"We continue to fulfil our objective of delivering value, with total shareholder returns of 49% compounded over the past five years"

Tokyo Sexwale – Chairman

Message from the chairman

The past year has been a challenging one for your company characterised by difficult mining conditions and lower rand prices received for our metals. After some excellent safety achievements in the past, the tragic loss of eight of our colleagues in mining-related accidents is deeply disturbing. On behalf of the board, I would like to extend my condolences to the families, friends and colleagues of the deceased. With an aggressive new management focus on safety, and the cooperation of stakeholders in additional awareness initiatives, we have to and will reverse this troubling trend.

In view of the poor mining and ground conditions encountered during the year, management did well in recording output of more than 330 000oz of metals in concentrate – the highest production levels ever recorded at Northam. This was indeed a sterling effort and came at a critical time with the strengthening of the rand against the US dollar having a predictable adverse effect on sales revenue, which nevertheless was contained to a decline of 6% to R1.47 billion.

Further operational achievements were the successful recommissioning of the smelter in March after the planned shutdown and rebuild at a capital cost of R35 million. During the rebuild, Northam's concentrate was toll treated by Impala Refining Services.

In terms of our precious metals refining requirements in the medium term, we will continue our partnership with Heraeus, with whom we have established a long and sound relationship. We remain conscious however, of the government's approach to local downstream beneficiation, and we are committed to finding a solution to our long-term precious metals refining requirements which will address the concerns of our stakeholders.

Last year we observed that, in transforming the South African business environment, government needed to take account of the need to maintain a world-class, competitive mining industry, sufficiently stable to continue to attract foreign investment. The Mining Charter Scorecard's empowerment targets have now been set, and are largely achievable, with the legislation reflecting the empowerment initiatives which we have already progressed significantly at Northam, and in which I take a personal interest.

The draft Minerals and Petroleum Royalty Bill released in March this year, could, in its current form, jeopardise the achievement of many of these empowerment initiatives, and on the face of it, could inhibit future investment in the minerals sector. Of particular concern is the number of resources which will be rendered almost unpayable, with the resultant loss of thousands of potential jobs. Increases in the total taxes payable to the state will also make it extremely difficult to finance empowerment participation other than in high operating margin mines. Based on these considerations Northam has submitted its views to the National Treasury and we look forward to further debate on the matter.

Now that the entire suite of transforming minerals legislation is close to being finalised, we are better placed to plan for growth, evidenced in the recent announcement of our intention to acquire a substantial PGE resource on the Eastern Limb of the Bushveld Complex, along with the finalisation of our participation in the Pandora JV earlier in the year. Further news on these developments will be communicated to shareholders in due course.

In terms of our primary objective of delivering value for shareholders, we believe that we continue to fulfil our promises, with total shareholder returns of 49% compounded over the past five years.

Turning to the markets, the past year has been characterised by widespread economic gloom and depressed global markets. Platinum has nevertheless enjoyed a period of buoyant demand and rising prices. During calendar year 2002, the price climbed impressively from its lowest London fix of $449 on 1 February to a high of $607 in mid December. More recently the uncertainties associated with the SARS virus and the Iraq war have dissipated, and platinum has been trading around the $700 level, fuelled by brisk demand for the metal. The on-going push for ever more stringent exhaust emission standards continues to sustain growth in the autocatalyst sector. In the jewellery sector the promotional efforts of the Platinum Guild International (PGI) continue to foster sustained platinum demand despite higher manufacturing and retail prices and the competition presented by sales of white gold.

Palladium, by contrast, has fared less spectacularly. For a metal that rose to unprecedented price highs during 2001, hindsight makes clear that such levels were unsustainable in the wake of extreme price volatility and erratic supplies. The average palladium price during 2002 was $337 and has since declined steadily to its current level of around $200/oz as the market remains dogged by diminished demand and ample supplies. Looking ahead therefore, whilst the fundamental demand for platinum remains solid, the outlook for palladium is less certain. Our hedging programmes have provided some protection from the vagaries of metal prices, and we continue to watch both the market and currency movements closely to avoid any potential erosion of value.

In December 2002 we bade farewell to Ian Watson, managing director of Northam since 1998 and intimately involved with the company for the past 14 years. I would like to extend my appreciation to Ian for his indefatigable efforts and for the role he played in turning around the fortunes of the company. Glyn Lewis, who has already made his mark in the company, was appointed general manager in December 2002 and reports directly to the board.

In June this year, Barry Davison retired from the board and was replaced by Ralph Havenstein, reflecting their changing roles at Anglo Platinum. I would like to pay tribute to the enormous experience and knowledge that he brought to the company. In Ralph Havenstein we have a worthy successor. Northam has much to gain from his fresh insights.

Looking to the year ahead, we will be hard pressed to maintain earnings if the rand basket price for our metals remains at current levels. With the strong management and operational team in place I remain confident that production will be maintained at current levels, while safety improvements and cost containment will continue to be core areas of focus.

In conclusion I would like to extend my appreciation, and that of the board, to the management team and staff, without whom Northam would not be the thriving company that it is today.

