

NORTHAM PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
Share code: NHM
ISIN: ZAE000030912
Dept issuer code: NHMI
Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM003
Bond ISIN: ZAG000129032
("Northam" or "the group" or "company")

REVIEWED PRELIMINARY RESULTS for the year ended 30 June 2016

These reviewed preliminary results have been prepared under the supervision of the chief financial officer, Mr AZ Khumalo CA(SA). The preliminary results of the group will be published on the company's website on Friday 26 August 2016.

The financial results of the group have been reviewed by Ernst & Young Inc., under the supervision of Mr M Herbst CA(SA) a registered auditor. A copy of their unmodified review report is available for inspection at Northam's registered office.

	Reviewed 30 June 2016 R'000	Audited 30 June 2015 R'000	% variance
PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Sales revenue	6 097 070	6 035 535	1.0
Cost of sales	(5 713 722)	(5 439 722)	5.0
Operating costs	(5 007 233)	(4 342 571)	15.3
Concentrates purchased	(350 514)	(602 395)	(41.8)
Refining and other costs	(133 186)	(199 470)	(33.2)
Depreciation and write-offs	(403 545)	(339 949)	18.7
Change in metal inventories	180 756	44 663	304.7
Operating profit	383 348	595 813	(35.7)
Share of (losses)/earnings from associate and joint venture	(32 253)	28 769	(212.1)
Investment revenue	265 258	72 043	268.2
Finance charges excluding preference share dividends	(39 634)	(145 170)	(72.7)
Sundry income	180 928	268 250	(32.6)
Sundry expenditure	(92 122)	(1 587 264)	(94.2)
Profit/(loss) before preference share dividends	665 525	(767 559)	186.7
Amortisation of liquidity fees paid on preference shares	(18 088)	-	100.0
Preference share dividends	(918 806)	(100 767)	811.8
Loss before tax	(271 369)	(868 326)	(68.7)
Taxation	(236 894)	(165 619)	43.0
Loss for the year	(508 263)	(1 033 945)	(50.8)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss	19 822	(4 482)	542.3
Share of associate's exchange differences on translating foreign operations and foreign currency translation	(3 947)	(4 482)	(11.9)
Reclassification of other comprehensive income from associate to profit or loss	23 769	-	100.0
Total comprehensive income for the year	(488 441)	(1 038 427)	(53.0)
Loss attributable to:			
Owners of the parent	(508 263)	(1 035 649)	(50.9)
Non-controlling interest	-	1 704	(100.0)
Loss for the year	(508 263)	(1 033 945)	(50.8)
Total comprehensive income attributable to:			

Owners of the parent	(488 441)	(1 040 131)	(53.0)
Non-controlling interest	-	1 704	(100.0)
Total comprehensive income for the year	(488 441)	(1 038 427)	(53.0)
Reconciliation of headline loss per share information			
Loss attributable to shareholders	(508 263)	(1 035 649)	(50.9)
Profit on sale of property, plant and equipment	(57)	(892)	(93.6)
Profit on sale of associate's investment	-	(7 105)	100.0
Impairment of associate's assets	11 185	17 493	(36.1)
Negative goodwill on assets acquired by associate's associate	-	(26 804)	100.0
Foreign currency differences on repayment of long-term receivables from associates foreign operations reclassified to profit or loss	-	(922)	100.0
Impairment of property, plant and equipment	-	2 525	(100.0)
Loss on sale of investment in associate (Reversal of impairment)/impairment of non-core assets	21 024	-	100.0
Tax effect on above	(13 610)	261 488	(105.2)
Headline loss	(3 116)	(5 097)	(38.9)
	(492 837)	(794 963)	(38.0)
Loss per share - cents	(145.3)	(264.3)	(45.0)
Fully diluted loss per share - cents	(145.3)	(264.3)	(45.0)
Headline loss per share - cents	(140.9)	(202.9)	(30.6)
Fully diluted headline loss per share - cents	(140.9)	(202.9)	(30.6)
Dividends per share	-	-	-
Weighted average number of shares in issue	349 875 759	391 834 708	(10.7)
Fully diluted number of shares in issue	349 875 759	391 834 708	(10.7)
Number of shares in issue	509 781 212	509 781 212	-
Treasury shares in issue	159 905 453	159 905 453	-
Shares in issue adjusted for treasury shares	349 875 759	349 875 759	-

