 2011 when shareholders approved a proposal that the Scheme be discontinued and replaced by the Plan, as the Scheme no longer served the primary purpose of attracting and retaining employees.

The Plan is a full share-type plan which incorporates a combination of a conditional share plan (CSP) and a forfeitable share plan (FSP). The key features that are common to both the CSP and the FSP are as follows:

- All senior officials and executives, including executive directors, in job grade D1 and above are eligible.
- Non-executive directors are not eligible to participate.
- Employees will not be required to pay for shares granted to them.
- In the event of a change of control of the company, all awards will vest.

- In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares, liquidation etc., employees will continue to participate in the Plan. The committee may make such adjustment to awards or take such other action to place employees in no worse a position than they were prior to the happening of the relevant event, and to ensure that the fair value of awards immediately after the event is materially the same as the fair value thereof immediately before the event.
- The issue of shares as consideration for an acquisition or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.
- Where necessary, the auditors of the company will confirm to the company and JSE that the adjustments are calculated on a non-prejudicial basis.
- Any adjustments made will be reported in the company's annual financial statements in the year during which the adjustment is made.
- Subject to approval by the JSE, employees will also, for their own account, be entitled to participate in any rights issue in respect of their forfeitable shares held.
- To prevent the dilutionary effect of issuing new shares, whether in terms of the Scheme, the CSP or the FSP can be settled by the use of treasury shares purchased for this purpose on the market.

The key features of the CSP and FSP are as follows:

CSP

- Shares will be awarded on a regular basis.
- The number of conditional shares awarded, and the extent to which they will be subject to performance conditions, will primarily be based on the employee's annual salary, grade, performance, retention requirements and market benchmarks or a combination thereof.
- Vesting of a portion of the conditional shares will be made subject to company performance conditions, in addition to the particular employee remaining in the employ of a group company for a pre-determined vesting period.
- Conditional shares will only be registered in the name of the employees, free of any further restrictions or conditions, after vesting. Before such time, the employees will not enjoy any shareholder rights in relation to the conditional shares.
- Once vested and delivered, the employees will have all shareholder rights thereto.
- The employees will not be required to pay for the conditional shares.
- Performance conditions will be set by the Social, Ethics and Human Resources (SE&HR) committee before an award is made, and will be based on appropriate company performance measures at the time.

FSP

- Shares will only be allocated in exceptional circumstances.
- The number of forfeitable shares to be made to an employee will primarily be based on the employee's annual salary, grade, performance and retention or attraction requirements.
- The forfeitable shares will be delivered to the employees, free of charge, subsequent to the award date, with them enjoying all shareholder rights from inception.

- Awards will, however, be subject to restrictions that will prevent the forfeitable shares from being disposed of, ceded, transferred or otherwise encumbered before vesting.
- Vesting of the forfeitable shares will only be subject to the particular employee remaining in the employ of a group company for a pre-determined vesting period. No company performance conditions will apply.

In March 2013 the JSE approved a change to the rules of the Plan in terms of which, upon the vesting of any awards, participants may elect to receive either the shares that have vested or an amount equal to the volume weighted average price on the day preceding the settlement date.

The SE&HR committee, which is charged with overseeing the group's remuneration policy, reviews the performance criteria annually and revises them as economic and operational circumstances dictate.

No shares were allocated under the FSP during the year under review, whilst the details of the shares allocated under the CSP are set out below.

Grant date	Details	Total	Retention shares	Performance shares
Balance at 30 June 2012		1 941 000	684 000	1 257 000
6 November 2012	Shares awarded	2 549 000	930 000	1 619 000
	Shares forfeited	(140 000)	(48 000)	(92 000)
	Shares cash-settled	(152 000)	(54 000)	(98 000)
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

At 30 June 2013 the following awards were outstanding:

Grant date		Total number of shares	Shares to be allotted in F2014	Shares to be allotted thereafter
22 November 2011	Retention shares	608 000	608 000	–
22 November 2011	Performance shares	1 113 000	–	1 113 000
6 November 2012	Retention shares	904 000	904 000	–
6 November 2012	Performance shares	1 573 000	–	1 573 000
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

Full details of the shares granted during the year are set out in Annexure 5 of the 2013 annual integrated report.

A maximum of 38 000 000 unissued shares is reserved for the Plan and that the maximum number of shares which may be allocated to any single employee in any cycle is limited to 4 000 000.

Copies of the rules of the Scheme and the Plan are available for inspection at the company's registered office during normal business hours.

ANNEXURE 7 –

SHARE CAPITAL, SHAREHOLDING AND DIRECTORS' INTEREST

SHARE CAPITAL

The authorised share capital of the company remains R5 450 000 divided into 545 000 000 shares.

