NORTHAM
PLATINUM LIMITED

RESULTS FOR THE YEAR ENDED 30 JUNE 2018

smart platinum mining

DISCLAIMER

Certain statements in this presentation (other than the statements of historical fact) may contain forward-looking statements regarding Northam’s operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, costs and other operating results, growth prospects and the outlook for Northam and any of its operations and projects.

Although Northam believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Changes in the economic and market conditions, the success or otherwise of business and operating activities, changes in the regulatory and legislative environment, fluctuations in metal prices and currency exchange rates, may influence the company’s performance, and results may differ materially from those set out in the forward-looking statements.

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AGENDA

Key features

Operational review

Financial review

Projects update

Business outlook

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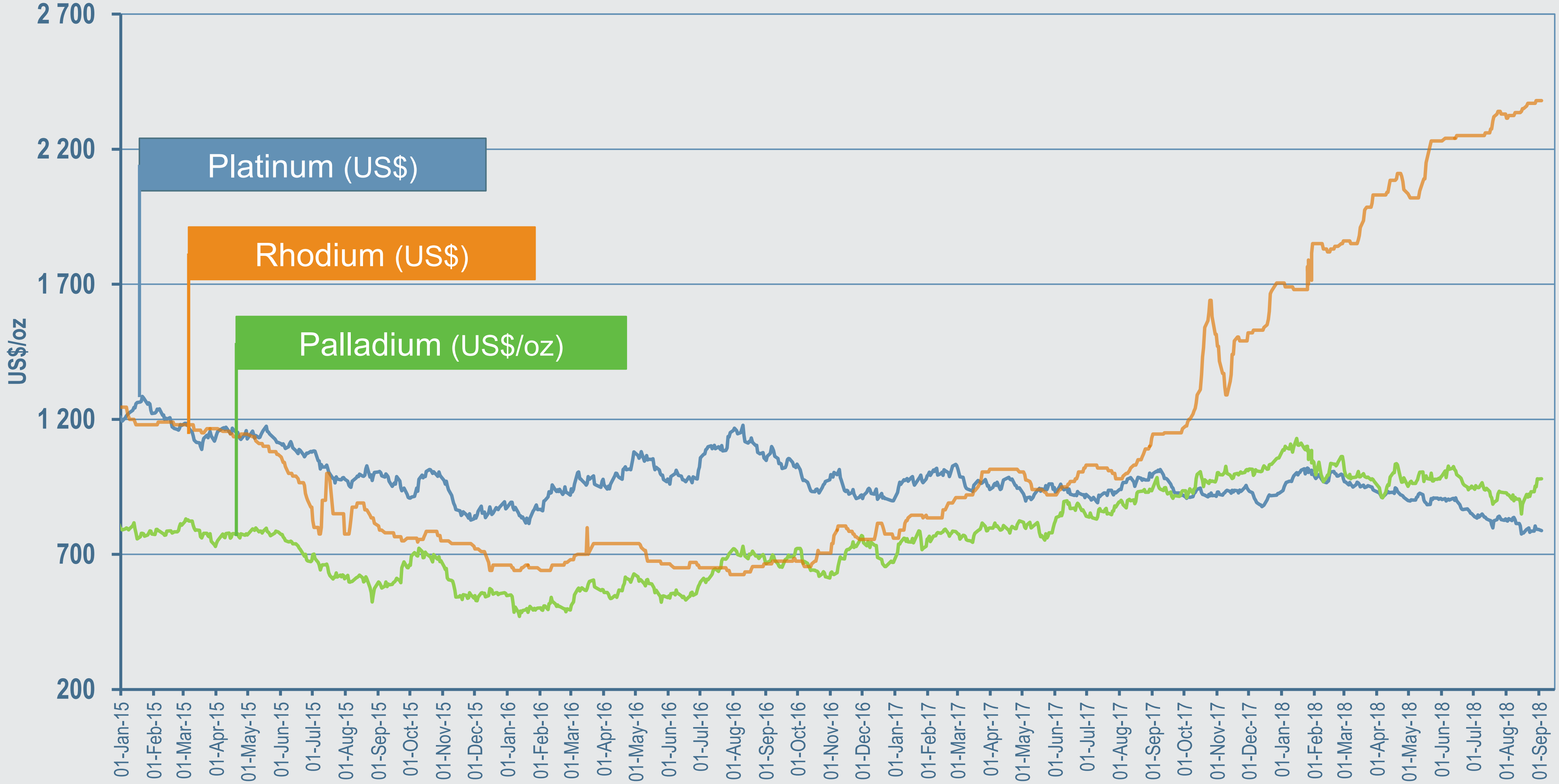
KEY FEATURES

