NORTHAM

PLATINUM LIMITED

NOTICE OF ANNUAL GENERAL MEETING AND ABRIDGED ANNUAL REPORT 2011

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

Northam Platinum Limited

(Registration number 1977/003282/06)
Share code: NHM
ISIN: ZAE000030912

("Northam Platinum" or "the company" or "the group")

Notice is hereby given in terms of section 62(1) of the new Companies Act, No. 71 of 2008 (as amended), (the Companies Act) that the annual general meeting of shareholders of Northam Platinum (shareholders) will be held in Room HB1, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall, Johannesburg on Thursday, 10 November 2011 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 Platinum for the year ended 30 June 2011.
- Re-electing and electing directors.
- Re-appointing the auditors.
- Appointing the audit and risk committee.
- Approving the group remuneration policy.
- Placement of authorised but unissued shares under the control of the directors.
- Approving the director's remuneration paid for the year ended 30 June 2011.
- Approval of the rules of the proposed Northam Share Incentive Plan.
- Approval of the changes to the rules of the Northam Share Option Scheme.

Special resolutions

- Approval of directors' remuneration for the year ending 30 June 2012.
- General authority to re-purchase issued shares.

Transacting any other business as may be conducted at an annual general meeting

This notice has been sent to shareholders of the company recorded in the securities register on 5 October 2011, being the record date set by the board of directors of the company in terms of the Companies Act determining which shareholders are entitled to receive the notice of the annual general meeting.

For the avoidance of doubt, in this notice of the annual general meeting the memorandum of association and articles of association are referred to as the memorandum of incorporation (MOI), in accordance with the Companies Act which came into effect on 1 May 2011.

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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 2011, including the reports of the directors, auditors and the audit and risk committee, be and are hereby adopted."

The abridged audited annual financial statements for 2011 as per Annexure 1 are contained in this document, of which this notice forms part. The complete 2011 Annual Integrated Report, containing the audited annual financial statements and the relevant reports for the preceding year, is available at www.northam.co.za or can be obtained from the company's registered office on request.

Ordinary resolution numbers 2.1 to 2.5: election and re-election of directors

"Resolved that Mr C K Chabedi, who retires by rotation in terms of article 57 of the memorandum of incorporation and being eligible and offering himself for re-election, be and is hereby re-elected as director."

"Resolved that Mr A R Martin, who retires by rotation in terms of article 57 of the memorandum of incorporation and being eligible and offering himself for re-election, be and is hereby re-elected as director."

"Resolved that Mr M S M M Xayiya, who retires by rotation in terms of article 57 of the memorandum of incorporation and being eligible and offering himself for re-election, be and is hereby re-elected as director."

"Resolved that Mr B R van Rooyen, who retires from office in terms of article 50 of the memorandum of incorporation and being eligible and offering himself for re-election, be and is hereby re-elected as director."

"Resolved that Mr J Cochrane, be and is hereby appointed as director."

Brief biographies of the current and proposed 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 Crispen Maongera) be and is hereby reappointed 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 auditors of the company.

Ordinary resolution numbers 4.1, 4.2, 4.3 and 4.4: re-appointment of audit and risk committee

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

"Resolved that Ms E T Kgosi, being eligible and offering herself for re-election, be and is hereby re-appointed as a member of the audit and risk committee".

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

Brief biographies of the audit and risk committee members are set 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 remuneration, nomination and employment equity committee is set out in Annexure 4 of this document, of which this notice forms part.

Ordinary resolution number 6: placement of authorised but unissued shares under the control of the directors

"Resolved, as an ordinary resolution, that the authorised but unissued shares of R0.01 each in the capital of the company, other than the 12 000 000 shares reserved for the purposes of the current Northam Share Option Scheme and 38 000 000 shares reserved for the purposes of the new proposed Northam Share Incentive Plan, be and hereby placed under the control of the directors of the company and, further, that the directors be and are hereby authorised and empowered to allot and issue all or any of these shares upon such terms and conditions as they may determine and deem fit, subject to the provisions of the Companies Act, No. 71 of 2008 (as amended) and the Listing requirements of the JSE Limited which currently limit the power of directors to allot and issue share in terms of this resolution to not more than 10% (ten percent) of the authorised but unissued shares in the share capital of the company and provided that this authority shall not extend beyond the next annual general meeting or 15 (fifteen) months from the date of this annual general meeting, whichever date is earlier."

Ordinary resolution number 7: approval of directors' remuneration paid for the year ended 30 June 2011

"Resolved that the directors' remuneration for the year ended 30 June 2011, as set out in Annexure 5 of this document, be and is hereby approved."

Ordinary resolution number 8: approval of the rules of the Northam Share Incentive Plan

"Resolved, as an ordinary resolution, that general approval is hereby given for the rules and regulations of the new share incentive plan, as detailed per Annexure 6, upon such terms and conditions, but subject to the memorandum of incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE."

Reason and effect

The reason for the ordinary resolution is, and the effect thereof will be to grant, in terms of the memorandum of incorporation of the company, provisions of the Companies Act, and the Listings Requirements of the JSE, and subject to the terms and conditions embodied in the said ordinary resolution, approval for the rules and regulations of the new Northam Share Incentive Plan which is being presented.

Ordinary resolution number 9: approval of a change to the rules of the Northam Share Option Scheme

"Resolved, as an ordinary resolution, that general approval is hereby given for the change to the rules and regulations of the Northam Share Option Scheme, as detailed per Annexure 6, upon such terms and conditions, but subject to the memorandum of incorporation of the company, the provisions of the Companies Act and the Listings Requirements of the JSE."

Reason and effect

The reason for the ordinary resolution is, and the effect thereof will be to grant, in terms of the memorandum of incorporation of the company, provisions of the Companies Act, and the Listings Requirements of the JSE, and subject to the terms and conditions embodied in the said ordinary resolution, approval for the change to the rules of the Northam Share Option Scheme which is being presented.