Tokyo Sexwale
Chairman 12 September 2003

Eight year statistical review

	F2003	F2002	F2001	F2000	F1999	F1998	F1997	F1996
Operating performance								
Merensky								
Tons milled	**1 582 421**	1 288 141	1 576 926	1 660 000	1 800 000	1 740 000	1 645 000	1 565 000
Head grade – g/ton*	**5.9**	6.1	5.8	6.0	6.1	6.2	6.1	6.1
UG2								
Tons milled	**636 717**	643 286	371 374	–	–	–	–	–
Head grade – g/ton*	**4.0**	3.8	3.9	–	–	–	–	–
Combined								
Tons milled	**2 219 138**	1 931 427	1 948 300	1 660 000	1 800 000	1 740 000	1 645 000	1 565 000
Head grade – g/ton*	**5.3**	5.3	5.4	6.0	6.1	6.2	6.1	6.1
Precious metals in concentrates produced – kg *	**10 354**	8 458	8 725	8 372	9 197	8 977	8 443	8 144
Precious metals sold – kg *	**9 174**	8 944	8 306	9 331	9 222	8 764	9 216	7 505
Revenue – R/kg *	**145 273**	160 367	172 733	100 701	70 502	54 656	44 404	41 256
Operating costs – R/kg *	**105 600**	105 426	93 848	70 110	57 170	55 081	52 819	48 578
Cash costs – R/kg *	**96 880**	94 861	83 750	67 366	56 431	53 068	51 711	47 644
Precious metals in concentrates produced – oz *	**332 888**	271 931	280 516	269 156	295 695	288 617	271 448	261 835
Precious metals sold – oz *	**294 947**	287 546	267 042	299 997	296 501	281 769	296 301	241 291
Price realised – US$/oz *	**498**	497	706	492	364	379	306	333
Operating costs – US$/oz *	**363**	325	383	343	295	382	363	392
Cash costs – US$/oz *	**333**	292	342	329	291	368	356	385
Financial performance								
Operating margin – %	**26.2**	37.5	50.3	34.2	17.1	(1.5)	(23.5)	(28.1)
Effective tax rate – %	**41.9**	39.4	37.0	31.8	–	–	–	–
Return on shareholders' equity – %	**16.1**	20.7	27.1	15.6	9.4	2.0	(6.0)	(5.0)
Return on total assets – %	**13.1**	17.4	24.4	13.0	8.4	1.9	(5.7)	(4.7)
US Dollar/Rand exchange rate								
– average	**9.05**	10.13	7.60	6.35	6.05	4.49	4.52	3.85
– at year end	**7.57**	10.27	8.04	6.77	6.01	5.92	4.53	4.33
Share perfomance								
Average number of shares in issue – 000	**231 313**	230 744	230 311	203 283	184 036	184 032	184 032	184 032
Number of shares at year end – 000	**231 539**	230 915	230 565	230 147	184 060	184 032	184 032	184 032
Operating cash flow per share – cents	**168.6**	323.9	347.7	208.1	92.1	23.2	(4.6)	(25.4)
Earnings per share – cents	**118.8**	172.8	227.6	129.3	72.0	14.8	(44.4)	(38.6)
Headline earnings per share – cents	**118.7**	176.1	234.1	129.3	77.8	14.8	(44.4)	(38.6)
Dividends per share – cents	**90.0**	170.0	235.0	120.0	25.0	–	–	–
Capital repayments per share – cents	**55.0**	75.0	–	–	–	–	–	–
Net assets value per share – cents	**655.0**	820.0	852.0	826.0	803.0	737.0	722.0	767.0
Share price (cents)								
– high	**2 210**	2 000	1 860	950	640	340	500	550
– low	**955**	1 000	765	455	175	130	200	225
– at year end	**1 230**	1 665	1 525	780	484	268	230	475
Average monthly volume of shares traded – 000	**4 906**	8 014	11 054	6 735	1 909	901	585	409
Annual liquidity (%)	**25.4**	41.7	57.6	40.7	12.5	5.9	3.8	2.7

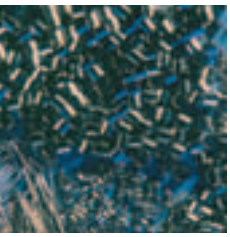
* 3PGE+Au

Summarised financial results

Eight year financial review

	F2003 R000	F2002 R000	F2001 R000	F2000 R000	F1999 R000	F1998 R000	F1997 R000	F1996 R000
Income statement								
Sales revenue	**1 471 999**	1 560 685	1 567 883	1 051 953	719 497	539 279	469 942	375 623
Cost of sales	**1 086 571**	975 549	779 501	691 925	596 285	547 449	580 444	481 222
Operating costs	**1 004 327**	803 514	731 826	586 938	525 797	475 168	443 131	394 285
Refining and other costs	**68 549**	41 394	29 601	32 068	35 742	32 227	39 963	30 604
Leased metal costs	**14 149**	–	–	–	–	–	–	–
Depreciation	**89 059**	99 451	86 999	59 474	55 302	65 940	72 916	79 648
Change in metal stocks	**(89 513)**	31 190	(68 925)	13 445	(20 556)	(25 886)	24 434	(23 315)
Operating profit	**385 428**	585 136	788 382	360 028	123 212	(8 170)	(110 502)	(105 599)
Net investment income	**64 140**	52 023	39 714	27 199	17 908	4 348	5 213	9 992
Net sundry revenue/(expenditure)	**23 946**	20 793	4 256	(1 591)	(1 980)	2 542	(182)	3 090
Profit before tax and exceptional items	**473 514**	657 952	832 352	385 636	139 140	(1 280)	(105 471)	(92 517)
Exceptional items	**–**	–	–	–	15 262	–	–	–
Profit before tax	**473 514**	657 952	832 352	385 636	123 878	(1 280)	(105 471)	(92 517)
Tax	**198 601**	259 121	308 143	122 817	(8 687)	(28 488)	(23 816)	(21 399)
Net Income for the year	**274 913**	398 831	524 209	262 819	132 565	27 208	(81 655)	(71 118)
Headline earnings	**274 560**	406 427	539 066	262 819	143 248	27 208	(81 655)	(71 118)
Balance sheet								
Fixed assets	**1 334 203**	1 249 774	1 261 159	1 184 868	900 920	944 586	977 683	1 030 548
Deferred tax	**–**	–	–	166 485	271 511	253 904	225 416	201 600
Other non current assets	**10 645**	8 741	7 310	6 040	4 953	6 280	11 619	19 499
	1 344 848	1 258 515	1 268 469	1 357 393	1 177 384	1 204 770	1 214 718	1 251 647
Current assets	**747 907**	1 038 062	882 506	661 781	398 161	254 859	225 176	263 005
Total assets	**2 092 755**	2 296 577	2 150 975	2 019 174	1 575 545	1 459 629	1 439 894	1 514 652
Shareholders' equity	**1 515 508**	1 892 908	1 965 439	1 900 201	1 477 862	1 356 693	1 329 485	1 411 140
Deferred tax	**330 323**	249 103	69 723	–	–	–	–	–
Long term liabilities and provisions	**11 442**	9 393	8 179	6 835	29 514	49 587	51 818	53 542
Current liabilities	**235 482**	145 173	107 634	112 138	68 169	53 349	58 591	49 970
Total equity and liabilities	**2 092 755**	2 296 577	2 150 975	2 019 174	1 575 545	1 459 629	1 439 894	1 514 652
Cash flow statements								
Operating cash flow	**390 040**	747 481	800 873	423 098	169 455	42 629	(8 432)	(46 782)
Investing cash flow	**(172 171)**	(87 575)	(167 325)	(343 389)	(11 318)	(32 843)	(20 062)	(18 936)
Financing cash flow	**(654 207)**	(472 802)	(467 764)	142 774	(37 800)	4 254	5 121	3 967
Dividends paid	**(439 449)**	(472 942)	(460 682)	(73 638)	(18 403)	–	–	–
Share premium repaid	**(219 606)**	–	–	–	–	–	–	–
Other financing cash flows	**4 848**	140	(7 082)	216 412	(19 397)	4 254	5 121	3 967
Net cash flow	**(436 338)**	187 104	165 784	222 483	120 337	14 040	(23 373)	(61 751)
Cash and cash equivalents at beginning of year	**731 313**	544 209	378 425	155 942	35 605	21 565	44 938	106 689
Cash and cash equivalents at end of year	**294 975**	731 313	544 209	378 425	155 942	35 605	21 565	44 938

The year at a glance



PGMs are used extensively in catalytic converters which convert the pollutants in gasoline and diesel engines into less harmful carbon dioxide, nitrogen and water vapour.