- Normalised headline earnings of R421.5 million
- Execution of growth strategy on track
- Tough market conditions persist
- New 20MW furnace commissioned
- Record group capital expenditure at R3.8bn
- Good operating performance

PGM PRICES

FROM 1 JANUARY 2015 (US$/oz)



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OPERATIONAL REVIEW

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SAFETY

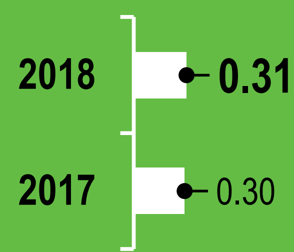
ZONDEREINDE

LTIIR per 200 000 hours worked

2 fatal accidents

BOOYSENDAL

LTIIR per 200 000 hours worked



OPERATIONAL STATISTICS – GROUP

		F2018	F2017	Variance
				%
Total tonnage milled	tonnes	4 601 876	4 450 111	3.4
Equivalent refined metal – own production	oz 6E	571 843	546 984	4.5
Equivalent refined metal – purchased	oz 6E	105 562	35 936	193.8
Total refined metal produced	oz 6E	549 500	522 129	5.2
Total refined platinum produced	oz Pt	289 962	273 432	6.0
Copper cathode produced	tonnes	757	637	18.8
Nickel produced	tonnes	1 569	1 260	24.5
Chrome concentrate produced	tonnes	650 091	581 385	11.8
PGMs sold	oz 6E	549 508	523 170	5.0
Total revenue per platinum oz sold	R/oz Pt	26 103	25 050	4.2
Cash costs per equivalent refined Pt oz	R/oz Pt	21 270	19 736	(7.8)

OPERATIONAL STATISTICS – ZONDEREINDE

		F2018	F2017	Variance
				%
Merensky milled	tonnes	739 439	814 639	(9.2)
Merensky head grade	g/t 6E	6.53	6.25	4.5
UG2 milled	tonnes	1 193 365	1 147 878	4.0
UG2 head grade	g/t 6E	5.24	5.15	1.7
Total milled	tonnes	1 932 804	1 962 517	(1.5)
Average combined head grade	g/t 6E	5.73	5.60	2.3
Equivalent refined metal – own production	oz 6E	348 888	325 981	7.0
Metal in concentrate – purchased	oz 6E	97 974	35 936	172.6
Calculated PGMs sold	oz 6E	215 775	266 127	(18.9)
Total revenue	R/Pt oz	25 848	25 254	2.4
Cash costs	R/Pt oz	22 101	20 890	(5.8)
Operating profit	R000	355 424	232 462	52.9
Capex	R000	1 530 132	806 380	89.9