Special resolutions

Special resolution number 1: approval of directors' remuneration for the year ending 30 June 2012

"Resolved that the following remuneration for directors be and is hereby approved:

Designation	Fees for the year ended 30 June 2011	Proposed fees for the year ending 30 June 2012 "
Annual retainer:		
Board members	R46 500	R49 200
Chairman of the board	R93 000	R99 000
Committee members excluding the audit and risk committee	R17 500	R18 600
Committee members of audit and risk committee	R17 500	R23 400
Chairman of committee excluding the audit and risk committee	R34 800	R36 900
Chairman of the audit and risk committee	R34 800	R46 200
Attendance fees:		
Fee per board meeting	R30 000	R31 800
Fee per committee meeting excluding audit and risk committee	R11 600	R12 300
Fee per committee meeting of audit and risk committee	R11 600	R15 400

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Reason and effect

The reason for and the effect of the 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 2012. Further details are included in Annexure 5 which forms part of this document.

Special resolution number 2: general authority to re-purchase issued shares

"Resolved, as a special resolution, that a mandate be and is hereby given to the company (or 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 memorandum of incorporation of the company, the provisions of the Companies Act, No. 71 of 2008 (as amended) and the Listings Requirements of the JSE, and subject further to the following terms and conditions:

a. Any acquisition 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 acquisition.

c. This general authority shall be valid until the company's next annual general meeting, 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 acquired 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. Acquisitions of shares by the company 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. Acquisitions 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 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."

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 the special resolution is, and the effect thereof will be to grant, in terms of the provisions of the Companies Act, and the Listings Requirements of the JSE, 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.

To transact any other business as may be conducted at an annual general meeting

Other listings requirements:

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

Directors and senior management – 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

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 annual general meeting 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 9.

Material change – Other than the facts and developments reported on in this abridged annual report, there have been no material changes in the affairs, financial or trading position of the company since the balance sheet date and the date of the notice. 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.

Approvals required for resolutions

Ordinary resolutions 1 to 5 and 7 contained in this notice of annual general meeting require the approval by more than fifty percent (50%) of the total votes cast on the resolutions by shareholders present or represented by proxy at the annual general meeting.

Ordinary resolutions 6, 8 and 9 and special resolutions 1 and 2 contained in this notice of annual general meeting require the approval of more than 75% (seventy-five percent) of the total votes cast on the resolutions by shareholders present or represented by proxy at the annual general meeting.

Important notice regarding attendance at annual general meeting

A person attending the general meeting must present reasonably satisfactory identification. The chairman of the general meeting must be reasonably satisfied that the right of a person to participate and vote at the general meeting 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 meeting 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

Proxy

All shareholders who are entitled to attend, speak and vote at the meeting 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 meeting 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 meeting, should timeously arrange with their nominee or

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their Central Securities Depository Participant (CSDP) or their broker to furnish them with the necessary authorisation to attend and vote at the meeting. 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 meeting. 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 memorandum of incorporation 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 meeting. 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 annual general meeting 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 annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate in the meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted as sufficient identification.

By order of the board.

D L Swanepoel
Company secretary

Johannesburg
30 September 2011

ANNEXURE 1 – ABRIDGED 2011 AUDITED FINANCIAL STATEMENTS

Statements of financial position as at 30 June 2011

	30 June 2011 R000 Group	30 June 2010 R000 Group	30 June 2011 R000 Company	30 June 2010 R000 Company
Assets				
Non-current assets	9 203 655	7 971 624	8 626 825	7 579 794
Property, plant and equipment	2 779 519	1 938 061	1 890 355	1 769 501
Mining properties and mineral resources	5 719 416	5 722 659	135 110	143 532
Interest in associate, joint ventures and other	505 327	129 741	50 133	52 733
Investments in subsidiaries			6 494 501	5 566 000
Unlisted investment	6	6	6	6
Township land and development	55 918	63 805	–	–
Long-term receivables	27 292	–	–	–
Investments held by Northam Platinum Restoration Trust Fund	31 591	27 259	29 299	27 259
Environmental Guarantee Investment	29 471	20 763	27 421	20 763
Toro Employee Empowerment Trust	55 115	69 330	–	–
Current assets	2 725 916	2 117 683	2 854 800	2 275 741
Subsidiary loans			942 163	298 793
Inventories	604 647	521 462	604 647	521 462
Trade and other receivables	410 621	318 054	321 556	280 861
Investments in escrow	–	91 458	–	–
Cash and cash equivalents	1 697 853	1 186 709	986 434	1 174 625
Receiver of revenue	12 795	–	–	–
Total assets	11 929 571	10 089 307	11 481 625	9 855 535
Equity and liabilities				
Share capital and share premium	8 596 082	7 638 486	8 596 082	7 638 486
Retained earnings	1 363 194	1 081 862	1 185 911	927 919
Equity compensation reserve	156 076	112 806	156 076	112 806
Shareholders' equity	10 115 352	8 833 154	9 938 069	8 679 211
Non-current liabilities	639 595	581 490	547 159	512 160
Deferred tax liability	477 145	447 212	477 145	447 212
Long-term provisions	162 450	134 278	70 014	64 948
Current liabilities	1 174 624	674 663	996 397	664 164
Receiver of revenue	118 268	33 886	16 350	33 091
Trade and other payables	972 350	562 844	896 041	553 140
Short-term provisions	84 006	77 933	84 006	77 933
Total equity and liabilities	11 929 571	10 089 307	11 481 625	9 855 535

ANNEXURE 1 – ABRIDGED 2011 AUDITED FINANCIAL STATEMENTS cont.

