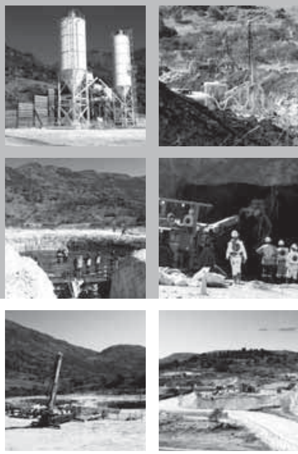
NORTHAM

PLATINUM LIMITED

Reviewed preliminary announcement of the results for the year ended 30 June 2011



Key features

- *Booysendal construction and development on track*
- *Progress in Booysendal funding arrangements*
- *Disappointing performance from Zondereinde*
- *Modest dividend of 10 cps declared*

	Change %	*Year ended 30 June 2011	**Year ended 30 June 2010
		R000	R000

Consolidated statement of comprehensive income

Sales revenue	(9.5)	**3 571 048**	3 945 083
Cost of sales	0.8	**3 185 754**	3 160 108
Operating costs	1.3	**2 258 548**	2 230 369
Concentrates purchased		**787 316**	735 090
Refining and other costs		**68 804**	92 972
Depreciation and impairments		**147 838**	167 346
Change in metal inventories		**(76 752)**	(65 669)
Operating profit	(50.9)	**385 294**	784 975
Share of profits and distribution from associate		**7 248**	12 440
Investment revenue		**85 520**	167 655
Net sundry income		**53 148**	9 557
Profit before taxation	(45.5)	**531 210**	974 627
Taxation		**182 001**	333 601
Profit and total comprehensive income for the year attributable to shareholders	(45.5)	**349 209**	641 026
Reconciliation of headline earnings and per share information			
Profit for the year attributable to shareholders		**349 209**	641 026
Loss / (profit) on sale of property, plant and equipment		**2 572**	(822)
Insurance claim		**(36 267)**	–
Tax effect		**9 435**	230
	(49.3)	**324 949**	640 434
Earnings per share – cents	(45.9)	**96.2**	177.9
Fully diluted earnings per share – cents	(45.9)	**96.2**	177.8
Headline earnings per share – cents	(49.7)	**89.5**	177.8
Fully diluted headline earnings per share – cents	(49.6)	**89.5**	177.7
Dividend declared per share – cents		**15.0**	40.0
Weighted average number of shares in issue	0.8	**363 087 830**	360 291 885
Fully diluted number of shares in issue	0.7	**363 150 282**	360 464 496
Number of shares in issue at year-end	6.0	**382 416 190**	360 642 000

** Reviewed ** Audited*

***Preparation** – These preliminary reviewed results have been prepared under the supervision of Financial Director Mr A Khumalo, CA (SA). These results are an extract of the annual financial statements of the group which will be published on the website early in the second quarter of the financial year.*

Consolidated statement of cash flows

	*Year ended 30 June 2011 R000	**Year ended 30 June 2010 R000
Cash flows from operations	**785 195**	862 411
Profit before taxation	**531 210**	974 627
Depreciation and impairment	**147 838**	167 346
Discontinuation of investment in escrow	**91 458**	–
Change in short-term provisions	**6 073**	9 111
Taxation paid	**(228 022)**	(281 756)
Change in working capital	**182 018**	(90 675)
Other	**54 620**	83 758
Cash flows utilised in investing activities	**(212 946)**	(395 965)
Property, plant and equipment		
Additions to maintain operations	**(268 852)**	(231 481)
Additions to expand operations	**(688 030)**	(145 510)
Disposals proceeds	**6 678**	5 243
Cash distribution received from associate	**792**	10 205
Township land and development		
Additions	**(235)**	(4 460)
Disposals proceeds	**8 121**	–
Increase in investments held by Northam Platinum Restoration Trust Fund	**(4 333)**	(2 366)
Increase in investments held by Environmental Guarantee Fund	**(8 709)**	(4 868)
Increase in investments held by Toro Employee Empowerment Fund	**(16 136)**	(22 728)
Cash and cash equivalent acquired at date of acquisition of subsidiary	**757 758**	–
Cash flows utilised in financing activities	**(61 105)**	(200 640)
Proceeds from issue of shares	**29 097**	15 518
Dividends paid	**(90 202)**	(216 158)
Net increase in cash and cash equivalents	**511 144**	265 806
Cash and cash equivalents at beginning of period	**1 186 709**	920 903
Cash and cash equivalents at end of period	**1 697 853**	1 186 709