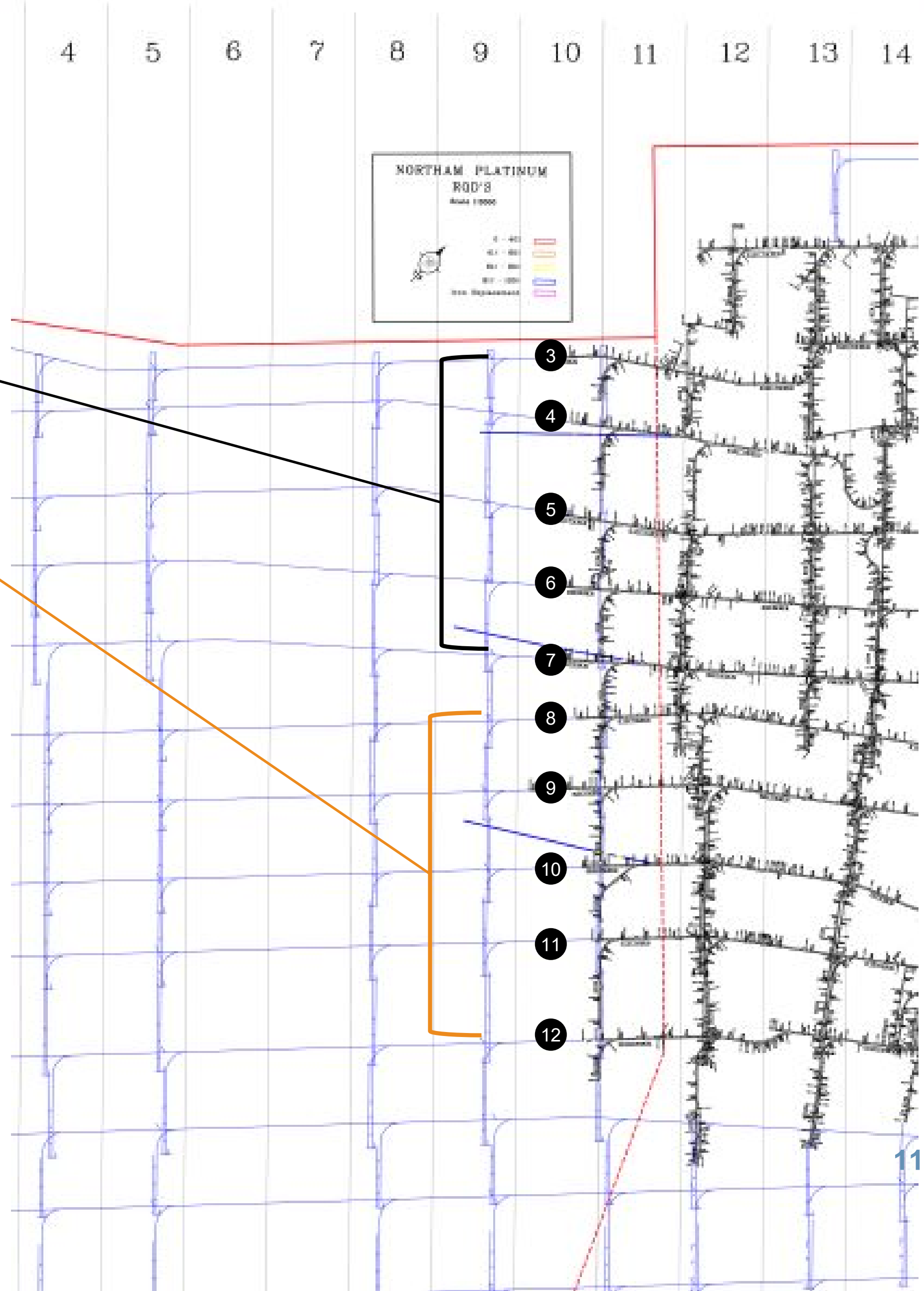
CONCENTRATE DE-STOCKING

- 16 000 tonnes concentrate by end August
  - reducing by 4 000t/m
  - expect to be de-stocked by next time we report

- Reverts stockpile being crushed and re-processed
  - expect to be de-stocked by June 2019

ZONDEREINDE'S WESTERN EXTENSION

- Development on 3 to 12 levels
- 3 500 metres of development completed
- 3-7 levels already intersected reef
- 8-12 levels expected to intersect reef by December 2018
- Cover drilling ahead of development indicates good ground conditions
- Stoping expected to start by mid-2019



OPERATIONAL STATISTICS – BOOYSENDAL

		F2018	F2017	Variance
				%
Merensky milled	tonnes	458 027	161 134	184.3
Merensky head grade	g/t 6E	2.27	2.21	2.7
UG2 milled	tonnes	2 211 045	2 326 460	(5.0)
UG2 head grade	g/t 6E	3.31	3.33	(0.6)
Total milled	tonnes	2 669 072	2 487 594	7.3
Average combined head grade	g/t 6E	3.19	3.22	(0.9)
PGMs in concentrate – mine production	oz 6E	229 275	239 643	(4.3)
Metal in concentrate – purchased	oz 6E	7 803	-	100.0
PGMs in concentrate – sold	oz 6E	242 451	227 384	6.6
Total revenue	R/Pt oz	24 862	22 451	10.7
Cash costs	R/Pt oz	17 090	15 747	(8.5)
Operating profit	R000	525 358	437 411	20.1
Capex	R000	1 953 236	773 831	152.4

RESOURCE STATEMENT

	30 June 2018	30 June 2017
Operation	Moz 4E	Moz 4E
Booysendal	105.1	105.3
Zondereinde	105.2	84.0
Eland	19.3	–
Dwaalkop	8.9	8.9
Pandora	–	2.1
Total group resource	238.5	200.3

SOCIAL CONTRIBUTION

HOUSING

R543 million
spent on accommodation, upgrades to date

467 employees
assisted with own housing units

2 852
single accommodation units created

HIGHLIGHTS

6.9% increase

- in total employment to 13 258
- permanent jobs increased by 2 003

R 2.3 billion

paid in salaries, wages and benefits

R3.2 billion

spent with empowered suppliers

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FINANCIAL REVIEW

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NORMALISED HEADLINE EARNINGS