Statements of comprehensive income for the year ended 30 June 2011

	30 June 2011 R000 Group	30 June 2010 R000 Group	30 June 2011 R000 Company	30 June 2010 R000 Company
Total revenue	3 759 459	4 133 998	3 719 176	4 041 877
Sales revenue	3 571 048	3 945 083	3 546 895	3 945 083
Cost of sales	3 185 754	3 160 108	3 169 199	3 160 108
– operating costs	2 242 006	2 230 369	2 242 006	2 230 369
– concentrates purchased	787 316	735 090	787 316	735 090
– refining and other costs	68 804	92 972	68 804	92 972
– depreciation and impairments	147 838	167 346	147 825	167 346
– employee housing scheme costs	16 542	–	–	–
– change in metal inventories	(76 752)	(65 669)	(76 752)	(65 669)
Operating profit	385 294	784 975	377 696	784 975
Share of earnings and distributions from associate	7 248	12 440	792	10 205
Investment revenue	85 520	167 655	70 128	75 534
Sundry income/(expenditure)	53 148	9 557	53 737	9 782
Profit before tax	531 210	974 627	502 353	880 496
Taxation	(182 001)	(333 601)	(176 484)	(307 853)
Profit and total comprehensive income for the year attributable to shareholders	349 209	641 026	325 869	572 643

	Cents	Cents		
Earnings per share	96.2	177.9		
Fully diluted earnings per share	96.2	177.8		
Headlines earnings per share	89.5	177.8		
Fully diluted headline earnings per share	89.5	177.7		

Statements of changes in equity for the year ended 30 June 2011

	Share capital R000	Share premium R000	Equity compensation reserve R000	Retained earnings R000	Total R000
Group					
Balance at 1 July 2009	3 599	7 619 369	55 177	654 041	8 332 186
Share based payments expense	–	–	60 582	–	60 582
Profit and comprehensive income for the year attributable to shareholders	–	–	–	641 026	641 026
Dividends distributed	–	–	–	(216 158)	(216 158)
Transfer of equity compensation reserve to retained earnings	–	–	(2 953)	2 953	–
Issue of new shares	7	15 511	–	–	15 518
Balance at 30 June 2010	3 606	7 634 880	112 806	1 081 862	8 833 154
Share based payments expense	–	–	65 595	–	65 595
Profit and comprehensive income for the year attributable to shareholders	–	–	–	349 209	349 209
Dividends distributed	–	–	–	(90 202)	(90 202)
Transfer of equity compensation reserve to retained earnings	–	–	(22 325)	22 325	–
Issue of new shares	218	957 378	–	–	957 596
Balance at 30 June 2011	3 824	8 592 258	156 076	1 363 194	10 115 352

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

	Share capital R000	Share premium R000	Equity compensation reserve R000	Retained earnings R000	Total R000
Company					
Balance at 1 July 2009	3 599	7 619 369	55 177	568 481	8 246 626
Share based payments expense	–	–	60 582	–	60 582
Profit and comprehensive income for the year attributable to shareholders	–	–	–	572 643	572 643
Transfer of equity compensation reserve to retained earnings	–	–	(2 953)	2 953	–
Dividends distributed	–	–	–	(216 158)	(216 158)
Issue of new shares	7	15 511	–	–	15 518
Balance at 30 June 2010	3 606	7 634 880	112 806	927 919	8 679 211
Share based payments expense	–	–	65 595	–	65 595
Profit and comprehensive income for the year attributable to shareholders	–	–	–	325 869	325 869
Transfer of equity compensation reserve to retained earnings	–	–	(22 325)	22 325	–
Dividends distributed	–	–	–	(90 202)	(90 202)
Issue of new shares	218	957 378	–	–	957 596
Balance at 30 June 2011	3 824	8 592 258	156 076	1 185 911	9 938 069

Equity compensation reserve

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

ANNEXURE 1 – ABRIDGED 2011 AUDITED FINANCIAL STATEMENTS cont.

Statements of cash flows for the year ended 30 June 2011

	2011 R000 Group	2010 R000 Group	2011 R000 Company	2010 R000 Company
Cash flows from operating activities	785 558	862 411	786 365	891 112
Cash generated from operations	742 943	970 648	657 772	1 039 603
Interest received	82 183	163 625	66 791	71 504
Change in working capital	182 380	783	219 021	27 725
Change in short-term provisions	6 073	9 111	6 073	9 111
Taxation paid	(228 021)	(281 756)	(163 292)	(256 831)
Cash flows utilised in investing activities	(213 307)	(395 965)	(913 449)	(257 906)
Property, plant, equipment and mining properties and mineral reserves				
– additions to maintain operations	(268 932)	(231 481)	(268 851)	(231 481)
– additions to expand operations	(688 394)	(145 510)	–	–
– disposals proceeds	6 678	5 243	6 678	5 243
Township land and development				
– additions	(234)	(4 460)	–	–
– disposals proceeds	8 121	-	–	–
Investment in associate				
– cash distributed	792	10 205	792	10 205
Increase in subsidiary loans			(643 370)	(34 639)
Increase in investments held by Northam Platinum Restoration Trust Fund	(4 332)	(2 366)	(2 040)	(2 366)
Increase in investments held by Environmental Contingency Fund	(8 708)	(4 868)	(6 658)	(4 868)
Increase in investments held by Toro Employee Empowerment Trust	(16 136)	(22 728)	–	–
Cash and cash equivalent acquired at date of acquisition of Mvelaphanda Resources Limited`	757 838	–	–	–
Cash flows utilised in financing activities	(61 107)	(200 640)	(61 107)	(200 640)
Proceeds from issue of shares	29 095	15 518	29 095	15 518
Dividends paid	(90 202)	(216 158)	(90 202)	(216 158)
Increase/(decrease) in cash and cash equivalents	511 144	265 806	(188 191)	432 566
Cash and cash equivalents at beginning of year	1 186 709	920 903	1 174 625	742 059
Cash and cash equivalents at end of year	1 697 853	1 186 709	986 434	1 174 625

Extracts from the chief executive's review

The loss of 65 production days at the company's only revenue-generating asset, the Zondereinde mine, and the effect these losses have had on production and in turn on earnings has clouded the overall performance of the company in 2011.