During the year 56 700 shares were allotted and issued to participants of the Northam Share Option Scheme whilst 32 400 shares were allotted and issued to participants of the Northam Share Incentive Plan, resulting in the issued share capital at 30 June 2013 increasing to 382 586 090 (2012: 382 496 990) shares.

At the forthcoming annual general meeting (AGM) shareholders will be asked to place the authorised but unissued ordinary shares in the capital of the company, other than the 8 775 000 shares that are reserved for purposes of the Northam Share Option Scheme and 38 000 000 shares that are reserved for the Northam Share Incentive Plan, under the control of the directors. Furthermore, subject to the passing of the above ordinary resolution, shareholders will be asked to grant approval for the directors to issue equity securities for cash, subject to the Companies Act and the JSE listings requirements. The text of the necessary resolutions is set out in the notice of AGM on pages 3 and 4, which forms part of this report.

REPURCHASE OF COMPANY'S OWN SHARES

At the AGM on 7 November 2012 shareholders approved a special resolution granting a general authority for the repurchase of ordinary shares by the company (or any one of its wholly-owned subsidiaries), subject to the JSE listings requirements and the provisions of the Companies Act. No shares were repurchased in the current or prior year in terms of this general authority. This general authority is valid until the company's next AGM or for 15 months from the date of the aforementioned resolution (being 7 November 2012) whichever period is the shorter. Approval to renew this general authority will be sought at the forthcoming AGM to be held on Wednesday, 6 November 2013. The text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of AGM on page 9, which forms part of this report.

DIRECTORS' INTERESTS

According to information available to the company after reasonable enquiry, the interests of the directors and their families in the shares of the company at 30 June 2013 were as follows:

	30 June 2013		
	Direct beneficial holding	Indirect beneficial holding	Total
ME Beckett	30 000	–	30 000
NJ Dlamini	–	326	326
	30 000	326	30 326

There have been no changes to the directors' shareholding outlined above since the end of the financial year and to the date of this report.

	30 June 2012			
	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
ME Beckett	30 000	–	–	30 000
NJ Dlamini	–	326	–	326
MJ Willcox	336 085	–	5 026 710	5 362 795
MSMM Xayiya	614 598	–	1 518 038	2 132 636
PL Zim	–	–	11 174 520	11 174 520
	980 683	326	17 719 268	18 700 277

ANALYSIS OF SHAREHOLDERS AT 30 JUNE 2013

Shareholding range	Number of holders	Total shareholding	Percentage holding
1 – 5 000	6 373	5 929 684	1.5
5 001 – 10 000	319	2 349 031	0.6
10 001 – 50 000	360	8 628 528	2.3
50 001 – 100 000	140	9 981 253	2.6
100 001 – 1 000 000	180	57 291 943	15.0
1 000 001 and over	52	298 405 651	78.0
Total	7 424	382 586 090	100.0

Category of shareholder	Number of holders	Total shareholding	Percentage holding
Individuals	6 892	15 326 062	4.0
Companies	2	59 552 951	15.6
Managed funds and other bodies	530	307 707 077	80.4
Total	**7 424**	**382 586 090**	**100.0**

Geographic analysis of shareholders	Total shareholding	Percentage holding
Australasia	1 387 152	0.4
Europe and United Kingdom	21 833 628	5.7
North America	69 548 018	18.2
Far East	7 162 794	1.9
Africa	670 246	0.2
South Africa	273 653 746	71.5
Other	8 330 506	2.1
Total	**382 586 090**	**100.0**

MAJOR SHAREHOLDERS AT 30 JUNE 2013

Owner	Number of shares	Percentage holding
ENRC NV	51 732 782	13.5

Fund manager		
Public Investment Commission	68 332 592	17.9
Coronation Asset Management	54 623 506	14.3
Sanlam Investment Managers	28 066 779	7.3
Capital Group Companies Inc.	21 949 794	5.7
Ameriprise Financial Inc.	16 699 952	4.4

SHAREHOLDER SPREAD AT 30 JUNE 2013

The company's shareholder spread is set out below.

	Number of shareholders	Percentage holding
Public	7 421	86.5
Non-public		
– Directors	2	***
– Other (any who fall outside the scope of the above)	1	13.5
Total	**7 424**	**100.0**

**** Shareholding below 0.1%.*

BEE STATUS

There have been no further developments with regard to the Northam Black Economic Empowerment (BEE) shareholding. Shareholders are referred to the announcement dated Friday, 3 August 2012 wherein they were advised of a restructure of the group's BEE shareholding. Since then, the group has proposed an 'A' class share scheme to be held by BEE trusts. The proposal is aimed at restoring the group's BEE shareholding to 26%. Shareholders will be informed of progress in due course.