** Reviewed* *** Audited*

	*Year ended 30 June 2011	**Year ended 30 June 2010
	R000	R000

Consolidated statement of financial position

Non-current assets	**9 203 655**	7 971 624
Property, plant and equipment	**2 792 457**	1 938 061
Mining properties and mineral resources	**5 706 478**	5 722 659
Interest in associate and joint ventures	**505 327**	129 741
Unlisted investments	**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
Environmental Guarantee Investment	**29 471**	20 763
Toro Employee Empowerment Trust	**55 115**	69 330
Current assets	**2 725 916**	2 117 683
Inventories	**604 647**	521 462
Trade and other receivables	**410 621**	318 054
Investment in escrow	**–**	91 458
Cash and cash equivalents	**1 697 853**	1 186 709
Receiver of Revenue	**12 795**	–
Total assets	**11 929 571**	10 089 307
Share capital and share premium	**8 596 082**	7 638 486
Retained earnings	**1 363 194**	1 081 862
Equity compensation reserve	**156 076**	112 806
Shareholders' equity	**10 115 352**	8 833 154
Non-current liabilities	**639 595**	581 490
Deferred tax	**477 145**	447 212
Long-term provisions	**162 450**	134 278
Current liabilities	**1 174 624**	674 663
Receiver of Revenue	**118 268**	33 886
Trade and other payables	**972 350**	562 844
Short-term provisions	**84 006**	77 933
Total equity and liabilities	**11 929 571**	10 089 307

** Reviewed* *** Audited*

	Share capital	Share premium	Equity compensation reserve	Retained earnings	Total
	R000	R000	R000	R000	R000

Consolidated statement of changes in equity

	Share capital	Share premium	Equity compensation reserve	Retained earnings	Total
Balance at 1 July 2009	3 599	7 619 369	55 177	654 041	8 332 186
Credit in respect of share based payments	–	–	60 582	–	60 582
Profit and total comprehensive income for the year attributable to shareholders	–	–	–	641 026	641 026
Dividends	–	–	–	(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
Credit in respect of share-based payments	–	–	65 595	–	65 595
Profit and total comprehensive income for the year attributable to shareholders	–	–	–	349 209	349 209
Dividends	–	–	–	(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

	*Year ended 30 June 2011	**Year ended 30 June 2010
	R000	R000

Capital commitments

	*Year ended 30 June 2011 R000	**Year ended 30 June 2010 R000
Booysendal mine		
Authorised but not contracted	**3 111 449**	3 630 960
Contracted	**762 336**	13 040
	3 873 785	3 644 000
Zondereinde mine		
Authorised but not contracted	**325 127**	330 499
Contracted	**59 125**	16 318
	384 252	346 817

Note: These commitments in respect of Zondereinde mine will be financed out of operating cash flows. The Booysendal commitments will be funded from a combination of internal retentions and debt.

Other commitments

	*Year ended 30 June 2011 R000	**Year ended 30 June 2010 R000
Information technology outsource service provider		
Due in one year	**13 432**	11 241
Due in two to five years	**31 026**	21 418
Operating lease rentals – office equipment		
Due in one year	**1 182**	214
Due in two to five years	**575**	8
Operating lease rentals – premises		
Due in one year	**3 872**	459
Due in two to five years	**11 504**	–
More than five years	**14 855**	–
Employee housing development		
Contracted	**–**	2 395
Bank guarantees issued	**49 250**	60 457