	F2018	F2017	Variance
	R000	R000	%
Headline loss per the financial results	(701 610)	(636 371)	(10.3)
Add back:			
Amortisation of liquidity fees paid on preference shares	16 390	16 390	-
Preference share dividends	1 106 684	1 017 396	(8.8)
Loss on derecognition of preference share liability	8	901	99.1
Normalised headline earnings	**421 472**	398 316	5.8
Normalised earnings per issued share (cents)	**82.7**	78.1	5.9
Number of shares in issue including treasury shares	509 781 212	509 781 212	-

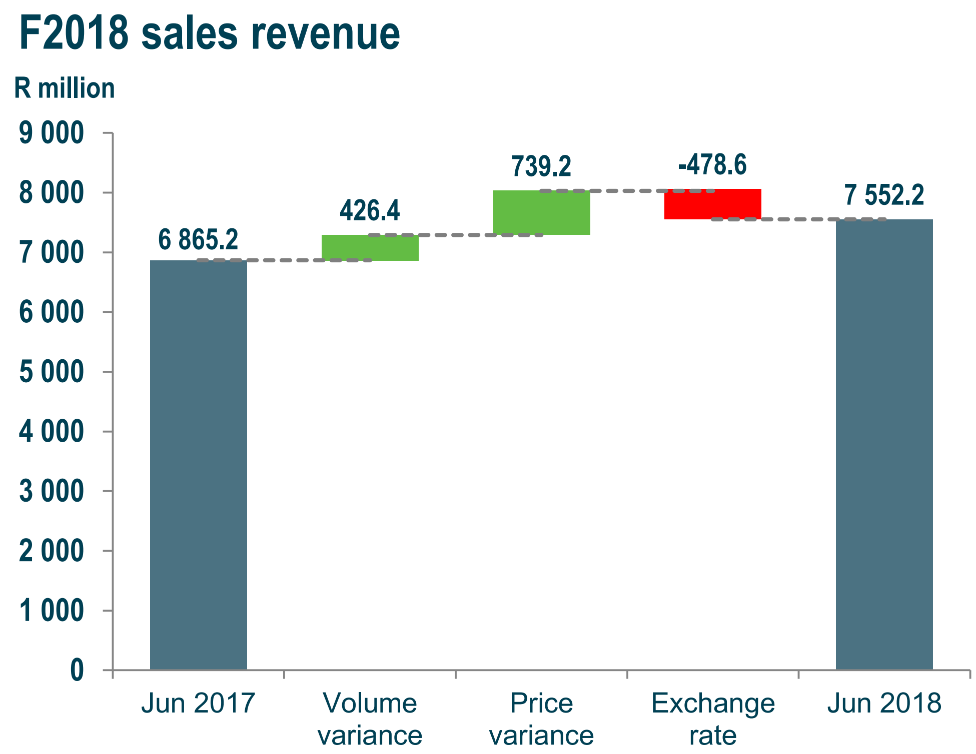
SALES REVENUE

Up by 10%

PGM sales volumes
5% higher

13.5% higher
average USD basket price

Stronger average ZAR/USD **exchange rate**



SALES REVENUE AND COST OF SALES

	F2018	F2017	Variance
	R000	R000	%
Sales revenue	7 552 181	6 865 185	10.0
Cost of sales	(6 728 867)	(6 251 200)	(7.6)
Operating costs	(6 318 000)	(5 676 017)	(11.3)
Concentrates purchased	(1 410 506)	(404 093)	(249.1)
Refining and other charges	(123 840)	(120 633)	(2.7)
Depreciation and write-offs	(441 865)	(452 584)	2.4
Change in metal inventories	1 565 344	402 127	(289.3)
Operating profit	**823 314**	613 985	34.1

STATEMENT OF PROFIT OR LOSS

	F2018	F2017	Variance
	R000	R000	%
Sales revenue	7 552 181	6 865 185	10.0
Cost of sales	(6 728 867)	(6 251 200)	(7.6)
Gross profit	823 314	613 985	34.1
Share of earnings from associates and joint ventures	4 162	4 870	(14.5)
Investment revenue	52 633	167 306	(68.5)
Finance charges excluding preference share dividends	(68 481)	(71 185)	3.8
Net foreign exchange transaction gains/(losses)	2 368	(46 729)	105.1
Sundry income	217 005	73 361	195.8
Sundry expenditure	(380 944)	(130 843)	(191.1)
Profit before preference dividends	650 057	610 765	6.4
Amortisation of liquidity fees paid on preference shares	(16 390)	(16 390)	-
Preference share dividends	(1 106 684)	(1 017 396)	(8.8)
Loss on derecognition of preference share liability	(8)	(901)	99.1
Loss before tax	(473 025)	(423 922)	(11.6)
Taxation	(231 973)	(212 021)	(9.4)
Loss for the year	(704 998)	(635 943)	(10.9)