ANNEXURE 8 –

FINANCIAL ASSISTANCE

At the forthcoming AGM shareholders will be asked to approve a special resolution to authorise the granting of the necessary financial assistance as set out below. The text of the special resolution is contained in the notice of AGM on page 8, which forms part of this report.

Section 45 of the Companies Act requires that shareholders approve the granting of financial assistance by a company to, inter alia, any of its subsidiaries. At the date of this report Northam had granted the following financial assistance to its subsidiaries in accordance with the Companies Act:

Name of subsidiary	Approved loan facility at 30 June 2013	Balance at 30 June 2013	Additional amount to be advanced in coming year	New loan facility	Other facilities	Total financial assistance to be granted
	R000	R000	R000	R000	R000	R000
Broad Brush Investments 2 Proprietary Limited	19 500	nil	nil	19 500	nil	19 500
Dialstat Trading 133 Proprietary Limited (1)	260 000	1	nil	260 000	nil	260 000
Micawber 278 Proprietary Limited (2)	3 775 000	4 019 830	878 170	4 970 000	22 815	4 992 815
Mvelaphanda Resources Proprietary Limited (3)	nil	nil	60 000	60 000	nil	60 000
Norplats Properties Proprietary Limited (4)	79 000	36 840	nil	73 000	nil	73 000
Windfall 38 Properties Proprietary Limited (2)	15 800	15 424	384	15 800	nil	15 800

NOTES

1) The funds to be advanced to Dialstat will be used for any share repurchase programme. Such shares will be used exclusively for the settlement of shares to be transferred to employees who exercise options in terms of the rules of the Northam Share Option Scheme, or for the settlement of shares to be transferred to employees in terms of the rules of the Northam Share Incentive Plan.
2) The loans to Micawber and Windfall bear interest at 2% below the South African prime interest rate.
3) The loan to Mvela Resources will be used to fund working capital.
4) The loan facility granted to Norplats comprises an interest bearing portion of R24.4 million which is repayable in 2026 and an interest free portion of R12.4 million which has no fixed repayment date. The interest bearing portion carries interest at prime less 2.0%.

ANNEXURE 9 –

EVENTS AFTER THE REPORTING DATE

POST BALANCE SHEET FINANCING ACTIVITY

Shareholders are referred to the announcement dated 20 September 2013, wherein the company announced a new R1.0 billion funding programme, comprising a R600.0 million fully subscribed renounceable claw-back rights offer, a R400.0 million additional revolving credit facility and amendments to certain key terms of Northam's current revolving credit facility.

In terms of the claw back offer, 15 000 000 new Northam ordinary shares of no par value will be offered to shareholders at a price of R40 per share, representing a total claw back offer subscription consideration of R600 million. The subscription price represents a 2% discount to the 30 day volume weighted average price (VWAP) and a 5% premium to the 60 day VWAP of Northam ordinary shares, calculated at 18 September 2013. The claw back shares will be offered to shareholders in the ratio of 3.92068 claw back shares for every 100 Northam ordinary shares held on 15 November 2013. The circular containing details of the claw back offer will be posted to shareholders on or about Monday, 18 November 2013.

As advised in the above announcement, Northam has secured an additional revolving credit facility of R400.0 million (new RCF), on terms that are customary for a credit facility of this nature. The new RCF has an automatic termination date of 31 March 2015, whereupon any drawn down and unpaid balance must be repaid in full and the facility will expire. The new RCF is unsecured and does not introduce any material new or otherwise onerous lending conditions relative to those governing the existing revolving credit facility. Northam has retained full flexibility to draw down funds, to repay funds drawn under the new facility and/or to cancel the facility, entirely or partially, prior to its expiry date.

In addition to the new RCF referred to above, Northam secured a complete special covenant holiday in respect of all debt covenants applicable to the existing revolving credit facility that pertain to, or are calculated with reference to Northam's earnings before interest, tax, depreciation and amortisation over the next three measuring periods. The covenant holiday will also apply to the new RCF.

ANNEXURE 10 –

DIRECTORS' RESPONSIBILITY AND LITIGATION STATEMENT

Litigation – The company confirms that is not aware of any legal or arbitration proceedings, either pending or threatened, which may have or have had a material effect on the financial position of the company and its subsidiaries.

NOTES

ADMINISTRATION AND CONTACT INFORMATION

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Share code: NHM
ISIN: ZAE000030912
Debt issuer code: NHMI

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