Overall results for the year under review were mixed at Northam's mining operation. Building on the safety successes achieved in the previous year, the company had the distinction of achieving two million fatality free-shifts in September 2002. However, since that achievement eight employees tragically lost their lives in mining related accidents. Management is deeply concerned about this disappointing performance and has initiated the implementation of a behaviour based safety programme to complement existing safety initiatives.

Operationally the company produced solid results under difficult mining conditions. Metals in concentrate produced increased by 22.4% to 10 354kg (3PGE+Au). Sales however, were only 2.6% higher than the previous year at 9 174kg (3PGE+Au) owing to a build-up of inventory totalling 890kg (3PGE+Au) following the successful completion of the smelter rebuild in March this year.

The basket price for metals sold remained relatively constant in US dollar terms averaging US$498/oz for the year (F2002: US$497/oz). In R/kg terms however, the average basket price declined by 9.4% from R160 367/kg in F2002 to R145 273/kg as a result of the strength of the rand against the US dollar, particularly in the second half of the year. By year end, the basket price in terms of R/kg had declined to R129 546 having peaked at R168 384 early in the financial year. Consequently sales revenue was 5.7% lower than the previous year at R1 472 million.

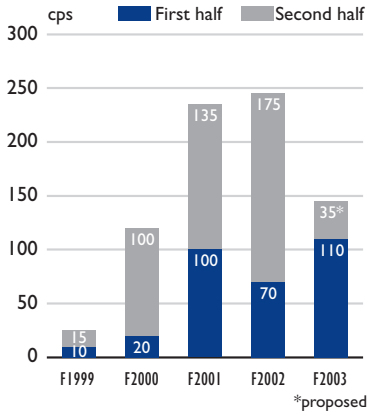
Unit cash costs were well contained increasing by 2.1% to R96 880/kg (3PGE+Au). Net income of R275 million was reported for the year (F2002: R399 million).

Headline earnings at R275 million for the year were 31% lower than in F2002.

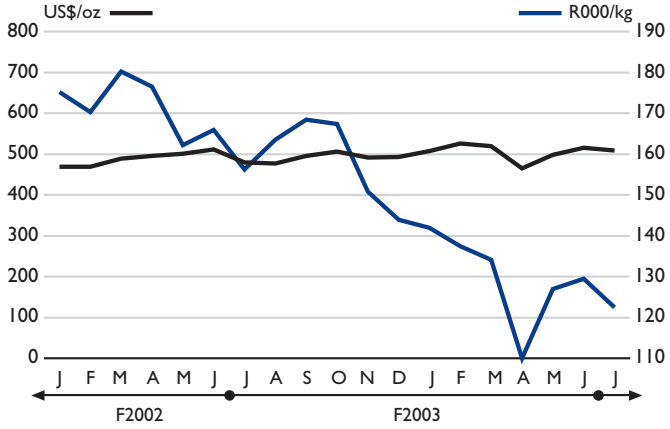
A cash distribution of 35 cents per share to be effected by way of a reduction of share premium has been proposed. Added to the interim distribution of 110 cents per share paid in respect of the first half of the year, the total return to shareholders amounts to 145 cps (F2002: 245 cps).

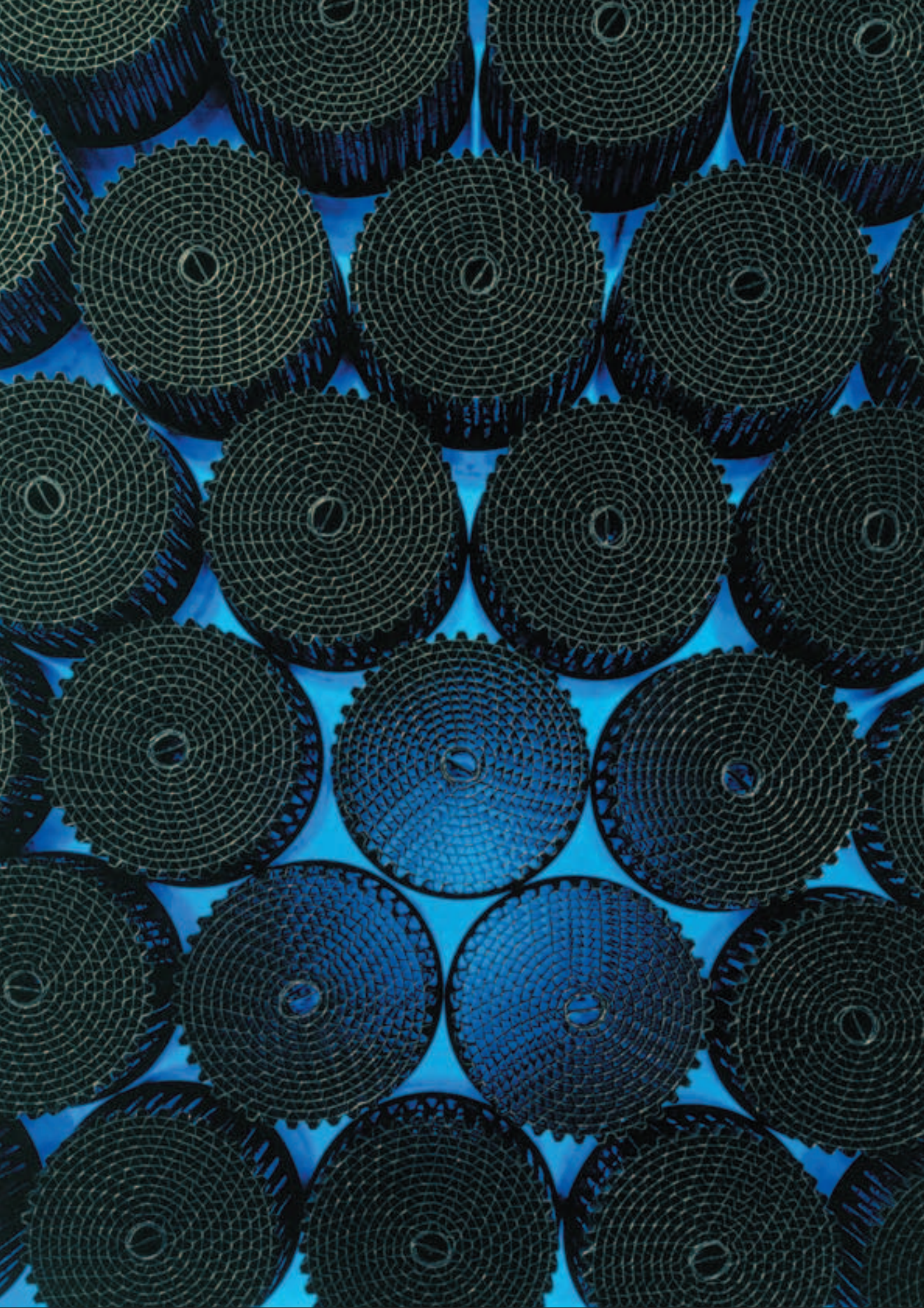
The year ahead will see a renewed drive to reduce the number and severity of accidents at our mining operation, a continued focus on costs as well as on increasing the ore reserve position on the Merensky reef horizon in order to benefit from improved mining flexibility in the difficult ground conditions.