** Reviewed* *** Audited*

		Change %	*Year ended 30 June 2011	**Year ended 30 June 2010
			R000	R000

Operating statistics ***

	Change %	*Year ended 30 June 2011	**Year ended 30 June 2010
Merensky			
Development metres	(33.5)	**5 899**	8 864
Square metres mined	(30.3)	**140 501**	201 569
Tonnes milled	(20.8)	**793 490**	1 002 208
Head grade (g/tonne – 3PGEs + Au)	(5.1)	**5.6**	5.9
Available ore reserves – months		**18**	20
UG2			
Development metres	(36.2)	**1 720**	2 694
Square metres mined	(24.3)	**125 726**	166 129
Tonnes milled	(23.0)	**797 355**	1 036 017
Head grade (g/ton – 3PGEs + Au)	(4.4)	**4.3**	4.5
Available ore reserves – months		**24**	24
Combined			
Development metres	(34.1)	**7 619**	11 558
Square metres mined	(27.6)	**266 227**	367 698
Tonnes milled	(21.9)	**1 590 845**	2 038 225
Head grade (g/ton – 3PGEs + Au)	(5.8)	**4.9**	5.2

Financial statistics

		Change %	*Year ended 30 June 2011	**Year ended 30 June 2010
Precious metals in concentrates produced †	kg	(22.2)	**7 779**	9 999
Precious metals in concentrates purchased †	kg	6.6	**2 244**	2 106
Precious metals sold †	kg	(19.8)	**9 872**	12 313
Average price realised †	R/kg	12.4	**323 899**	288 255
Operating costs †	R/kg	28.1	**307 203**	239 769
Cash operating costs †	R/kg	29.3	**279 118**	215 900
Precious metals in concentrates produced †	oz	(22.2)	**250 110**	321 475
Precious metals in concentrates purchased †	oz	6.6	**72 146**	67 709
Precious metals sold †	oz	(19.8)	**317 392**	395 879
Average price realised †	US$/oz	21.4	**1 439**	1 185
Operating costs †	US$/oz	38.7	**1 363**	983
Cash operating costs †	US$/oz	39.9	**1 238**	885
Average exchange rate realised	US$1.00 = R	(7.4)	**7.01**	7.57
Operating cost per tonne milled	R/tonne	27.7	**1 502**	1 176
Cash cost per tonne milled	R/tonne	28.9	**1 365**	1 059

** Reviewed* *** Audited* **** Not reviewed or audited* † *(3PGE+Au)*

INTRODUCTION

The 2011 financial year is characterised by five main features:

- The start-up of construction and development at the new Booysendal mine on the eastern limb of the Bushveld Complex.
- The corporate action which led to the group's acquisition of the entire issued share capital of former major shareholder Mvelaphanda Resources Limited (Mvela Resources) through a scheme of arrangement.
- The disappointing performance of the Zondereinde division, owing largely to a six-week strike in the first half of the year and safety-related stoppages in the second half.
- The proposed sale of the southern portion of the mineral resource at Booysendal to Aquarius Platinum South Africa (Proprietary) Limited, a subsidiary of Aquarius Platinum Limited, subject to conditions precedent.
- The launch of a sponsored level 1 American Depositary Receipt (ADR) facility in the United States of America.

FINANCIAL RESULTS

The six-week strike at the Zondereinde division in the first half of the financial year had a major negative impact on the annual results. This was compounded by safety-related stoppages continuing into the second half of the year, exacerbating the already compromised production position. Lower production also negated the effect of the slightly stronger rand basket price received over the year of R323 899/kg (F2010: R288 255/kg).

In spite of the additional metal concentrate purchases, 6.6% higher year-on-year at 2 244kg (72 146oz), metal sales remained depressed, falling 19.8% to 9 872kg (317 392oz). Consequently, total sales revenue was 9.5% down on the previous year at R3.57 billion.

In total, operating costs were 1.3% higher at R2.26 billion compared to the previous year. The lower output at Zondereinde had a negative effect on unit costs. Unit costs also continue to be driven by mining input costs, primarily labour and power, increasing above the rate of inflation. The net effect was a significant increase in unit costs with operating costs in R/kg and cash costs in R/kg higher by 28.1% and 29.3% respectively. The equivalent increases in US$/oz were 38.7% and 39.9% respectively as a result of the strengthening of the Rand against the Dollar during the course of the year.

The net result of the above was lower operating profit at R385.3 million.