The Zondereinde mine's performance has been of concern and it has overshadowed some of the more positive developments in the group, which have been critical steps in realising our longer term strategy of geographic diversification, and adding shallower ounces to our production profile:

- The group's acquisition of the entire issued share capital of former major shareholder Mvelaphanda Resources Limited (Mvela Resources) through a scheme of arrangement. This follows the protracted unbundling process of Mvela Resources, and gives us access to a cash injection of R650 million, a critical development for the financing of the development of Booysendal.
- The proposed sale of 31.3 million ounces of the mineral rights pertaining to southern Booysendal to Aquarius Platinum South Africa (Proprietary) Limited (AQPSA) for R1.2 billion, thereby enabling us to secure additional funding for Booysendal.
- Progress at Booysendal has been satisfactory, and follows on from the approval of the new order mining licence for the Booysendal extension granted in October 2010 in terms of the section 102 amendment; and the issue of the water use licence in May 2011. Construction and development is now a priority, and Booysendal remains on track for first production in early 2013.

Outlook for 2012

Looking ahead then to the 2012 financial year, we will be watching the market cautiously; despite our view that our basket of metals will remain well supported in the key sectors of offtake, the likelihood of slowing rates of global growth and even the possibility of a return to a recessionary environment cannot be discounted.

In the autocatalyst sector the outlook for further gains in vehicle production and sales remains positive especially so in China, where despite the risk of some economic slowdown car ownership has become clearly entrenched as a key aspiration among large sectors of the Chinese population.

In projecting our future prospects, the performance of the South African currency against the US dollar is obviously a critical area, which we keep a close watch on. We remain conscious of projections that the rand will weaken in the longer term; the rand's protracted strength over five years now, however, has been confounding. Given the state of the global markets, the debt situation in Europe and the United States, we would expect more volatility going forward and we will need to keep a tight rein on costs, our production profile and those aspects of the business which we have some control over.

Glyn Lewis
Chief executive

30 September 2011

ANNEXURE 2 – DIRECTORS

Details of the current and proposed directors of the company

M E Beckett (75) (British)
BSc, FIMM
Independent non-executive director

Joined the board in 1999.

Mr Beckett is chairman of Thomas Cook Group plc, and Chairman of Endeavour Mining Corporation, and a director of International Hotels Investments Limited, Orica Limited and Petroamerica Oil Corporation. A geologist by training, Mr Beckett was formerly managing director of Consolidated Gold Fields plc.

C K Chabedi (43)
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.

N J Dlamini (Dr) (52)
MBChB, DOH, MBA
Independent non-executive director

Joined the board in 2004.

Dr Dlamini is the chairperson of Mbekani Group. She started as a medical practitioner before moving to business. Until 2003 she was a senior manager at HSBC, in the transport and energy corporate finance team. She was closely involved in advising and structuring BEE transactions. She is a trustee of Mkhiwa Trust and chairs the board of Aspen Pharmacare Holdings Limited. Her other directorships include Eyomhlaba Holdings Limited and Imithi Investments (Pty) Ltd.

A K Gupta (43)
Alternate director

Appointed an alternative director to P L Zim in 2009.

Mr Gupta serves on the boards of several companies. He is chairman and managing director of Sahara Holdings (Proprietary) Limited and Sahara Media Holdings (Proprietary) Limited and is a member of the Afripalm Resources (Proprietary) Limited board of directors.

R Havenstein (55)
MSc (Chemical Engineering), B Comm
Independent non-executive director

Joined the board in 2003.

Mr Havenstein was formerly an executive director of Sasol Limited responsible for Sasol Chemical Industries. In June 2003 he was appointed chief executive officer of Anglo Platinum Limited, a position he held until August 2007.

E T Kgosi (Ms) (57)
B Comm Hons
Independent non-executive director

Joined the board in 2004.

Ms Kgosi is the Regional Commercial Manager at Eskom Central Region. 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).

A Z Khumalo (46)
CA (SA)
Financial director

Joined the board in 2010.

Mr Khumalo, a chartered accountant by profession, holds a B Compt (Honours) and B Comm 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 (Pty) Limited.

G T Lewis (54) (British)
B Sc (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.

A R Martin (73)
CA (SA)
Independent non-executive director

Joined the board in 2009.

Mr Martin is a chartered accountant, and a founding partner of the country's first black-owned accounting firm Christian, Martin and Abrahamse. Over a period of time he has served as a partner at Ernst and Young, chairman of Vodacom Group and chief executive officer of Siemens Telecommunications (Pty) Ltd. His board positions currently include Datacentrix Holdings Limited, Petmin Limited and Trans Hex Group Limited.

B R van Rooyen (78)
(BA LLB)
Executive director – business development

Joined the board in 1999.

Mr van Rooyen is the executive director responsible for business development at Northam. He is also chairman of Trans Hex Group Limited and a director of Banro Corporation and Ndowana Exploration (Proprietary) Limited. Previously, he was an executive director at Gold Fields of South Africa Limited with responsibilities at various times for corporate finance, new business and technical services.

M Willcox (41)
(BA LLB, PGrad Dip Tax)
Alternate director

Appointed an alternate director to M S M Xayiya in 2009.

Mr Willcox is a founding member of Mvela Holdings. He currently sits on the boards of Avusa Limited. Mr Willcox is the current chief executive officer of African Management Limited/African Global Capital UK.

M S M M Xayiya (50)
(BA)
Non-executive director

Joined the board in 2009.

Mr Xayiya is the executive chairman of Mvelaphanda Holdings (Proprietary) Limited, Mvelaphanda Group Limited and Mvelaserve Limited. He has served as managing director of Mawenzi Asset Managers (Pty) Ltd and as a policy advisor at the Office of the Premier in the Gauteng Province.

P L Zim (51)
B Comm (Hons) M Comm D Comm
Non-executive chairman

Joined the board in 2007.

Mr Zim is the chairman of Afripalm Holdings (Proprietary) Limited and Telkom Limited, and a director of Sanlam Limited and Sanlam Life Insurance Limited. He is also a previous past president of the Chamber of Mines of South Africa. Prior to establishing Afripalm, he held senior executive positions at Anglo American South Africa Limited and MTN Group Limited.