SEGMENTAL REPORT – OPERATING PROFIT

	Zondereinde	Booysendal	Intercompany eliminations	Total
	R000	R000	R000	R000
Sales revenue	7 142 893	3 034 874	(2 625 586)	7 552 181
Cost of sales	(6 787 469)	(2 509 516)	2 568 118	(6 728 867)
Operating costs	(4 240 251)	(2 077 749)	-	(6 318 000)
Concentrates purchased	(3 963 939)	(72 153)	2 625 586	(1 410 506)
Refining and other costs	(123 840)	-	-	(123 840)
Depreciation and write-offs	(152 041)	(291 556)	1 732	(441 865)
Change in metal inventory	1 692 602	(68 058)	(59 200)	1 565 344
Operating profit	**355 424**	**525 358**	**(57 468)**	**823 314**
Operating margin	**5.0%**	**17.3%**	**-**	**10.9%**

CASH FLOW

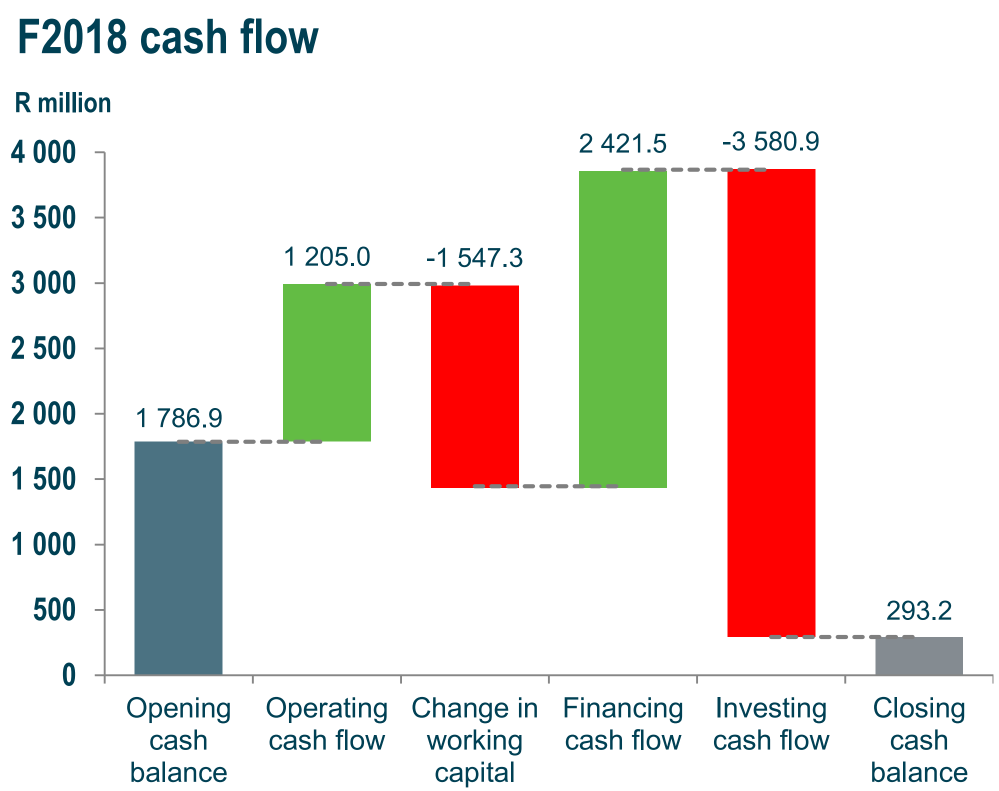
Operating cash flow
R1 205.0 million

Increase in **working capital** of R1 547.3 million