Northam's share of profits from its associate, Pandora, was 41.7% lower than the previous year at R7.2 million owing to the decline in production. Investment revenue was 49.0% lower at R85.5 million owing to the decrease in cash balances as a result of higher capital expenditure. Sundry revenue however, was higher at R53.1 million reflecting the proceeds of R36.2 million from an insurance claim following repairs to the precipitator. Profit before tax declined by 45.5% to R531.2 million. Tax payable is correspondingly lower at R182.0 million, resulting in a profit after tax of R349.2 million.

Earnings per share for the June 2011 financial year end was 45.9% lower at 96.2 cents per share compared to last year's 177.9 cents per share. This takes into account a 6.0% increase in the number of issued shares to 382 416 190 shares during the year.

The result of all operating, investing and financing cash flow activities was a net cash inflow of R511.1 million (F2010: R265.8 million). Operating cash flows were 9.0% down compared to the previous year mainly as a result of a decline in profit before tax and lower investment revenues.

Cash flows utilised in investing activities absorbed a net of R212.9 (F2010: R396.0 million). This comprises the net of principal outflows of capital expenditure of R268.9 million (F2010: R231.5 million) at Zondereinde, R688.0 million (F2010: R132.4 million) on the Booysendal mine with the build-up to mining operations, increases of R13.0 million in respect of the funding of environmental obligations and R16.1 million (F2010: R22.7 million) in respect of the Toro Employee Empowerment Fund, and principal inflows comprised of the cash and cash equivalents of the Mvela Resources group at the date of acquisition amounting to R757.8 million.

Cash flows utilised in financing activities fell to R61.1 million compared to last year's R200.6 million reflecting the lower dividends paid as management conserved cash for the Booysendal mine development.

Integrated reporting and King III

Northam is fully committed to timeous, relevant and transparent communication of issues relevent to all stakeholders, and has adopted an integrated approach to reporting and the guidance priovided by King III.

During the year the board commissioned a King III gap analysis by Ernst & Young Inc. A number of areas have been identified for improvement. Management is currently putting action plans in place to deal with these issues.

Good progress has been made with the implementation of systems to integrate sustainability data into the broad reporting framework. The company once again undertook an assessment of its material sustainability issues both from the company's and stakeholders' perspectives. Critical amongst these are:

Operating the Zondereinde mine and its concentrating and smelting operations efficiently and cost-effectively. More detail on the way in which the group is undertaking this may be found in the operational review of Zondereinde on page 9 of this document.

Ensuring the safety of employees and contractors. Over the past ten years safety at Zondereinde has shown a steadily improving trend. It is with sadness therefore that the company advises that there were five fatalities during the year. Investigations into the causes of these accidents have been undertaken in close co-operation with unions and the DMR. An intensive safety campaign has been launched to reverse the recent disappointing performance.

Establishing and maintaining constructive relations with unions. Industrial relations have again been challenging. 37 days were lost during the year owing to industrial action at Zondereinde. A concerted effort was launched during the year to improve communication and relationships.

Achieving legislative and regulatory compliance. The Zondereinde mine was granted new order mining rights, having applied for conversion of its old order mining rights in 2006. Zondereinde has an exemption to operate without a water use licence, which was applied for in June 2005. All mining rights and permits have been awarded to the Booysendal operation following the allocation of its water use licence on 17 May 2011.

Delivering the Booysendal project at an acceptable cost of capital, to turn to account its extensive resources for a broad range of stakeholders. A detailed account of the progress made at the Booysendal operation is discussed on page 10 of this document.

Implementing the ISO14001 environmental management system and to achieve certification against this standard. The Zondereinde mining operation was awarded ISO14001 certification on 28 February 2011. Application for this standard and certification of Zondereinde's metallurgical complex is underway. The ISO14001 standard will also be implemented at Booysendal.

Optimising water usage both at Zondereinde and at Booysendal. Water is fundamentally important for Zondereinde mine, not just from an environmental and permitting perspective, but also because the mine uses water as its primary source of energy for underground operations through a shaft-based hydro-power system. Zondereinde's operations do not source water through abstraction, and the division aims to achieve zero discharge into the surrounding environment.