	Reviewed 30 June 2016 R'000	Audited 30 June 2015 R'000	% variance
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PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets			
Non-current assets	14 110 084	13 367 048	5.6
Property, plant and equipment	7 853 993	7 065 352	11.2
Mining properties and mineral resources	5 614 094	5 636 478	(0.4)
Interest in associates and joint ventures	192 164	275 847	(30.3)
Unlisted investment	6	6	-
Land and township development	51 341	10 000	413.4
Long-term receivables	89 717	94 503	(5.1)
Investments held by Northam Platinum Restoration Trust Fund	93 647	49 092	90.8
Environmental Conservancy Trust	60 345	52 122	15.8
Buttonshope Conservancy Trust	10 445	11 037	(5.4)
Deferred tax asset	144 332	172 611	(16.4)
Current assets	4 867 779	5 784 288	(15.8)
Inventories	1 330 270	1 126 550	18.1
Trade and other receivables	375 204	498 854	(24.8)
Cash and cash equivalents	3 105 080	4 138 189	(25.0)
Tax receivables	57 225	20 695	176.5
Total assets	18 977 863	19 151 336	(0.9)

Equity and liabilities

Total equity	8 727 984	9 216 425	(5.3)
Stated capital	13 778 114	13 778 114	-
Treasury shares	(6 556 123)	(6 556 123)	-
Retained earnings	631 545	1 139 808	(44.6)
Equity settled share based payment reserve	874 448	874 448	-
Share of other comprehensive income from associate	-	(19 822)	100.0
Non current liabilities	9 072 179	7 310 753	24.1
Deferred tax liability	590 637	521 452	13.3
Long-term provisions	272 820	187 217	45.7
Preference share liability	7 429 549	6 492 655	14.4
Long-term loans	275 513	39 963	589.4
Long-term share based payment liability	84 373	69 466	21.5
Domestic medium-term notes	419 287	-	100.0
Current liabilities	1 177 700	2 624 158	(55.1)
Current portion of long-term loans	13 201	3 801	247.3
Short-term share based payment liability	56 704	61 019	(7.1)
Domestic medium-term notes	-	1 370 000	(100.0)
Tax payable	104 072	102 072	2.0
Trade and other payables	877 935	959 996	(8.5)
Short-term provisions	125 788	127 270	(1.2)
Total equity and liabilities	18 977 863	19 151 336	(0.9)

	Stated capital R'000	Retained earnings R'000	Equity- settled share-based payment reserve R'000	Other compre- hensive income from associates R'000	Non- controlling interest R'000	Total R'000
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PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Balance as at 30 June 2014	9 178 688	2 223 135	-	(15 340)	5 389	11 391 872
Acquisition of non- controlling interest	-	(46 815)	-	-	(3 185)	(50 000)
Total comprehensive income for the year	-	(1 033 945)	-	(4 482)	1 704	(1 036 723)
Loss for the year	-	(1 033 945)	-	-	1 704	(1 032 241)
Other comprehensive income for the year	-	-	-	(4 482)	-	(4 482)
Dividends declared*	-	(2 567)	-	-	(3 908)	(6 475)
Issue of new shares	4 599 426	-	-	-	-	4 599 426
Treasury shares	(6 556 123)	-	-	-	-	(6 556 123)
Share-based payment reserve	-	-	874 448	-	-	874 448
Balance at 30 June 2015	7 221 991	1 139 808	874 448	(19 822)	-	9 216 425
Total comprehensive income for the year	-	(508 263)	-	19 822	-	(488 441)
Loss for the year	-	(508 263)	-	-	-	(508 263)
Other comprehensive income for the year	-	-	-	19 822	-	19 822
Balance at 30 June 2016	7 221 991	631 545	874 448	-	-	8 727 984

* Non-controlling interest's portion of dividends declared by entities within the Northam group.