J Cochrane (47)
B Eng (Hons) MBA

Mr Cochrane holds an MBA and a B Eng (honours) degree in mining and petrochemical engineering, is an executive director and chief commercial officer of Eurasian Natural Resources Corporation plc (ENRC) responsible for marketing and logistical operations. Mr Cochrane is the current president of the International Chrome Development Association and is an independent director of JLS Stainless, 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.

ENRC, which is listed on the London Stock Exchange, holds a 13.5% interest in Northam.

ANNEXURE 3 – DETAILS OF THE AUDIT AND RISK COMMITTEE MEMBERS

Members of the audit and risk committee:

A R Martin (Chairman)
M E Beckett
R Havenstein
E T Kgosi

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

ANNEXURE 4 – REMUNERATION POLICY

The board appointed remuneration, nomination and employment equity committee is charged with the oversight of the group's various forms of remuneration.

The members of the committee are E T Kgosi (chairperson), R Havenstein and N J Dlamini, all of whom are independent non-executive directors.

The aims and objectives of the committee are:
- to enable the board to establish and implement a remuneration policy which empowers the company to source, reward and retain appropriately skilled personnel;
- to ensure that the company transforms adequately in order to comply with the MPRDA and Mining Charter in a manner that will enhance the group's performance; and
- to ensure competent individuals are nominated and appointed as directors and senior managers of the group.

In order to do this, the committee has set and continuously reviews three forms of remuneration:
1. salaries, including those of the executive directors;
2. various bonus schemes; and
3. a share option scheme.

The committee further mandates management on the wage negotiating percentages.

The committee also advises on the following matters:
- the appropriate composition and size of the board; and
- the scale of fees to be paid to non-executives, which are submitted to the shareholders for approval.

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

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 that tailors itself to the variable and changing needs of a dynamic organisation over time.

There are, however, a number of key principles that form the foundations of the remuneration policy:
- Whilst the company now has two mining operations, namely Booysendal and Zondereinde, it had single mine status until recently.
- The company must compete in the broader mining industry for the attraction and retention of core skills, such as artisans, engineers and management.
- The company strives to comply with all statutory and regulatory requirements and is committed to applying best practice guidelines in all aspects of remuneration and benefits.
- The company aims to offer remuneration packages that, at all employment levels, are market competitive, fair, reasonable and defensible in all respects.

Key features of the remuneration system

The company is a contributor to a number of remuneration survey services, and uses the Paterson grading system of job evaluation.

Contracts of employment are prepared in compliance with employment legislation. 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.

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

The company's salary scales have a range of approximately 40% (forty percent) 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.

The remuneration committee approves all 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 company 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, by union agreement, individual contract and company policy and practice. In the case of retrenchment, the company's standard policy at all job levels is to pay the contractual notice period (if not worked) and severance pay equal to one week's remuneration per year of service with the company.

The company 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 company 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 company for any reason.

All components of the company's remuneration system are subject to regular internal and external audits.

Employees covered by collective bargaining

The majority of the company's employees are contributing members of either of the two unions with which the company has a recognition agreement, namely Solidarity or the National Union of Mineworkers bargaining unit. As such, their salary levels, annual increases, allowances and benefit packages are negotiated annually, on a collective basis, between the company and the trade union.

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 on 1 July. Salary increases are determined individually according to 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 management and the determination of performance-linked salary increases and bonuses.

Details of the remuneration paid to the directors are disclosed in Annexure 5 on page 16 of this notice of meeting.

Employee bonuses

The group has a variety of bonus schemes for employees graded in the C band and below, 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 and production targets as well as individual performance.

In terms of the rules of this 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. The maximum bonus amounts payable amount to 40% of the remuneration package.

The board of directors determines the performance targets and objectives of the chief executive officer, conducts his performance assessment and decides the quantum of his performance bonus.

The chief executive officer determines the performance targets and objectives of the executive directors and managers, conducts their performance assessments and proposes the quantum of their performance bonuses for approval by the board of directors.

Long-term executive retention scheme

The group operates the Northam Share Option Scheme (the Scheme) details of which are more fully disclosed in Annexure 6. The target group for the Scheme is defined as all senior officials and executives in job grade D1 and above. The remuneration committee approves the annual allocation of share options as well as any changes to the rules of the Scheme.

Options are 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.

Following a review of the group's remuneration policy, and taking cognisance of current market trends, the board has determined that the current share option scheme, which has a dilutionary effect on shareholders and on the BEE status of the group, no longer serves its primary purpose of attracting and retaining employees, and have proposed that the Scheme be discontinued and replaced by a new Share Incentive Plan (the New Plan) as more fully described in Annexure 6.

Employee participation scheme

The company has entered into an agreement with the representative unions at the Northam mine in terms of which the company contributes 4% of its after-tax profits to a registered trust fund (The Toro Employee Empowerment Fund), providing the Northam mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, beginning in 2013.

ANNEXURE 5 – DIRECTORS' REMUNERATION

The directors' remuneration for the year ended 30 June 2011 was as follows:

2011	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Gain on exercise of options R000	Total R000
Executive						
A Z Khumalo	–	1 626	143	203	–	1 972
G T Lewis	–	2 637	500	345	–	3 482
B R van Rooyen *(Note 1)*	273	217	–	–	–	490
Non-executive						
M E Beckett	259	–	–	–	–	259
C K Chabedi	230	–	–	–	–	230
N J Dlamini *(Note 2)*	408	–	–	–	–	408
R Havenstein *(Note 2)*	395	–	–	–	–	395
E T Kgosi *(Note 2)*	425	–	–	–	–	425
A R Martin *(Note 2)*	338	–	–	–	–	338
M S Xayiya	106	–	–	–	–	106
P L Zim	213	–	–	–	–	213
	2 647	4 480	643	548	–	8 318

Note 1. Mr B R van Rooyen was appointed an executive director with effect from 6 June 2011. Prior to this date he received fees as a non-executive director.