At Booysendal, water allocation too, is of critical importance. Construction operations at Booysendal have been fast-tracked following the allocation of the water use licence. Northam has considered the risks and opportunities relating to water availability in its voluntary submission to the Carbon Disclosure Project (CDP) Water Disclosure for the second consecutive year. The CDP Water Disclosure 2011 Global Report may be viewed at: http://www.greenbiz.com/sites/default/files/CDP-2010-Water-Disclosure-Global-Report.pdf.

Optimising energy consumption and investigating potential and cost-effective alternative sources of energy. At Zondereinde, electricity accounts for 10.4% of total operating costs. This is expected to increase as Eskom's rates continue to reflect the NERSA-approved tariff increases. At Booysendal, optimisation studies undertaken during F2010 resulted in a revised mine design and higher rate of production at full capacity, which may result in electricity consumption exceeding the initially allocated 20MVA during peak demand periods. These requirements will be fulfilled by self-generation power on site (5MVA) during peak times. The revised design also makes provision for an energy management system, which is still to be formally approved by Eskom, and the introduction of energy recovery strategies.

To debate, monitor and manage our climate change strategy and, as part of that, to reduce our CO_2 emissions. Climate change presents moderate risks for Northam on a physical and regulatory front. However, climate change also presents an opportunity as PGMs are used in technologies that bring about reduction in noxious gases. Indeed, the global trend of tightening emissions legislation continues to stimulate PGMs usage in autocatalysis. For more detailed information on GHGs and Northam's assessment of the risks and opportunities presented to the company as a result of climate change, view Northam's submission to the Carbon Disclosure Projects 2011 annual survey which may be found at www.cdproject.net.

To identify conservation priorities in its areas of operation and, where necessary, to work with local authorities and conservation professionals in developing appropriate offsets. Given that Booysendal is located in a biodiversity-sensitive region, the company has developed a unique and progressive structure that will see oversight of land under management as a distinct and equal role to that of the management of the mine. Further, Booysendal is in the process of establishing an offset trust to be funded during the life of mine, for conservation in perpetuity.

Identifying and engaging with stakeholders on a regular basis, especially community stakeholders. Stakeholder engagement and relationships are deeply entrenched at the well-established Zondereinde mine. Zondereinde's Social and Labour Plans have been approved by the DMR and work is now underway to implement these in conjunction with the Integrated Development Plans for local communities. Stakeholder identification and engagement at Booysendal is a far more complex undertaking, complicated by the scale, proximity and needs of local communities. A stakeholder engagement action plan is currently being developed and various forums have been set up to deal with concerns from stakeholders and to facilitate the flow of meaningful benefits to communities. A particular issue of concern at Booysendal in recent months has been the allocation of jobs; this is expected to intensify as the project is located in a region with little economic activity. Booysendal's SLP seeks to address some of the needs here, but it will be difficult for a single mining company to have a significant impact.

To attract and retain investors in the company so as to maintain its relative value for shareholders and to be able to raise capital cost-effectively to fund growth. Over the years the group's shareholder base has been relatively stable. With the recent unbundling of its major shareholder, Northam has retained its black economic empowerment ownership levels, and has acquired a strong new shareholder base, with some 32% now comprising offshore shareholders (June 2010: 17%). Recent global economic turmoil, and the ongoing debate on nationalisation have done little to support resource stocks. Nevertheless, Northam's appeal will continue to be underpinned by its ability to produce these precious PGMs, for many years to come.

A detailed sustainable development report will be made available on the company's website at the time of the publication of the annual report.

ZONDEREINDE MINE

Operating performance

The six-week strike in September/October 2010 had a predictably adverse effect on production results. In total 65 out of 301 working days available for mining were lost due to strike action and safety-related incidents. A total of 1 590 845 tonnes were milled (F2010: 2 038 225), illustrating the effects of stoppages, but also of the constraints on the Merensky horizon and ore reserve position. The combined grade at 4.9/t (MR: 5.6g/t; UG2: 4.3g/t) was 5.8% lower year-on-year owing to some unavoidable waste mining, mining the normal reef at a higher average stoping width in order to maximise metal extraction, the incidence of transition zone intersections and poor control of the UG2 reef. This will be addressed through a tighter focus on mining width and grade control.

Metals in concentrate produced declined by 22.2% to 7 779kg (250 110oz), due largely to the loss of 22.1% of operating shifts. Purchased concentrate amounted to 2 244kg (72 146oz).