Cash distributions



Basket prices (3PGE+Au)

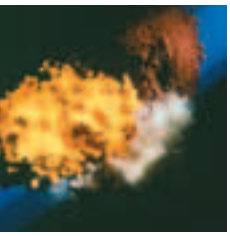


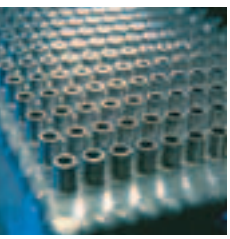


Palladium, with its lower density and less metal weight is used as an alternative to gold for plating material which is used to join the electronic components in circuit boards.

General Manager's Report

Mining





Mining conditions during the past year have been particularly difficult as a result of negotiating major structural geological features on the eastern and western extremities of current mining areas. This has had the effect of slowing the rate of development and reducing the extraction ratios in stoping operations.

Total development metres were 12% lower than the previous year owing to delays resulting from additional work required to support and seal footwall drives traversing the faults and water bearing fissures. Nevertheless, progress continues to be made as evidenced by the increase in Merensky ore reserves from 17 months last year to 20 months at the end of this financial year. It is anticipated that the target of 24 months ore reserve on the Merensky horizon will be achieved by the end of financial 2004.

Overall stoping production increased by 13.3% to 432 050 m^2 year on year. Production from the higher grade Merensky reef was prioritised, particularly during the second half of the year, to maximise metal production. The average Merensky head grade however, declined from 6.1g/t to 5.9g/t owing to increased dilution as a result of higher than normal ledging activity, a higher than expected incidence of potholing and poor ground conditions associated with major faults. On the UG2 reef horizon, production was comparable to the previous year, but the average head grade improved from 3.8g/t to 4.0g/t and is expected to be maintained at this level in the coming year.

Stoping productivity improved by 20% in the year under review and is expected to show further gains as the ore reserve position and associated mineable face length improves. On the UG2 horizon productivity improvements will be focused on increasing the overall extraction rate of this reef by re-evaluating regional pillar designs and optimising panel lengths and layouts.

Results of operations

Merensky reef	**F2003**	F2002
Development metres [1]	**13 596**	14 622
Square metres mined	**317 677**	264 463
Tonnes mined	**1 896 010**	1 612 101
Tonnes milled	**1 582 421**	1 288 141
Head grade – g/t [2]	**5.9**	6.1
Metals in concentrate produced – kg [2,3]	**7 937**	6 596
Ore reserves – months	**20**	17

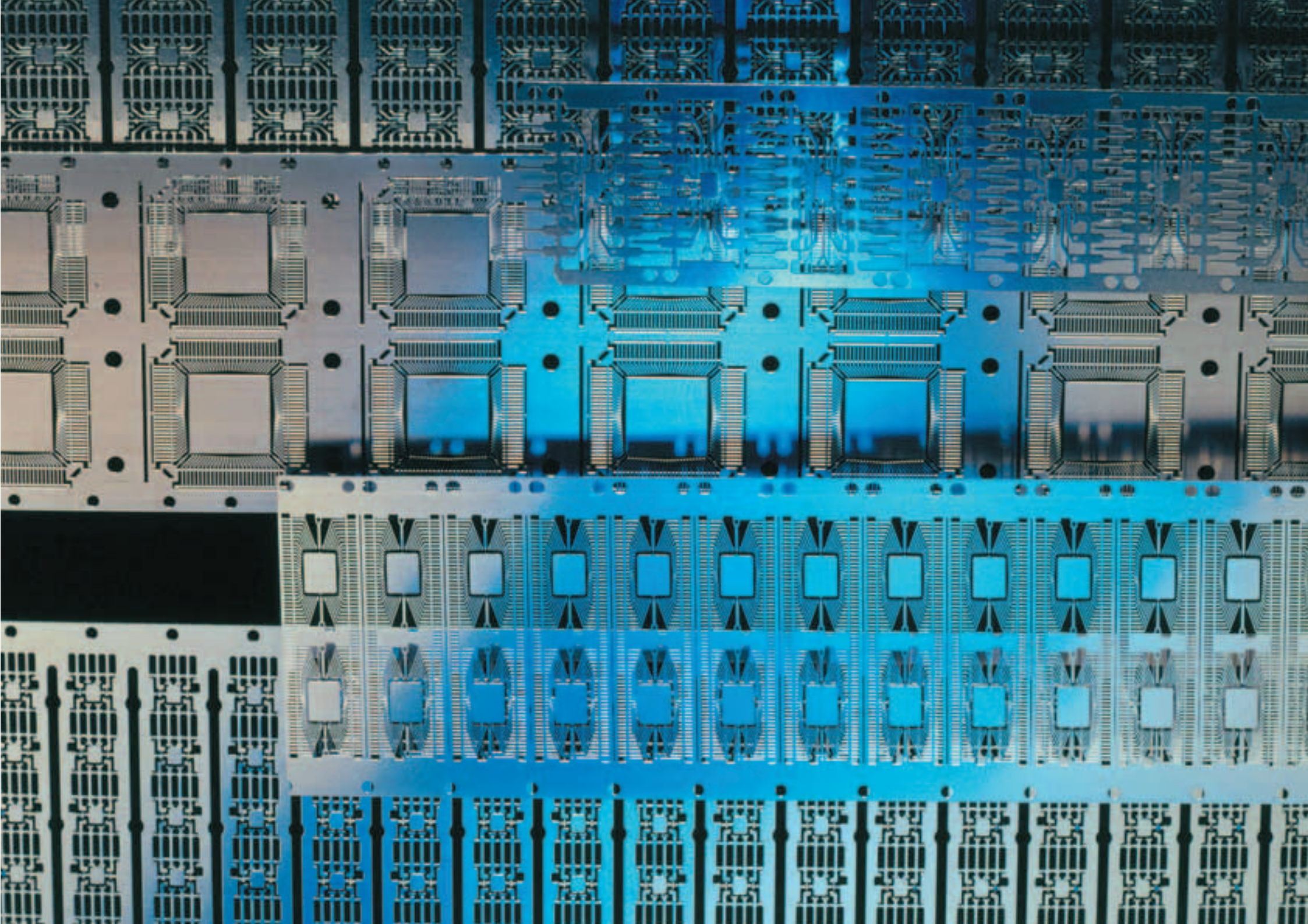
UG2 reef	**F2003**	F2002
Development metres	**1 147**	2 148
Square metres mined	**114 373**	116 931
Tonnes mined	**638 614**	664 362
Tonnes milled	**636 717**	643 286
Head grade – g/t [2]	**4.0**	3.8
Metals in concentrate produced – kg [2,3]	**1 968**	1 862
Ore reserves – months	**38**	36