Reviewed 30 June 2016 R'000	Audited 30 June 2015 R'000	% variance
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PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities	839 081	340 950	146.1
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(Loss)/profit before taxation	(271 369)	(868 326)	(68.7)
Adjusted for the following non cash items as well as discloseable items			
Depreciation and write-offs	403 545	339 949	18.7
Changes in provisions	50 221	52 823	(4.9)
Changes in long-term receivables	4 786	(456)	1 149.6
Investment revenue	(265 258)	(72 043)	(268.2)
Finance charges excluding preference share dividends	39 634	145 170	(72.7)
Finance charges on preference shares	918 806	100 767	811.8
Liquidity fees on the preference shares	18 088	-	100.0
Equity-settled share-based payment expense	-	874 448	(100.0)
Movement in share-based payment liability (Reversal of impairment)/impairment of investment in associates	10 592	(38 350)	127.6
Share of losses/(profits) from associate	(13 610)	239 054	(105.7)
Loss on sale of investment in associate	32 253	(28 769)	212.1
Amortisation of participation interest in the Pandora joint venture	21 024	-	100.0
Profit on sale of property, plant and equipment	2 600	2 600	-
Other	(57)	(892)	(93.6)
Change in working capital	1 395	(788)	277.0
Additions to land and township development	(162 131)	(221 248)	(26.7)
Investment revenue	(41 341)	-	(100.0)
Taxation paid	265 258	72 043	268.2
Cash flows utilised in investing activities	(175 355)	(255 032)	(31.2)
Property, plant, equipment, mining properties and mineral reserves	(1 126 793)	(1 101 462)	2.3
Additions to maintain operations	(369 636)	(322 980)	14.5
Addition to expand operations	(804 344)	(779 068)	3.2
Disposal proceeds	4 235	1 551	173.0
Additions to land and township development	-	(203)	100.0
Investment in associate - cash distributed	24	12 918	(99.8)
Additional investment made in associate	(20 601)	(9 623)	114.1
Proceed on the sale of investment in Trans Hex Group Limited	81 815	-	100.0
Increase in investments held by Northam Platinum Restoration Trust Fund	(10 655)	(2 624)	306.1
Increase in investments held by Environmental Contingency Fund	(8 223)	(1 098)	648.9
Movement in investment held in Buttonshope Conservancy Trust Fund	592	(335)	276.7
Cash flows (utilised)/generated from financing activities	(745 397)	4 232 645	(117.6)
Proceeds from issue of shares	-	4 600 000	(100.0)
Transaction costs	-	(574)	100.0
Liquidity fees paid	-	(163 903)	100.0
Acquisition of non-controlling interest	-	(50 000)	100.0
Interest paid	(39 634)	(145 170)	(72.7)
Dividends paid	-	(3 908)	100.0
Movement in long-term loans	244 950	(3 800)	>100.0
Domestic medium-term notes issued	419 287	-	100.0
Domestic medium-term notes repaid	(1 370 000)	-	(100.0)
(Decrease)/increase in cash and cash equivalents	(1 033 109)	3 472 133	(129.8)
Cash and cash equivalents at the beginning of the year	4 138 189	666 056	521.3
Cash and cash equivalents at the end of the year	3 105 080	4 138 189	(25.0)

NOTES TO THE REVIEWED PRELIMINARY RESULTS

ACCOUNTING POLICIES AND THE BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for financial instruments to the extent required or permitted under International Financial Reporting Standards (IFRS) and as set out in the relevant accounting policies detailed in our annual financial statements.

The group preliminary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, presentation and disclosed as required by IAS 34 Interim Financial Reporting, the JSE Listings Requirements and the requirements of the Companies Act, No. 71 of 2008 (Companies Act).

There have been no amendments, standards or interpretations effective 1 July 2015 which affected these preliminary financial statements.

RELATED PARTIES

The group enters into various sales, purchase, financing and lease transactions in the ordinary course of business with a large number of entities, some of whom are related parties.

GOING CONCERN

Mining operations have a finite life and are also dependent amongst other things on geological, technical as well as economic factors such as commodity prices and exchange rates. The global economic outlook and low US dollar metal prices are a concern as Northam is an exporter of PGMs to global markets. Operations continue to be under pressure due to increasing input costs (mainly power and labour) and lower metal prices.

The ZAR/USD exchange rate, however, cushions the effects of lower metal prices. Management has implemented thorough cost-cutting initiatives. This effort, along with the group's strong statement of financial position and current operational cash flows has informed the opinion of management that the group remains a going concern.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to year-end, the group renegotiated a five-year R1.5 billion revolving credit facility with Nedbank Limited to replace the existing R1.0 billion facility which will mature in November 2016. The group further increased its investment in SSG Holdings Proprietary Limited by 10% and now holds a total of 30%. Apart from these events there have been no other events subsequent to the year end which require additional disclosure or adjustment to the financial results.

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

	30 June 2016	30 June 2015	%
	R000	R000	variance
NORMALISED HEADLINE EARNINGS PER SHARE			
Headline loss	(492 837)	(794 963)	(38.0)
Add back:			
Net lock in fee	-	242 429	(100.0)
IFRS 2 Black Economic Empowerment share-based payment charge	-	874 448	(100.0)
Amortisation of liquidity fees paid on preference shares	18 088	-	100.0
Preference share dividends	918 806	100 767	811.8
Normalised headline earnings	444 057	422 681	5.1
Normalised headline earnings per issued share (cents)	87.1	82.9	5.1
Number of shares in issue including treasury shares	509 781 212	509 781 212	-
	30 June 2016	30 June 2015	%
	R000	R000	variance
VALUE CREATED AND DISTRIBUTED			
Value created and distributed to employees			
Salaries and wages	1 583 260	1 441 799	9.8
Contributions to retirement benefit funds	123 964	114 565	8.2
Contributions to healthcare funds	68 831	66 074	4.2
Share based payment payouts	56 222	74 386	(24.4)
	1 832 277	1 696 824	8.0
Value created and distributed to government			
Mining and non-mining tax	140 825	135 762	3.7
Dividend withholding tax	-	12 447	(100.0)
Capital gains tax	-	74 592	(100.0)