Note 2. Dr Dlamini, Mr Havenstein, Ms Kgosi and Mr Martin were paid a special fee of R20 000 each in their capacity as members of the independent board committee appointed to advise shareholders on the proposed scheme of arrangement with Mvelaphanda Resources Limited.

2010	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Gain on exercise of options R000	Total R000
Executive						
G T Lewis	–	2 354	782	309	6 559	10 004
D R Wolstenholme (Note 1)	–	1 084	286	136	–	1 506
Non-executive						
M E Beckett	248	–	–	–	–	248
C K Chabedi	242	–	–	–	–	242
N J Dlamini	345	–	–	–	–	345
R Havenstein	345	–	–	–	–	345
E T Kgosi	372	–	–	–	–	372
A R Martin	285	–	–	–	–	285
B R van Rooyen	350	–	–	–	–	350
M S Xayiya	127	–	–	–	–	127
P L Zim	226	–	–	–	–	226
	2 540	3 438	1 068	445	6 559	14 050

Note 1. Mr D R Wolstenholme was appointed a director on 4 November 2009 and resigned with effect from 1 July 2010.

Further details of gains made by directors on the exercise of options are disclosed in Annexure 5 of the 2011 annual integrated report.

Service contracts

All the executive directors have service contracts with the company which are subject to notice periods varying between three months and one year. None of the non-executive directors have a service contract with the company.

Directors' fees

In terms of the articles of association 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 – R93 000 per annum.
- Board members – R46 500 per annum.
- Board meeting attendance fees – R30 000 per meeting.

Board appointed committees

- Committee chairmen – R34 800 per annum.
- Committee members – R17 400 per annum.
- Committee meeting attendance fees – R11 600 per meeting.

The above fees were approved in 2010, and with the ever increasing responsibilities imposed on directors by the more stringent regulatory environment, it is proposed by the remuneration, nomination and employment equity committee that they be increased by an average of 6.0% to bring them more into line with market norms, and in addition it is proposed to differentiate between fees paid to members of the audit and risk committee and fees paid to members of other board appointed committees. Subject to approval by members, the revised level of fees will be as follows:

Board fees

- Board chairman – R99 000 per annum.
- Board members – R49 200 per annum.
- Board meeting attendance fees – R31 800 per meeting.

Audit and risk committee fees

- Committee chairmen – R46 200 per annum.
- Committee members – R23 400 per annum.
- Committee meeting attendance fees – R15 400 per meeting.

Board appointed committees fees

- Committee chairmen – R36 900 per annum.
- Committee members – R18 600 per annum.
- Committee meeting attendance fees – R12 300 per meeting.

At the forthcoming annual general meeting members will accordingly be requested to consider a special resolution providing for the increase in the fees as set out above.

ANNEXURE 6 – SHARE INCENTIVE PLANS

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 make a significant contribution to the operations of the company.

Options are 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.

A summary of the options held at 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	183 500
23 October 2008 and 21 October 2013	38.45	1 435 000
22 October 2009 and 21 October 2014	48.00	1 737 500
27 November 2010 and 26 November 2015	32.38	3 047 500
5 November 2011 and 4 November 2016	36.95	3 617 500
Number of options held at 30 June 2010		10 021 000
New options granted during the year at R45.59 per share		125 000
New options granted during the year at R46.57 per share		4 087 500
Number of options forfeited during the year		(1 397 500)
Number of options exercised during the year		(862 000)
Number of options held at 30 June 2011		**11 974 000**

At 30 June 2011 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 2011	Options exercisable in F2012	Options exercisable thereafter
24 October 2007 and 23 October 2012	17.00	125 000	125 000		
23 October 2008 and 22 October 2013	38.45	1 116 000	1 116 000		
22 October 2009 and 21 October 2014	48.00	1 512 500	1 512 500		
27 November 2010 and 26 November 2015	32.38	2 075 500	1 037 750	1 037 750	
5 November 2011 and 4 November 2016	36.95	3 182 500		1 591 250	1 591 250
1 July 2012 and 30 June 2017	45.59	125 000			125 000
12 October 2012 and 11 October 2017	46.57	3 837 500			3 837 500
		11 974 000	**3 791 250**	**2 629 000**	**5 553 750**

Full details of the options exercised during the year are set out in Annexure 5 of the 2011 annual integrated report, and are summarised as follows:

Grant date	Number of options exercised	Exercise price R	Consideration R000
24 October 2005	13 500	17.00	230
23 October 2006	229 000	38.45	8 805
27 November 2008	619 500	32.38	20 060
Total	**862 000**		**29 095**

Northam Share Incentive Plan (the New Plan)

Following a review of the group's remuneration policy, and taking cognisance of current market trends, the board has determined that the Scheme, which has a dilutionary effect on shareholders and on the BEE status of the group, no longer serves its primary purpose of attracting and retaining employees, and have proposed that the current scheme be discontinued and replaced by a new Share Incentive Plan.

The proposed New Plan is a full share-type plan which will incorporate 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 will be eligible.
- Non-executive directors will not be eligible to participate.
- Employees will not be required to pay for shares granted to them.
- No further awards will be made in respect of the existing share option scheme.
- 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 share incentive scheme. 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 provide 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 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, shares to be allocated, whether in terms of the Scheme, the CSP or the FSP, will 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 it will be subject to performance conditions, will primarily be based on the employee's annual salary, grade, performance, retention requirements and market benchmarks or some 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 remuneration committee of the company ("the committee") before an award is made, and will be based on appropriate company performance measures at the time.

ANNEXURE 6 – SHARE INCENTIVE PLAN cont.

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.

The Remuneration, Nomination and Employment Equity Committee, which is charged with overseeing the group's remuneration policy, will review the performance criteria annually and revise them as economic and operational circumstances dictate.