Combined reefs	**F2003**	F2002
Development metres	**14 743**	16 770
Square metres mined	**432 050**	381 394
Tonnes mined	**2 534 624**	2 276 463
Tonnes milled	**2 219 138**	1 931 427
Head grade – g/t [2]	**5.3**	5.3
Metals in concentrate produced – kg [2,3]	**9 905**	8 458

1 Includes 4 502 metres on the accelerated development programme

2 3PGE+Au.

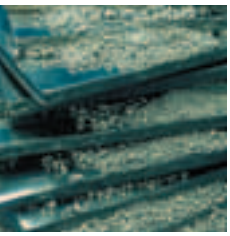
3 Metals in concentrate from underground mining. Total metals in concentrate produced was 10 354 kg (3PGE+Au) which included 449 kg from metal gains and reverts processed subsequent to the smelter shutdown.

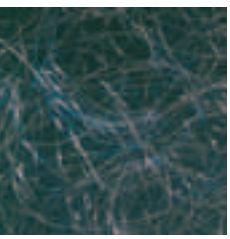


Bridal rings crafted from platinum-struck washers. Demand for the white metal in China has surged since 1995, especially among young urban women seeking the modern style that platinum jewellery represents.

General Manager's Report

Metallurgy





Total metals in concentrate produced at the mine increased by 22.4% to 10 354 kg (3PGE+Au) compared to the previous year. Sales of refined metal however, increased by only 2.6% to 9 174 kg as a result of a build-up in inventory of 890 kg in the refining pipeline subsequent to re-commissioning the smelter.

The Merensky concentrator operated as planned achieving an average recovery for the year of 88.6% (F2002: 88.6%). The average recovery at the UG2 concentrator during the year improved to 80.3% from 79.5% the previous year.

Smelter feed was 7.5% higher for the year at 84 200 tonnes of concentrate which included 6 900 tonnes of Anglo Platinum toll material. In January the smelter was shut down for a complete furnace rebuild after operating continuously for the past eleven years. The entire project was successfully completed and the plant was recommissioned during March 2003. During the shutdown period, some 8 500 tonnes of Northam concentrates were toll treated by Impala Refining Services.

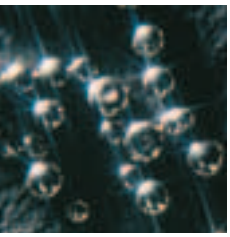
The Base Removal Plant operated satisfactorily during the year achieving very good average recovery rates. Good use was made of the time during the smelter shutdown to carry out maintenance work on this plant.

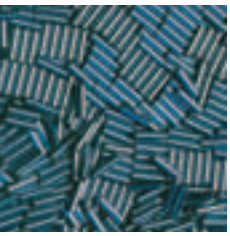
Metallurgical research and development in the forthcoming year will be focused on achieving optimal liberation of PGMs, a reduction of chrome in concentrate and improved concentrate grades.

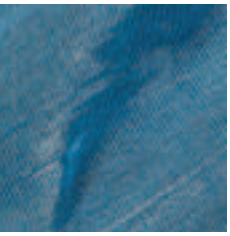
Refined precious metals produced in concentrate	F2003		F2002	
	kg	oz	kg	oz
Platinum	**6 399**	**205 732**	5 202	167 248
Palladium	**3 123**	**100 407**	2 516	80 891
Rhodium	**618**	**19 869**	562	18 069
Gold	**214**	**6 880**	178	5 723
Total (3PGE+Au)	**10 354**	**332 888**	8 458	271 931
Other PGMs	**1 617**	**51 987**	1 313	42 214
Copper (tonnes)	**864**	–	825	–
Nickel (tonnes)	**1 508**	–	1 352	–

Refined precious metal sales	F2003		F2002	
	kg	oz	kg	oz
Platinum	**5 571**	**179 108**	5 523	177 580
Palladium	**2 771**	**89 086**	2 699	86 758
Rhodium	**645**	**20 744**	539	17 325
Gold	**187**	**6 009**	183	5 883
Total (3PGE+Au)	**9 174**	**294 947**	8 944	287 546
Other PGMs	**1 464**	**47 072**	1 120	36 009
Copper (tonnes)	**864**	–	825	–
Nickel (tonnes)	**1 508**	–	1352	–

Resources and reserves







Overview

This overview of Northam's Reserves and Resources is reported in terms of the South African Resource Committee (SAMREC) Code, published under the auspices of the South African Institute of Mining and Metallurgy.

The definitions and terminology used to present the Resource and Reserve statements for auditing are those reflected and stated in the March 2000 edition of the SAMREC code.

The Resource and Reserve statements were audited for compliance by the international mining consulting firm of Steffen, Robertson and Kirsten (South Africa) (Pty) Limited in July 2003.

All Mineral Resource and Mineral Reserve estimates are based on underground operations. The grade refers to three platinum group elements (platinum, palladium and rhodium) and associated gold (3PGE+Au).

Mineral Resource tonnages and grades are estimated in situ. The most practical mining width was assumed, in conjunction with the 3PGE+Au grade and specific gravity estimates, derived from kriging parameters to estimate tonnage and content. An extensive database containing information pertaining to individual samples and their associated analytical information exists from which the data is drawn to derive the kriging parameters. The database consists of approximately 21 500 Merensky reef sample intersections on an average grid size of 12 metres by 12 metres (172 000 individual samples) and 3 600 UG2 reef sample intersections on an average grid size of 11 metres by 11 metres (25 200 individual samples).