Royalty taxes	44 283	39 986	10.8
Pay as you earn deducted from employees	294 043	277 861	5.8
	479 151	540 648	(11.4)
Total value created and distributed	2 311 428	2 237 472	3.3

RESULTS COMMENTARY

INTRODUCTION

Northam's production of equivalent refined metal from own operations increased by 15.7% to 13 591kg/436 960oz during the year under review. This followed a solid operating performance at Zondereinde and Booyensdal reaching steady-state production. The group's financial results, however, were negatively impacted by lower ZAR basket prices. In line with the group strategy to diversify into shallow mechanisable operations the Board approved the development of the initial phase of the Booyensdal South project in June 2016. This project includes the development of two UG2 mining modules and a Merensky mining module which will contribute an additional 240 000oz per annum of platinum group metals to the group's production profile.

The construction of the new 20MW furnace at the Zondereinde mining complex is progressing well. In addition to adding smelter capacity, it will also reduce operational risk. The total cost of the project is anticipated to be R750.0 million and is expected to be commissioned by the end of the 2017 calendar year. The expansion work follows on the extension of Northam's strategic partnership with Heraeus Deutschland GmbH & Co. KG (Heraeus) and Heraeus South Africa Proprietary Limited in terms of which Heraeus has agreed to contribute s20.0 million to the construction of the furnace. The first s10.0 million was received in June 2016. The agreement also provides for the renewal of the current refining arrangements and guarantees a supply of refined metal to Heraeus.

FINANCIAL OVERVIEW

Revenue generated from sales increased by 1.0% to R6.1 billion (FY2015: R6.0 billion), reflecting the lower prices received offset by higher sales volumes. Metal sold increased by 7.0% to 452 393 ounces 3PGE+Au (FY2015: 422 653 ounces), with the ZAR basket price received decreasing by 6.1%.

The lower basket price achieved of R382 979/kg (FY2015: R407 864/kg) reflects a 25.0% decline in the USD basket price from USD1 108/oz to USD831/oz offset by a weaker ZAR against the USD, which fell from R11.45/USD the previous year to an average of R14.33/USD for the financial year.

From 1 June 2015, concentrate produced from Booyensdal has been sold to Zondereinde at 88% of the market value. On a group basis, revenue is generated by Zondereinde as all PGM sales between Booyensdal and Zondereinde are eliminated on consolidation. Previously, Booyensdal sold its final product directly to third party customers.

Cost of sales increased by 5.0% to R5.7 billion (FY2015: R5.4 billion). The higher cost of sales was as a result of a 7.0% increase in volumes sold. Group operating costs, were up 15.3% to R5.0 billion (FY2015: R4.3 billion) on the back of a 15.7% increase in metals produced from own operations. Depreciation and amortisation increased by 18.7% to R403.5 million (FY2015: R339.9 million) due to the increased production, as depreciation and amortisation is calculated on a unit of production basis. The value of concentrates purchased from external parties fell by 41.8% to R350.5 million (FY2015: R602.4 million) largely due to lower deliveries from the seller.

Operating profit was negatively impacted by the lower basket price and decreased by 35.7% to R383.3 million (FY2015: R595.8 million). Zondereinde generated an operating profit of R248.1 million (FY2015: R398.4 million) and Booyensdal generated an operating profit of R176.0 million (FY2015: R195.2 million).

Share of earnings from associates and joint ventures decreased by 212.1% to a loss of R32.3 million (FY2015: profit of R28.8 million). In the current year, Northam's share in the Pandora joint venture's losses amounted to R12.6 million (FY2015: loss of R10.7 million) and its share of losses in Trans Hex Group Limited amounted to R20.0 million (FY2015: profit of R39.5 million). The Pandora joint venture also required a number of cash injections, with the group's share of cash calls amounting to R10.6 million (FY2015: R9.7 million) with further cash calls expected in the new financial year. Management is reviewing its options with regard to Northam's continued participation in the Pandora joint venture.