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

At the forthcoming annual general meeting members will accordingly be requested to consider a special resolution approving the rules of the proposed New Plan. In addition, in order to cater for the use of treasury shares to settle the exercise of any options in terms of the Scheme, the rules of the Scheme will have to be suitably amended. Consequently at the forthcoming annual general meeting members will accordingly be requested to consider a special resolution approving the change to the rules of the Scheme to cater for this.

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

ANNEXURE 7 – SHARE CAPITAL, SHARE-HOLDING AND DIRECTORS' INTEREST

Share capital

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

During the year 20 912 190 shares were allotted and issued to the shareholders of Mvela Resources pursuant to a scheme of arrangement between Northam and that company, which together with the 862 000 shares that were allotted and issued to participants of the Northam Share Option Scheme, resulted in the issued share capital at 30 June 2011 being 382 416 190 (2010: 360 642 000) shares of one cent each and the share premium increasing from R7 634 879 904 to R8 592 257 358.

At the forthcoming annual general meeting members will be asked to place the authorised but unissued shares in the capital of the company, other than the 12 000 000 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, subject to the companies act and listings requirements. The text of the necessary resolution appears in the notice of annual general meeting on page 2, which forms part of this report.

Repayments of share premium

At the annual general meeting held on 11 November 2010 shareholders passed a resolution granting the directors of the company a general authority to distribute up to a maximum of 20% of the company's share premium in terms of the listings requirements and subject to the provisions of Section 46 of the Companies Act.

No payments were made during the year in terms of this general authority.

Acquisition of company's own shares

The Companies Act permits a company and its subsidiaries to acquire its own shares and for such subsidiaries to acquire shares of their holding company. Accordingly, at the annual general meeting held on 11 November 2010 shareholders passed a special resolution granting the company a general authority to repurchase its own shares. This general authority provides the directors, subject to certain terms and conditions as set out in the said special resolution, with the necessary flexibility to procure the repurchase of the company's shares from time to time should such repurchase, in view of prevailing market conditions, be opportune and be deemed to be in the best interests of the company. This general authority is valid until the company's next annual general meeting or for 15 months from the date of the aforementioned resolution (being 11 November 2010) whichever period is shorter. The directors have proposed that this general authority be renewed for a further period once again and accordingly the text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of annual general meeting on page 4, which forms part of this report.

During the year no acquisitions of shares were effected in terms of this general authority.

ANNEXURE 7 – SHARE CAPITAL, SHARE-HOLDING AND DIRECTORS' INTEREST cont.

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 as at 30 June 2011 were as follows:

	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
M E Beckett	30 000	–	–	30 000
A K Gupta	–	–	6 317 559	6 317 559
B R van Rooyen	391 324	37 462	–	428 786
M J Willcox	336 085	–	6 976 171	7 312 256
M S M M Xayiya	614 598	–	2 108 098	2 722 696
P L Zim	–	–	12 184 226	12 184 226
	1 372 007	**37 462**	**27 586 054**	**28 995 523**

	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
M E Beckett	30 000	–	–	30 000
B R van Rooyen	–	37 462	211 881	249 343
M J Willcox	–	–	7 133 185	7 133 185
D R Wolstenholme	–	82 500	–	82 500
M S M M Xayiya	–	–	2 723 776	2 723 776
P L Zim	–	–	7 302 881	7 302 881
	30 000	**119 962**	**17 371 723**	**17 521 685**

Analysis of shareholders as at 30 June 2011

Shareholding range	Number of holders	Total shareholding	Percentage holding
1 – 5 000	7 673	6 255 552	1.6
5 001 – 10 000	318	2 407 609	0.6
10 001 – 50 000	419	9 615 287	2.5
50 001 – 100 000	102	7 008 982	1.8
100 001 – 1 000 000	179	56 267 153	14.7
1 000 001 and over	41	300 861 607	78.8
Total	**8 732**	**382 416 190**	**100.0**

Category of shareholder	Number of holders	Total shareholding	Percentage holding
Individuals	8 214	15 136 496	4.0
Companies	4	144 038 106	37.7
Managed funds and other bodies	514	223 241 588	58.3
Total	**8 732**	**382 416 190**	**100.0**

Major shareholders as at 30 June 2011

According to information available to the company after reasonable enquiry, the major shareholders of the company at 30 June 2011 were as follows:

Owner	Number of shares	Percentage holding
ENRC NV	51 732 782	13.5
Afripalm Resources (Proprietary) Limited	40 581 203	10.6
Mvelaphanda Holdings (Proprietary) Limited	43 903 952	11.5

Fund manager	Number of shares	Percentage holding
Public Investment Commission	23 230 424	6.1
Sanlam Investment Managers	17 666 403	4.6
Coronation Fund Managers	15 632 682	4.1

Shareholder spread as at 30 June 2011

The company's shareholder spread is set out below.

	Number of shareholders	Percentage holding
Public	8 725	56.8
Non-public		
– Directors	4	7.6
– Other (those who fall outside the scope of the above)	3	35.6
Total	**8 732**	**100.0**

ANNEXURE 8 – EVENTS AFTER REPORTING DATE

Other than the facts and developments reported on in this annual report, there have been no material changes in the affairs, financial or trading position of the company since the balance sheet date and the date of the notice. 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.

ANNEXURE 9 – DIRECTORS' RESPONSIBILITY AND LITIGATION STATEMENT

Litigation – The company confirms that it 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.