The Merensky reef and the UG2 are well-recognised ore bodies, with lateral continuity well-established across the mine property. The Merensky reef displays a wide range of lateral reef type variations that are interpreted by means of prospect drilling in excess of 1 900 metres per month with an average of 30 reef intersections from the footwall development infrastructure.

The interpretation of detailed variations on the Merensky reef, on reef development as well as stoping faces are logged by sampling personnel and are mapped geologically on an ongoing basis.

Estimation and Reporting of Mineral Reserves.

- The Measured and Indicated Mineral Resources include Proved and Probable Mineral Reserves.
- All Mineral Reserves are quoted as at 1 July 2003.
- All Mineral Reserves are quoted at a Run-of-Mine (ROM) grade and tonnages as delivered to the metallurgical processing facilities on site and are therefore fully diluted.

Merensky Reef

The Merensky reef is not a specific delineated reef but rather a zone of mineralisation, which straddles the base of the unconformity at the base of the Merensky Cyclic Unit. The Merensky Cyclic Unit is divided into facies, subfacies and reef types. Two different facies types are recognised at Northam. They are the Normal Merensky Reef Facies and the Regional Pothole Facies. The Regional Pothole is further divided into three different reef types of which the NP2 and P2 are the main sources of ore. The third reef type, FWP2, is not considered to be a primary target due to the undulating nature of the reef. Mining the FWP2 reef results in excessive dilution, which reduces the grade of this reef type to below the pay limit.

The Measured Resource is an estimate of the in situ tonnage and grade (3PGE+Au) that has been exposed through development and is accessible for exploitation. The Measured Resource increased in 2003 to 2.55 Mt (676 koz) compared with the previous year's estimate of 2.00 Mt (508 koz). This equates to an increase of 27.5%. Factors contributing to this are the accelerated development programme which has allowed access to new ground for mining. In addition, the minimum mining width of the P2 reef on the eastern side of the mine was increased to 140 centimetres, due to the mineralisation model and physical characteristics of the reef in the area. Prospect drilling increased the confidence of the reef type delineation, which allowed for more precise area demarcation and reef type ratio estimates.

UG2 Reef

Mining on the UG2 reef was critically reviewed during the year and an emphasis was placed on the safe extraction of this reef and the prevention of falls of ground. The stoping width was increased to include both the leader stringers that occur above the main member chromitite. This should improve hangingwall conditions and allow for a safer working environment.

The total resource on the UG2 has therefore increased from 50.37 Mt (8 129 koz) to 63.9 Mt (9 479 koz), which translates to a 26.8% increase. The Measured Resource also increased in 2003 to 2.20 Mt (326 koz) which is an improvement of 8.7% compared with the previous year's estimate of 1.86 Mt (300 koz).

Audited mineral resource and mineral reserve statement

Merensky Reef

Mineral Reserve Category	Tonnes Mt	MHG* g/t	Metal 000kg	Metal 000oz	Mineral Resource Category	Tonnes Mt	In Situ g/t	Metal 000kg	Metal 000oz
Proved					**Measured**				
Northern boundary					Northern boundary				
to 13 Level	3.0	6.26	19	604	to 13 Level	2.6	8.24	21	676
Sub total	**3.0**	**6.26**	**19**	**604**	**Sub total**	**2.6**	**8.24**	**21**	**676**
Probable					**Indicated**				
Northern boundary					Northern boundary				
to 13 Level	24.2	6.05	146	4 702	to 13 Level	20.6	7.94	163	5 251
Shaft Pillar					Shaft Pillar	1.8	7.29	13	421
13 Level to 18 level					13 Level to 18 level	19.8	7.05	140	4 481
Sub total	**24.2**	**6.05**	**146**	**4 702**	**Sub total**	**42.2**	**7.49**	**316**	**10 153**
Total	**27.2**	**6.07**	**165**	**5 306**	**Total**	**44.8**	**7.54**	**337**	**10 829**

UG2 Reef

Mineral Reserve Category	Tonnes Mt	MHG* g/t	Metal 000kg	Metal 000oz	Mineral Resource Category	Tonnes Mt	In Situ g/t	Metal 000kg	Metal 000oz
Proved					**Measured**				
Northern boundary					Northern boundary				
to 13 Level	2.4	4.01	10	308	to 13 Level	2.2	4.66	10	326
Sub total	**2.4**	**4.01**	**10**	**308**	**Sub total**	**2.2**	**4.66**	**10**	**326**
Probable					**Indicated**				
Northern boundary					Northern boundary				
to 13 Level	44.0	4.01	177	5 680	to 13 Level	40.5	4.66	189	6 007
Shaft Pillar					Shaft Pillar	2.1	4.66	10	310
					13 Level to 18 level	19.1	4.66	89	2 837
Sub total	**44.0**	**4.01**	**177**	**5 680**	**Sub total**	**61.7**	**4.66**	**288**	**9 154**
Total	**46.4**	**4.01**	**187**	**5 988**	**Total**	**63.9**	**4.66**	**298**	**9 480**

* Mill head grade

Northam's resources and reserves statement has been compiled by a professional team comprising:

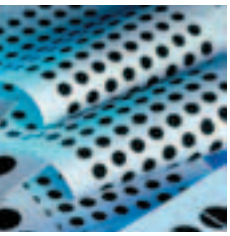
H C Boshoff – Chief Surveyor registered with PLATO with over 10 years' platinum experience.

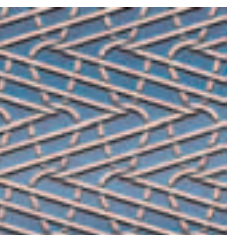
J **C Roberts** MSc – Mineral Resource specialist with 11 years' experience in platinum valuation.

D Smith MSc – Chief Geologist with 7 years' experience in the Bushveld Complex.

R G Viring BSc (Hons) Pr Sci Nat, GDE – Manager, mineral resources with 9 years' Bushveld Complex experience.

Financial review





Sales

Although the average basket price received for our metals in US dollars remained relatively constant, averaging US$498 for the year, the substantial strengthening of the Rand particularly in the second half of the year resulted in the Rand basket price received declining by some 9% to R145 273/kg. However, unit sales increased by 2.6% to 9 174kg (3PGE+Au) resulting in total revenue for the year under review declining by only 5.6% to R1 472 million from R1 561 million in the previous year.