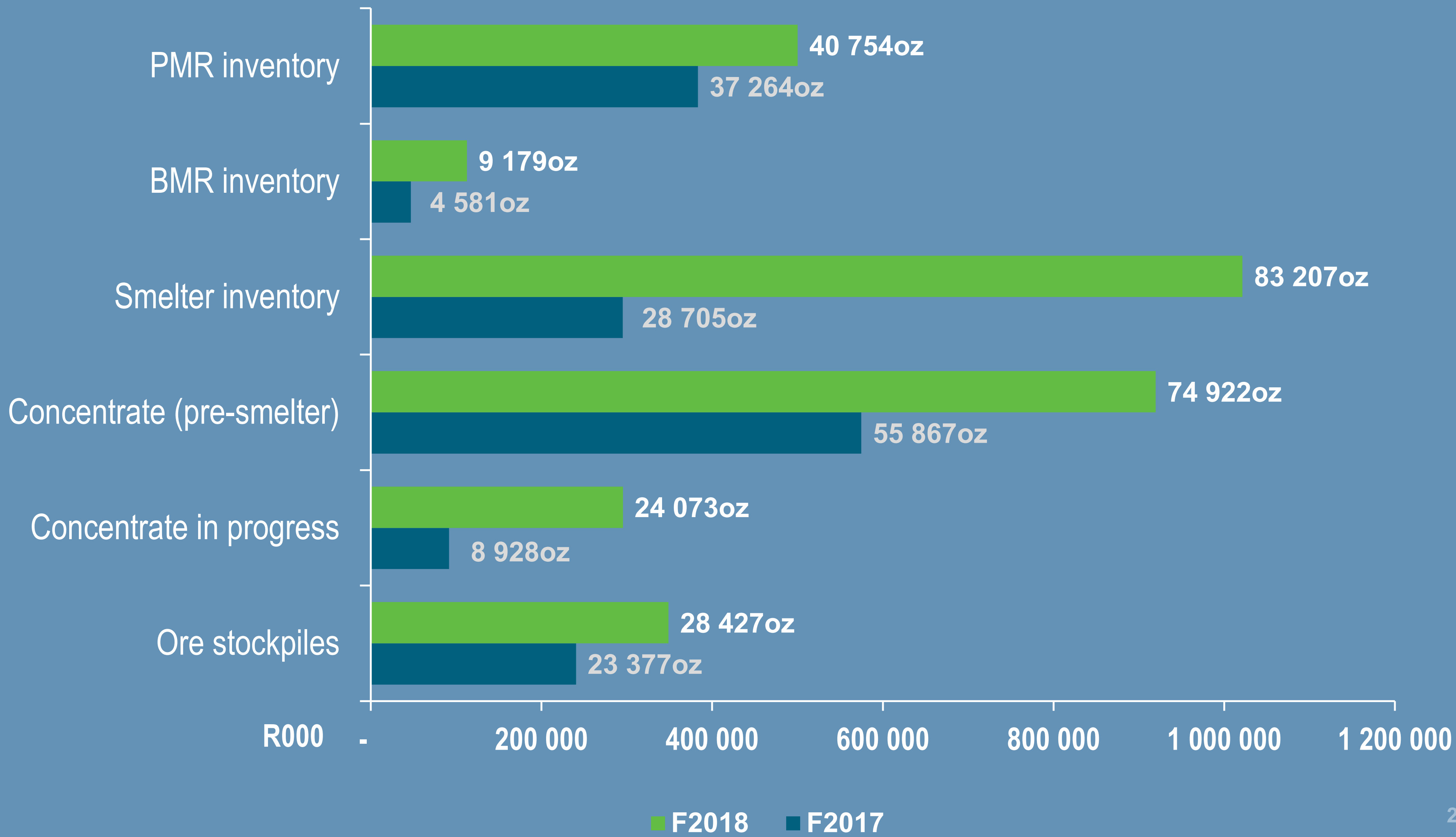
Investing cash flow increased to R3 580.9 million

Cash flow from financing activities R2 421.5 million

Cash balance
R293.2 million at year end



INVENTORY BREAKDOWN (4E)



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PROJECTS REVIEW

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ZONDEREINDE SMELTER EXPANSION

New furnace commissioned in December 2017

First matte tapped on 8 January 2018

De-stocking in progress

BOOYSENDAL SOUTH

- Central complex boxcut complete
- UG2 stockpile > 85 000 tonnes
- Equipping of ore silo in progress
- 10Ml reservoir in progress
- Crusher civils in progress
- Pollution control dam complete

BOOYSENDAL SOUTH

Booysendal South road complete

Rehabilitation and vegetation of berms and verges in progress ahead of rainy season