The key to recovery at Zondereinde lies in the availability of the Merensky reef. Some progress has been made in this area, but some challenges remain:

- On 14 level development has intersected the Little John Dyke on the eastern side of the mine, and sealing is in progress. With high ground water yields delays are anticipated until at least the end of Q1 of F2012.
- On the western side of the mine, at year-end, the 3, 4 and 12 levels were on short rounds owing to adverse ground conditions. In traversing the 14 line fault, delays on both 3 and 4 levels have affected

the establishment of footwall drives and crosscuts. On 3 level significant ground consolidation has been required ahead of development.

- Operations on the 1, 5, 6, 13 and 14 levels were temporarily halted to enable ring covering and sealing.
- The lag on 6 and 7 levels has precluded connectivity between the upper and lower levels. This will remain so until raise connections hole between 8 and 5 levels. On 1 and 13 levels sealing work has advanced well, and the fissure appears to be less problematic on these two levels than on others.
- The deepening project has progressed, despite the slow introduction in the first half of the year of the new mechanised equipment. These problems have been largely overcome and the benefits of the larger equipment on the development cycle were evident in the second half of the year. In addition, increased volumes of normal reef are being mined from this area.

Mining options remained limited, particularly in the second half of the year. These conditions are likely to persist for the next 18 months until the additional stoping areas in the upper and central western portions of the mine, together with the decline section, come on stream.

Metallurgical operations

Since the repairs to the electrostatic precipitator, completed in October last year, the metallurgical operations continued to operate satisfactorily during the year. Work continues on assessing future smelting options.

Costs and capital expenditure

The combination of lower production volumes and higher mining costs resulted in unit cash cost increases of 29.3% to R279 118/kg compared to R215 900/kg in the previous comparable reporting period. Capital expenditure at Zondereinde absorbed R268.9 million (F2010: R231.5 million), with the major capital expenditure item being the deepening project, within budget at R92.7 million. Capital expenditure for F2012 is likely to be approximately R384.3 million with the deepening project and the accelerated development accounting for about R179.7 million.

Township land and development

In terms of the group's strategy of assisting employees to acquire affordable housing, management is pleased to advise that 100 houses were sold in the Mojuteng Township of Northam town during the reporting period.

BOOYSENDAL MINE

Previously outstanding regulatory approvals for the Booysendal mine, including an integrated water use licence, were received during the second half of the financial year.

Progress on site has been satisfactory. Following completion of the boxcuts, the on-reef and reverse declines have been handed over to the mining contractor and development has started. The bulk earthworks for mining infrastructure and the concentrator are largely complete with various terraces handed over to civil and building contractors.

A total of R688.0 million (F2010: R132.4 million) was spent on capital expenditure for the Booysendal mine during the 2011 financial year. In line with planning, project expenditure is anticipated to peak at R2.2 billion during F2012. Finalisation of the design of the slimes dam and certain scope changes to the project, have resulted in the total projected project cost increasing to R3.9 billion in June 2011 money terms.

Funding options

Management is in the process of securing additional funding in the form of a revolving credit facility to supplement its internal financial resources for the development of the Booysendal mine.

CORPORATE ACTIONS

Shareholders will be aware of the unbundling by Northam's former holding company, Mvela Resources of its holding in Northam, and Northam's subsequent acquisition of the entire issued share capital of Mvela Resources. Shareholders were notified in a circular posted to shareholders, dated 18 February 2011, in terms of which Northam was to acquire assets of Mvela Resources through the issue of 20 912 190 shares (at the exchange ratio of 9.598 Northam ordinary shares for every 100 Mvela Resources shares) through a scheme of arrangement in terms of Section 311 of the Companies Act No 61 of 1973, as amended. This transaction became effective on 6 June 2011.

This transaction resulted in Northam acquiring R757.8 million in cash along with the following significant assets, *viz:*

- A 50% interest in the Dwaalkop platinum project, a PGM development opportunity held in joint venture with Lonmin Plc as well as an initial participatory interest of 51% in the Kokerboom exploration project (a greenfields iron oxide-copper-gold and massive sulphide exploration project).
- A 20.3% interest in the issued share capital of Trans Hex Group Limited, a diamond producing and marketing company listed on the JSE.