Cost of sales

Cost of sales increased by 11.4% as shown in detail in the accompanying table:

	F2003	F2002
Labour	**401 860**	331 903
Stores	**346 201**	260 471
Utilities	**81 217**	74 832
Sundries	**173 822**	135 155
Decommissioning and restoration	**1 227**	1 153
Total cash operating costs	**1 004 327**	803 514
Refining and realisation	**68 549**	41 394
Leased metal costs	**14 149**	–
Depreciation and impairments	**89 059**	99 451
Change in metal inventories	**(89 513)**	31 190
Cost of sales	**1 086 571**	975 549

Operating costs

Total operating costs increased by 25% year on year. Labour costs increased by 21.1% of which the F2002 wage increases accounted for 12.2% and an increase in labour complements accounted for 6.2%. UIF and additional contributions to the Mineworkers' Provident Fund made up the balance. Stores costs increased by 14% in line with the 13.3% increase in stoping production. The company had to absorb above inflation increases in the prices of imported steel and chemicals. Sundries increased by 28% largely as a result of increased insurance costs, and costs associated with the toll refining during the smelter rebuild.

Refining and realisation costs

Refining and realisation costs increased by 65.6% from R41.3 million to R68.5 million in the year under review. A large portion of this increase, representing 25.4%, is attributed to the toll treatment of ore by Impala Refining Services during the smelter rebuild, and to the cost of treating Northam's nickel production, which was previously netted off the nickel sales revenue.

Leased metal costs

This cost represents the equivalent cost of production of metal leased during the year to meet marketing commitments during the smelter shutdown.

Depreciation and impairments

The depreciation and impairment charge reduced compared to F2002, as that period included an impairment charge of R11.2 million.

Change in inventories

Metal inventories increased as a result of the extended pipeline occasioned by the smelter rebuild. This metal will be released during the coming year.

Investment income

Investment income increased as a result of the higher interest rates received.

Net sundry revenue

Net sundry revenue comprises mainly gains from the hedging programme discussed on pages 57 and 58.

Net income

The decline in sales revenue, together with the increase in cost of sales, resulted in the operating profit declining by 34.1%. This was partially offset by an increase in investment income as a result of higher interest rates, resulting in net income declining by 31.1%.

Distribution to shareholders

In line with its policy of maximising distributions to shareholders, the company paid an interim dividend of 90 cps and a repayment of share premium of 20 cps at the half year stage, and is in addition proposing a further repayment of share premium of 35 cps.

Hedging

During the year the company embarked on a hedging programme to protect its revenues from a potential decline in the prices of platinum and palladium. At 30 June 2003 an average of 4 250 ounces of palladium per month until February 2004 had been hedged at an average price of US$244 per ounce. For July to September 2003, 5 000 ounces of platinum per month have been hedged at an average price of US$661 per ounce.

A realised gain of R6.6 million is included in net sundry revenue, and in terms of AC 133 – Financial Instruments: Recognition and Measurement, the hedging instruments outstanding at year end have been recognised at fair value at the end of the period, with a gain of R16.7 million being included in net sundry revenue.

Capital expenditure

The development programme (R42 million), the smelter rebuild (R35 million) and additional refrigeration plants (R31 million) were the major contributors to the capital expenditure of R176 million.

Planned capital expenditure for 2004 amounts to a total of R130 million and includes the following major items: the development programme (R49 million); additional refrigeration plants (R20 million); safety improvements to the hoisting arrangements (R12 million), and access infrastructure to 1 level (R10 milion).

Safety, health and environment

Safety

The excellent safety performances at Northam reported in the past couple of years have been tragically marred by the death of eight employees. This was particularly disappointing taking into account the 2 million fatality-free shift achievement in September 2002.

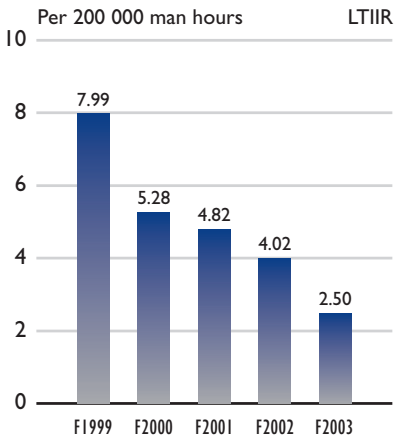
Of some relief were the improved statistics for the lost time injury incidence rate and the reportable injury incidence rate (measured per 200 000 man-hours) which dropped from 4.02 to 2.05 and from 1.28 to 1.21 respectively. Also encouraging were the 1 million fatality-free shifts achieved by one of the four underground managers sections and the 2 million fatality-free shifts at the metallurgical plants. Nevertheless, the overall performance is of serious concern to management. Much work remains to be done to reduce the frequency and severity of accidents and in further sensitising employees to hazards in the workplace.

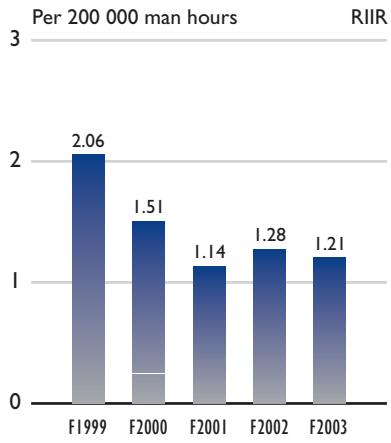
A number of safety initiatives have been introduced, among them accident prevention videos, and a permanent communiciation centre known as Radio Vuka, which provides for on-site presentations by team leaders. Further behaviour-based safety campaigns will be initiated during the new financial year to effect long-term attitudinal change in the workplace.

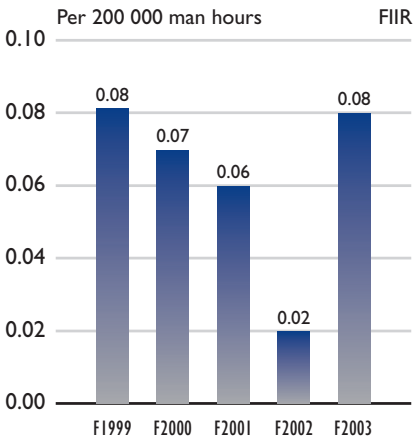
Falls of ground (FOG) and tramming remain the most serious causes of accidents. Although poor ground conditions have been the cause of a number of the FOG accidents, we are intensively and continuously monitoring our support standards. The principle of no work taking place further than 1.5 metres from any support remains intact, and will be more strictly enforced.

Safety targets for F2004 per 200 000 manhours:

LTIIR: 3.0
RIIR: 0.85
FIIR: Nil







Health

As anticipated, the results of the regular occupational health screening have not indicated any negative trends in diseases associated with platinum mining and smelting. This is largely attributable to the continuing benefits associated with the hydropower used underground, which largely eliminates noise in underground working areas and further minimises the already low dust levels.

