REPORT SCOPE AND BOUNDARY

This annual integrated report is Northam's first report of this nature. In it we have addressed the sustainability of the business in an holistic way, including both financial and non-financial performance.

This report forms part of a suite of reports prepared for stakeholders, namely:

- Notice of annual general meeting and abridged report 2011, posted to shareholders.
- This annual integrated report 2011.
- Northam's sustainable development report, which reports primarily on our non-financial performance.

These reports are all available on our website – *www.northam.co.za*, and in a printed format on request.

Northam's primary listing is on the JSE Limited in South Africa, and the company reports in line with JSE's listing requirements. Reporting is also in line with International Financial Reporting Standards (IFRS), the new South African Companies Act, SAMREC's guidance in respect of the reporting of mineral reserves and ore resources. Northam is committed to reporting in line with the King Report on Governance for South Africa 2009 (King III) and has reported on the application of these guidelines in the corporate governance section of its annual report. Northam has also adopted the Global Reporting Initiative's G3 (GRI version 3.1) guidelines as the basis of reporting, and has declared a B+ level of report.
The report has also been submitted to GRI for review.

Northam has in place a significant level of internal and external control. The internal audit function is undertaken by KPMG Services (Proprietary) Limited (KPMG) on an outsourced basis, to provide an independent appraisal function with specific responsibility for examining and evaluating the group's systems of internal control in the mitigation of business risks, and to assist members of management to effectively discharge their duties. The group's consolidated annual financial statements have been audited by external auditor, Ernst & Young Inc. (Ernst & Young), and the independent auditor's statement may be found on page 57 of the annual financial statements. Certain non-financial key performance indicators (KPIs) have been assured by independent assurance provider, Environmental Resources Management Limited (ERM) in respect of Northam's application of the GRI G3 application, alignment with AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and selected Performance Indicators (KPIs). ERM's statement of assurance may be found on page 49 of the sustainability report.

Information in this report pertains to F2011, the period from 1 July 2010 to 30 June 2011. Data for previous years is provided in certain instances for comparative purposes. There have not been any significant restatements of data or information during the year.

Unless otherwise specified, Northam reports on its production, reserves and resources as 3PGE+Au – which is made up of a basket of platinum, palladium, rhodium and gold.

This report covers Northam's core, managed operations – namely the Zondereinde mine and metallurgical complex, and the Booysendal project – see the group structure on page 3.