Various other assets valued at R3.4 million were also acquired as well as various liabilities amounting to R202.2 million.

Shareholders are also reminded of the announcement dated 4 May 2011 in terms of which Northam and its wholly-owned subsidiaries Micawber 278 (Proprietary) Limited and Khumama Platinum (Proprietary) Limited concluded an agreement with Aquarius and AQPSA to dispose of the mineral rights attached to the southern portion of Booysendal to AQPSA for an amount of R1.2 billion, subject to conditions precedent, net of value added tax and tax charges which may arise from the disposal.

The proposed transaction is still in progress; the conditions precedent include, *inter alia*, the written consent of the Minister of Mineral Resources in terms of Section 102 of the Mineral and Petroleum Resources Development Act No 28 of 2002. Completion of this transaction is expected some time in 2012.

ADR PROGRAMME

The company launched a sponsored level 1 ADR facility effective in the last quarter of the 2011 financial year. The shares trade with the ticker code NMPNY on the over-the-counter (OTC) market in the United States.

AUDITOR'S REVIEW

The financial results of the group have been reviewed by Mr C Maongera of Ernst & Young Inc., the group's auditors. A copy of their unmodified review report is available for inspection at Northam's registered office.

Accounting policies – basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments that are stated at fair value, in accordance with IAS34 – Interim Financial Reporting. The consolidated group financial statements for the year ended 30 June 2011 have been prepared in accordance with the International Financial Reporting Standards of the International Account Standards Board as well as AC 500

Standards, as issued by the Accounting Practices Board or its successor, and incorporate the accounting policies which are consistent with those adopted in the financial year ended 30 June 2010, with the exception of the adoption of the following amendments, standards, or interpretations with effect from 1 July 2010:

Standard	Subject
IFRS 1	IFRS 1 First time adoption of International Financial Reporting Standards – Additional exemptions for first time adoption (amendment).
IFRS 1	First time adoption of International Financial Reporting Standards – Limited exception from comparative IFRS 7 disclosure for first time adopters (amendment)
IFRS 2	Shared based payments – Group Cash Settled based Payment Transactions (amendment)
IFRS 3	Business Combinations – Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS (Annual improvements project 2010)
IFRS 3	Business Combination – Measurement of non controlling interest (Annual improvements project 2010)
IFRS 3	Business Combinations – Un-replaced and voluntarily replaced share-based payment awards (Annual improvements project 2010)
IFRS 5	Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations – Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations (Annual improvements project 2009)
IFRS 8	Operating Segments – Disclosure of information about segment assets (Annual improvements project 2009)
IAS 1	Presentation of Financial Statements – Current / non-current classification of convertible instruments (Annual improvements project 2009)
IAS 7	Statements of Cash Flows – Classification of expenditures on unrecognised assets (Annual improvements project 2009)
IAS 17	Leases – Classification of leases of land and buildings (Annual improvements project 2009)
IAS 27	Consolidated and Separate Financial Statements – Transition requirements for amendments made as a result of IAS 27 (Annual improvements project 2010)
IAS 32	Financial Instruments Presentation – Classification of rights issues (amendment)
IAS 36	Impairment of Assets – Unit of accounting for goodwill impairment test (Annual improvements project 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Assessment of loan prepayment penalties as embedded derivatives (Annual improvements project 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Scope exemption for business combination contracts (Annual improvements project 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Cash flow hedge accounting (Annual improvements project 2009)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

Through the annual improvements project, changes have been made to various standards, without the standards being issued as 'Revised'.

The adoption of these amendments, standards and interpretations resulted in changes only in the way in which the annual financial results statements are presented as well as additional disclosures in the annual financial statements.

Related parties

The group, in the ordinary course of business, enters into various sale, purchase and lease transactions with a large number of entities, some of whom are related parties. All transactions covered in this set of results are concluded at an arm's length basis.