An exception to these trends was the increase in the number of employees compensated for noise-induced hearing loss (NIHL), with 64 cases reported during the year largely as a result of previous exposure to pneumatic machines on other mines.

Number of medical examinations performed

	Northam	Contractors
Initial	940	1 445
Annual	5 286	831
Exit	252	192

Tuberculosis continues to be on the increase, with a total of 139 cases reported during the year, probably reflecting the impact of HIV. HIV positive patients who are being treated with prophylactic antibiotics for secondary symptoms are also more prone to developing multi-drug resistant tuberculosis. The medical department maintains regular contact with patients, and counselling is provided for patients who renege on their treatment.

Some progress has been made in the battle against HIV/AIDS. Northam's efforts to contain the spread of the pandemic continue to focus on three key areas:

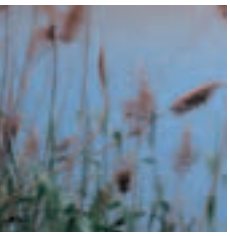
- Peer education and awareness campaigns
- Controlling the incidence of sexually transmitted infections (STIs)
- Encouraging voluntary testing and counselling

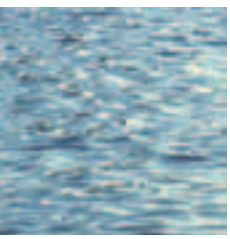
The peer educator project continues, with a total of 38 peer educators in three local villages and 24 on-mine educators. Further training will continue, with the aim of increasing these numbers to 75 and 25 respectively by October 2003. Quarterly high-profile AIDS awareness days are held on the mine, complemented by continuous small-scale campaigns, which address issues such as life-threatening diseases (including tuberculosis), the benefits of HIV testing, the matter of confidentiality and disclosure and the promotion of a safer workplace.

Treating sexually transmitted infections (STIs) is crucial to containing the spread of HIV. On-mine statistics indicate a declining trend in first-time STIs with the incidence of repeat infections remaining constant. This pattern points to the difficulty in changing sexual behaviour.

An AIDS coordinator has been appointed to assist with pre and post-test counselling, and an AIDS committee has been established. This has resulted in more people making use of the Voluntary Counselling and Testing (VCT) programme and has led to the establishment of a support group for those infected and affected by the disease.

Plans are in place to conduct a Knowledge, Attitudes and Practice (KAP) survey among the workforce to ascertain the effectiveness of the company's prevention and education campaigns.





Environment

Northam Platinum is committed to ensuring that impacts on the environment in which it operates are managed effectively to promote sustainable development in the area where it operates. In order to achieve this, the company's mandatory environmental management programme is constantly reviewed in consultation with various regulatory bodies.

The management of the environmental programme is enhanced by:

- Regular audits by independent specialists to ensure compliance with both mandatory and self-regulatory requirements
- Quarterly surveys to monitor performance in key areas
- A continuing focus on advancing technology to address impacts effectively
- Increasing awareness and knowledge of environmental requirements

Biodiversity

Northam's mining property lies adjacent to the Crocodile River to the east, and the Bierspruit to the west. These rivers are an important focus area of the mine's environmental monitoring systems. Biomonitoring surveys are conducted at three pollution control dams on the mine property as well as at points both up and downstream of the Bierspruit and Crocodile River.

In order to determine the level of impairment of the water quality in the rivers, the environmental department is currently compiling an inventory of aquatic organisms. The biomonitoring survey can determine, qualitatively, the level of impairment on water quality based on the presence and abundance of these organisms. To date the two rivers have indicated minimal adverse effects, although the pollution control dams have shown rising salinity levels.

The layout of mining infrastructure was designed to minimise land usage. A nature reserve, comprising 810ha, has been established on the surrounding land to preserve the area's biodiversity; the balance is used for farming purposes.

Alien invasive vegetation is sometimes a problem in areas where soils have been disturbed. This alien vegetation is regularly removed and the areas are treated with registered herbicides to prevent their regrowth.

Water management

Northam's water management programme is based on the following tenets:

- Ensuring compliance with relevant legislation including the National Water Act, the National Environmental Act and the Minerals Act
- Optimising the use of water from supply authorities to minimise demand
- Recycling water for a number of uses and regular monitoring of the quality of industrial water
- Preventing discharge of polluted industrial water into adjacent receiving water bodies

Water consumption is monitored at each of the strategic consumer points (shafts, processing plants, housing and amenities). For the period under review the total water consumption was 15 058 megalitres, of which only 3 816 megalitres were supplied by the Magalies Water Board; the balance of 11 242 megalitres having been recycled.

Surface and industrial water

Northam makes use of three pollution control dams to contain run-off water from the shaft and processing plants as well as fissure water encountered in underground workings. The dams are lined with clay to avoid seepage. Similarly, overflow in the rainy season is avoided since the dams' design maximises the surface area of the water, thereby promoting evaporation. Pumping facilities to route water from these dams to a central dam near the concentrator plant have been completed. The water is re-used in the plant.

Additional pumping facilities have been installed at the tailings return water dam to ensure that no overflow runs into the Crocodile River.

In order to comply with the provisions of the current water use permits, and in preparation for applications for water user licences in terms of the SA National Water Act, Northam is moving towards quantifying waste loads (salt levels) of the surface and ground water regimes. This will enable an assessment of the cumulative impact of the operation on the downstream environment.

Ground water management

The mine's ground water monitoring programme has been boosted by an additional 12 boreholes drilled during the first half of the year. The first samples have been analysed and have been found to be of an acceptable standard, with no evidence of heavy metal contamination, and only slightly raised salinity levels attributable to the hydrogeology of the region.

Air quality management

Emissions	Management control mechanisms
Sulphur dioxide (SO_2) and particulates (dust) from the smelter processes	15 monitoring stations are situated on and around the property to determine the potential impact of emissions. Current readings of SO_2 are 20 times lower than the threshold of 50 parts per billion (ppb). Dust emissions have been eliminated since the installation of a wet scrubber downstream of the electrostatic precipitator.
Particulates from tailings dams, transportation and materials handling	The tailings have been largely grassed and covered by natural vegetation, resulting in minimal dust levels.
Carbon dioxide	The use of vehicles is restricted to a very small fleet of transport vehicles. Ore is hauled either by battery or electrically-driven transport.
Ozone-depleting substances (CFCs)	Two refrigeration machines have been converted to the acceptable R134a refrigerant. Extensions to the refrigeration plant will also comply with this standard. During the year four tonnes of CFCs were contained and disposed of. Their transportation is being monitored by the United States' Environmental Protection Agency.

Glyn Lewis
General Manager

12 September 2003