FORM OF PROXY

To be completed by registered certificated shareholders and dematerialised shareholders with own name registration only

Northam Platinum Limited

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
Share code: NHM ISIN: ZAE000030912
("Northam" or "the company")

For use in respect of the annual general meeting to be held in Room HB1, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall, Johannesburg on Thursday, 10 November 2011 at 10:00.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (Full names in block letters) ____________________

Telephone (work) ____________________ Telephone (home) ____________________

being the holder(s) of ____________________ ordinary shares in the company, appoint (see note 1):

1. ____________________ or failing him/her,

2. ____________________ or failing him/her,

3.the chairman of the general meeting, as my/our proxy to act on my/our behalf at the general meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the ordinary resolution and special resolutions or to abstain from voting in respect of the Northam ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes (one vote per Northam ordinary share)		
Resolutions	For	Against	Abstain
Ordinary resolution number 1 – adoption of annual financial statements for the year ended 30 June 2011			
Ordinary resolution number 2.1 – election of Mr C K Chabedi as a director			
Ordinary resolution number 2.2 – election of Mr A R Martin as a director			
Ordinary resolution number 2.3 – election of Mr M S M M Xayiya as a director			
Ordinary resolution number 2.4 – election of Mr B R van Rooyen as a director			
Ordinary resolution number 2.5 – election of Mr J Cochrane as a director			
Ordinary resolution number 3 – re-appointment of Messrs. Ernst & Young Inc. as the independent external auditor of the company			
Ordinary resolution number 4.1 – re-appointment of Mr A R Martin as a member of the audit committee			
Ordinary resolution number 4.2 – re-appointment of Mr R Havenstein as a member of the audit committee			
Ordinary resolution number 4.3 – re-appointment of Ms E T Kgosi as a member of the audit committee			
Ordinary resolution number 4.4 – re-appointment of Mr M E Beckett as a member of the audit committee			
Ordinary resolution number 5 – approval of the group's remuneration policy			
Ordinary resolution number 6 – placement of unissued shares under the control of directors			
Ordinary resolution number 7 – approval of directors' remuneration for the year ended 30 June 2011			
Ordinary resolution number 8 – approval of the rules of the Northam Share Incentive Plan			
Ordinary resolution number 9 – amendment to the rules of the Northam Share Option Scheme			
Special resolution number 1 – approval of directors' remuneration for the year ending 30 June 2012			
Special resolution number 2 – general authority to re-purchased shares			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.) Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak, and on a poll, vote in place of that shareholder at the general meeting.

Signed at ____________________ on ____________________ 2011

Signature(s) ____________________ Capacity ____________________

Please read the notes on the reverse side hereof.

FORM OF PROXY cont.

Notes:

1. A member may insert the name of a proxy or the names of two alternate proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A member should insert an "X" in the relevant space according to how they wish their votes to be cast. However, if a member wishes to cast a vote in respect of a lesser number of Northam ordinary shares than they own in the company, they should insert the number of Northam ordinary shares held in respect of which they wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the member's votes exercisable at the general meeting. A member is not obliged to use all the votes exercisable by the member, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the member.

3. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.

4. The chairman of the annual general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.

5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.

7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the general meeting.

8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the company.

9. Where there are joint holders of shares:
   - any one holder may sign the form of proxy; and
   - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the company's register of members, will be accepted.

10. Forms of proxy should be lodged at or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 10:00 on Tuesday, 8 November 2011.

PRINTING AND DISTRIBUTION OF REPORTS

Dear shareholder

30 September 2011

Printing and distribution of reports

This booklet includes the following:
- a detailed notice of annual general meeting 2011;
- the abridged audited annual financial statements for 2011 with explanatory notes and commentary;
- a form of proxy; and
- a response form.

In a continuous drive to contain costs, we are currently rationalising the printing and postage of our various reports. The company's comprehensive annual integrated report 2011 and detailed sustainable development report will be made available in printable downloadable format on the company's website at www.northam.co.za. Certificated shareholders may elect not to receive any copies of the aforementioned communications. Dematerialised shareholders who do not wish to receive copies of reports, should advise their CSDP or stockbroker to amend their records accordingly.

Kindly complete the form on the reverse side of this page, and return it using one of the following ways:
- The included reply paid envelope
- Fax to +27 (0) 11 688-5248
- Email to ecomms@computershare.co.za

Should you require a printed copy of the annual integrated report 2011 and/or the sustainable development report 2011, kindly contact the company secretary, Mr Dawid Swanepoel on (011) 759 6000 or Dawid.Swanepoel@norplats.co.za.

Yours sincerely

D L Swanepoel
Company secretary

Dear Sir

Preferred method of delivery of reports and other communications from the company

Please would you note my preference below for the delivery of reports and other communications from the company:

☐ Please alert me by e-mail that the report or other communication has been posted on the company's website. I will access the company's website.
My e-mail and other details are set out below.

☐ Please e-mail the report or other communication to me.
My e-mail and other details are set out below.

☐ Please post the report or other communication to me.
My details are set out below.

My details are as follows:

Shareholder reference number: ____________________

Name in full: ____________________

Address: ____________________

____

Postal code: ____________________

E-mail address: ____________________

I understand that the company will cease sending reports or other communications to me should I fail to advise the company of a change to any of my details.

Yours faithfully: ____________________

Names in full: ____________________

ADMINISTRATION AND CONTACT INFORMATION

Northam Platinum Limited

(Registration number 1977/003282/06)
Share code: NHM
ISIN: ZAE000030912

Registered office

1st Floor
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Magalieszicht Avenue
Dunkeld West 2196
Johannesburg
South Africa

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Craighall 2024
South Africa

Telephone: +27 11 759 6000
Facsimile: +27 11 325 4795

Website

www.northam.co.za

Company secretary

Dawid Swanepoel
1st Floor
1A Albury Park
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Dunkeld West 2196
Johannesburg
South Africa

PO Box 412694
Craighall 2024
South Africa

e-mail: dawid.swanepoel@norplats.co.za

Bankers

Standard Bank of South Africa Limited
PO Box 61029
Marshalltown 2107
South Africa

Auditors

Ernst and Young Inc.
Wanderers Office Park
52 Corlett Drive
Illovo 2196
Johannesburg
South Africa

Transfer secretaries

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70 Marshall Street
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South Africa

PO Box 61051
Marshalltown 2107
South Africa

Telephone: +27 11 370 5000
Facsimile: +27 11 688 7716

Sponsor

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Johannesburg
South Africa

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RUSSELL AND ASSOCIATES 4162/11

NORTHAM
PLATINUM LIMITED

www.northam.co.za