Segmental reporting

The group distinguishes between two operating segments, the Zondereinde mine and the Booysendal mine. Capital expenditure to the value of R688.0 million (F2010: R132.4 million) was incurred for the Booysendal mine in this period, and interest to the value of R12.5 million (F2010: R92.1 million), being the only revenue, has been brought to account in respect of the investment in escrow. Profit for the period amounted to R8.3 million (F2010: R66.3 million) for Booysendal, with the remaining profit relating to Zondereinde.

Total assets in respect of the Booysendal mine amount to R7.42 billion (F2010: R6.83 billion). These have been allocated to property, plant and equipment, mining properties and mineral reserves of Booysendal. All other assets to the value of R1.08 million (F2010: R0.83 million) relate to the Zondereinde mine.

Impairment

Given the increase in the average Rand price realised, the long-term outlook for PGM prices, supported by recovery in the automotive industry post the 2008 financial crisis, management believes that no impairment indicators were evident during the 2011 financial year for the Zondereinde mine, despite the recent volatility in the financial markets.

Management has also assessed the valuation of the Booysendal project as required in terms of IAS 36 – Impairment of Assets, and has concluded that the project is not impaired. The assessment was based on previous independent valuations taking into account the current available future outlook of PGM commodity prices and exchange rates and Booysendal's ore reserves. None of Northam's investments in subsidiaries manifested any indicators of impairment requiring management to perform impairment testing.

Going concern

The nature of all mining companies is finite, and their operations are dependent on geological and technical factors, as well as other economic factors such as commodity prices and exchange rates. Although the world economy has not recovered to pre-2008 financial crisis levels, the outlook for commodity prices and exchange rates, as well as the latest forecasts of the geology of the group's mineral reserves are still favourable. The directors therefore believe that the group is a going concern, and accordingly the group's consolidated results have been prepared on this basis.

Subsequent events

No material changes have taken place in the affairs of the group between the end of the financial year and the date of this report.

PROSPECTS

At Booysendal construction and mining operations remain on track for first production in the third quarter of the 2013 financial year.

At the Zondereinde mine however, production is still expected to be hampered by difficult geology and restrictions associated with ore reserve availability, in particular of the Merensky reef. The focus in the year ahead will be on recovery – improving the ore reserve availability and controlling and improving the mill head grade. Key to this is connectivity between levels on the west side of the mine and the advancement of the deepening project in the medium and longer term.

In the current inflationary environment, management will be hard pressed to contain costs which continue to rise faster than inflation. Without any relief in this area, unit costs will continue to rise. The profitability of the group will be affected by these factors, along with the average rand basket price received in F2012. The current average rand PGM basket price is similar to the realised F2011 price of R323 899/kg. This could augur well for some growth in earnings in the next reporting period.

The information contained in this paragraph has not been reviewed or reported on by the group's auditors.

DIRECTORS

Mr BR van Rooyen was appointed as an executive director with effect from 1 June 2011. Mr van Rooyen will be responsible for business development.

COMPANY SECRETARY

Shareholders were advised of the appointment of Mr DL Swanepoel as company secretary with effect from 22 November 2010.

Dividend

Dividend number 25 of 10 cents per share has been declared as a final dividend in South African currency, in respect of the year ended 30 June 2011. In compliance with the requirements of Strate the following dates are applicable:

Last day to trade *(cum div)*	Friday, 9 September 2011
Last day to trade *(ex div)*	Monday, 12 September 2011
Record date	Friday, 16 September 2011
Payment date	Monday, 19 September 2011

No share certificates may be de-materialised or re-materialised between Monday, 12 September 2011 and Friday, 16 September 2011, both days inclusive.

On behalf of the board

PL Zim
Chairman

GT Lewis
Chief executive officer

Johannesburg
16 August 2011

Directors

PL Zim (non-executive chairman), (alternate: AK Gupta),
GT Lewis (chief executive officer) (British),
AZ Khumalo (financial director), ME Beckett (British),
CK Chabedi, Ms NJ Dlamini (Dr), R Havenstein,
Ms ET Kgosi, AR Martin, BR van Rooyen (executive director – business development),
MSMM Xayiya (alternate: MJ Willcox).

Company secretary:

DL Swanepoel

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These results are available on the Northam website at www.northam.co.za

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Share code: NHM ISIN: ZAE000030912 ("Northam Platinum" or "the company" or "the group")

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