BOOYSENDAL SOUTH

Booysendal South road complete

Plinths for water pipeline in the same footprint

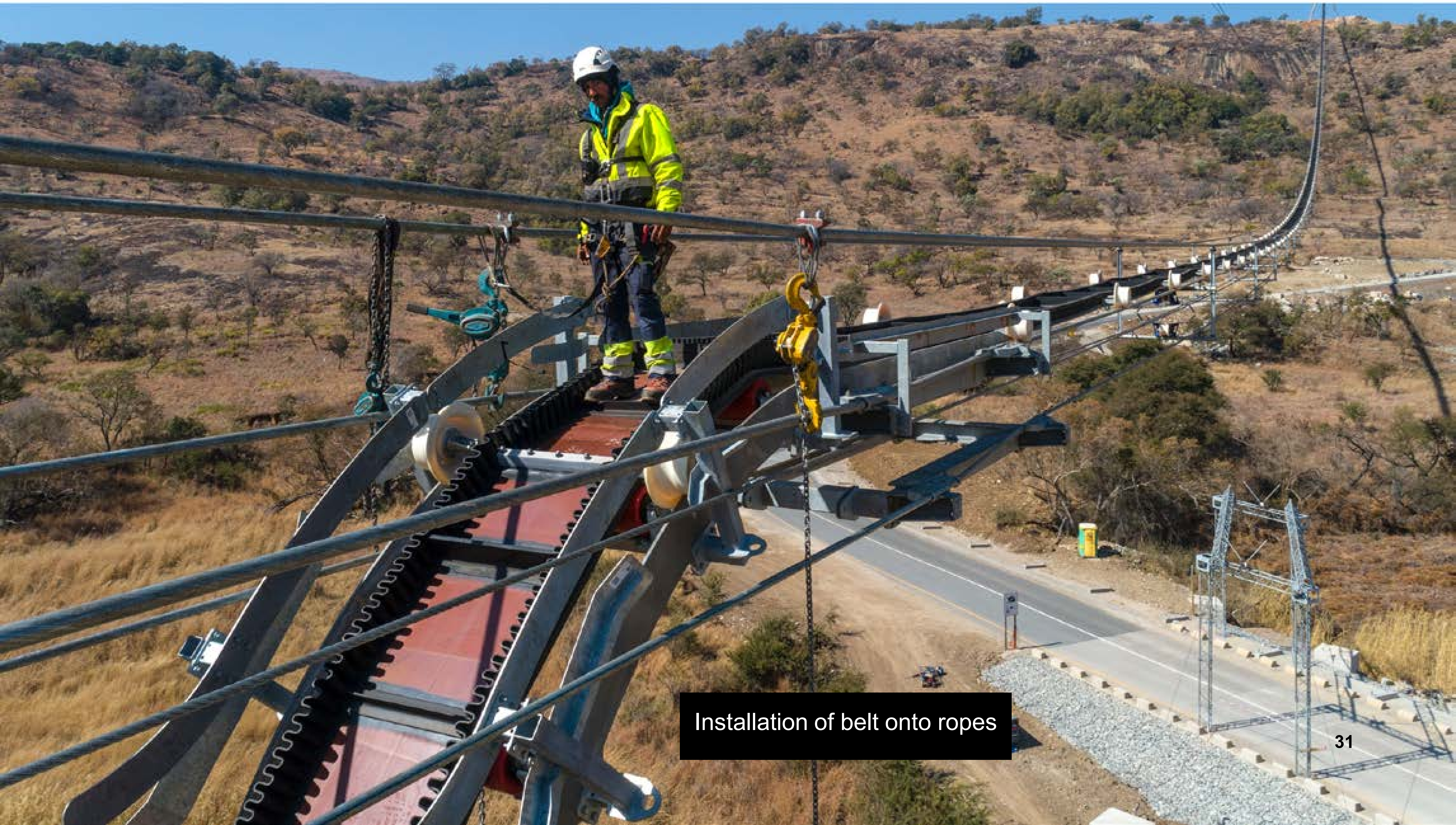
BOOYSENDAL SOUTH

Aerial rope conveyor

BOOYSENDAL SOUTH

Preparation of conveyor belt prior to installation

BOOYSENDAL SOUTH



Installation of belt onto ropes

BOOYSENDAL SOUTH

Discharge end of ropecon linking into existing conveyor feeding Booysendal South concentrator

BOOYSENDAL SOUTH

Ropecon drive unit

BOOYSENDAL SOUTH

Ropecon – light environmental impact

BOOYSENDAL SOUTH

Project status:

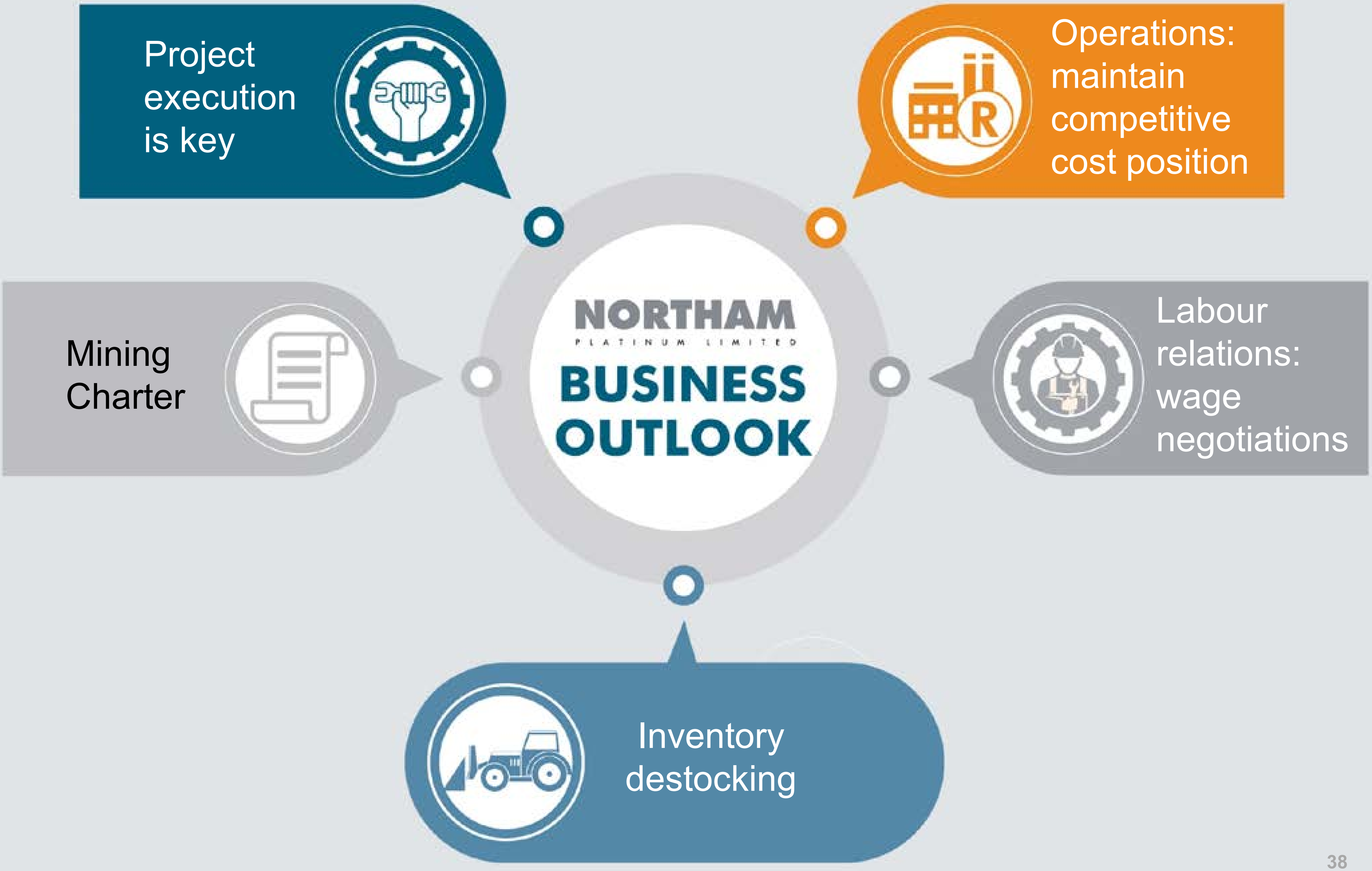
- hydro-mining started November 2017
  - 624 000 tonnes processed; 61 500 tonnes chrome concentrate produced
- ~September 2018 – commissioning of entire plant
- ~September 2018 – start processing for PGMs
- Construction of backfill plant in progress for underground placement of tailings from reprocessed material

ELAND

- Concentrator refurbishment in progress in preparation for:
  - tailings re-processing project to recover chrome and PGMs
  - processing PGM bearing material from Jubilee Metals
  - re-commissioning Kukama shaft
  - trial mining

RECYCLING ASSET IN USA

- Recycling facility acquired for USD10.8 million
- Premises and equipment recently refurbished
- First trial shipment of material received for processing at Zondereinde


Project execution is key
Operations: maintain competitive cost position
Mining Charter
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BUSINESS OUTLOOK
Labour relations: wage negotiations
Inventory destocking

QUESTIONS?

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Shareholder information

Name	Northam Platinum Limited
Share code	NHM
ISIN code	ZAE 000030912
JSE sector	Platinum
Shares in issue	509 781 212