During the year, the 20.3% shareholding in Trans Hex Group Limited was sold for R81.8 million and a loss of R21.0 million was recognised on the sales transaction. In addition, Northam acquired

a 20% share in SSG Holdings Proprietary Limited for R10.0 million effective 29 February 2016. This investment is recognised as an associate and has consequently been equity accounted for in the group results. SSG Holdings Proprietary Limited is a company providing security services to both the Zondereinde and Booyssendal mines. Northam's share of SSG Holdings Proprietary Limited's profits for the four months ended 30 June 2016 amounted to R0.4 million.

Investment revenue increased by 268.2% to R265.3 million (FY2015: R72.0 million) due to interest earned on higher cash balances as well as interest received on an insurance contingency policy which generated investment revenue of R50.0 million.

Finance charges decreased by 72.7% to R39.6 million (FY2015: R145.2 million). The Domestic Medium Term Debt Notes (DMTN) of R1.4 billion were repaid on 3 September 2015, resulting in a decrease in the finance costs in the current year. The new DMTN were issued during May and June 2016, resulting in an interest accrual of R4.8 million on these new notes plus R23.5 million worth of interest paid on the old DMTN repaid in September 2015, compared to R132.9 million accrued for in the prior year.

A 32.6% decrease to R180.9 million (FY2015: R268.3 million) was recorded in sundry income during the year. An amount of R59.6 million was received as a result of the cancellation of an insurance contingency policy and the refund of the original cash contribution plus interest. In the corresponding period, an insurance refund of R183.8 million was received relating to the No. 1 shaft incident which was then included in sundry income. Sundry income during the current year was also impacted by the volatility of the ZAR as currency translation variances increased from R6.2 million during 2015 to R26.2 million for the current year. Also included in sundry income is the write back of the Trans Hex Group Limited impairment of R34.1 million previously accounted for in sundry expenditure.

Sundry expenditure decreased by 94.2% from R1 587.3 million in the previous year to R92.1 million. Included in sundry expenditure in the prior year were once-off lock in fees paid to the BEE participants amounting to R242.4 million, a once-off equity settled share based payment charge of R874.4 million also relating to the Zambezi BEE transaction as well as corporate action costs of R172.6 million. Also included in sundry expenditure in the prior year were the write down of non-core assets of R261.5 million regarding the Pandora joint venture, Trans Hex Group Limited and the Dwaalkop investment. During the current year, sundry expenditure includes an impairment of R20.5 million relating to the Pandora Joint venture. Furthermore, in FY2016, care and maintenance costs of R25.1 million (FY2015: R9.7 million) were incurred on the Everest plant acquired from Aquarius Platinum (South Africa) Proprietary Limited as well as a R21.0 million loss made on the sale of the Trans Hex Group Limited shares.

In terms of the May 2015 BEE transaction, the Zambezi preference shares accrue a cumulative variable dividend at the South African prime interest rate plus 3.5% per annum. The accrued dividend is recognised as a finance charge in profit or loss. The finance costs associated with the preference shares for the current year amounted to R918.8 million (FY2015: R100.8 million) and are consolidated into the accounts of Northam in terms of IFRS, together with the amortisation fees paid over the 10 year lock in period.

The rise in the taxation charge compared to the previous year largely consists of non-mining tax of R140.8 million accrued mainly on interest earned from third parties. Deferred tax was raised on all temporary differences resulting in a tax charge of R96.1 million.

Cash flow movements

Cash flows generated from operating activities increased to R839.1 million (FY2015 R341.0 million), largely as a result of the improved production results in comparison to the previous year.

Cash flows utilised in investing activities increased from R1 101.5 million in FY2015 to R1 126.8 million during the current year. The movement relates primarily to the increase in expansionary capital, relating largely to the R291.6 million incurred on the new 20MW furnace at Zondereinde, R35.6 million spent on the furnace refractory lining for the existing furnace, R31.7 million spent on co-processing (converting the Merensky concentrator to accommodate UG2 ore at Zondereinde), R132.7 million spent on the deepening project at Zondereinde, R157.1 million on the Merensky project at Booyssendal, R55.2 million on the acquisition of the Everest mineral resource and costs relating to Booyssendal South and finally R178.0 million spent on the UG2 phase 1 mine and deepening project at Booyssendal.

Cash flows utilised from financing expenditure amounted to R745.4 million compared to an inflow of R4 232.6 million in the prior year. The change relates to the repayment of the DMTN of R1.4 billion

during September 2015 as well as R4.6 billion generated from the issue of shares relating to the BEE transaction in the prior year.

Excluding the repayment and issue of the new DMTN, the Northam group utilised cash to the value of R82.4 million for the year.

OPERATIONS

Zondereinde

Zondereinde recorded five million fatality free shifts during the year, a commendable performance by both employees and management at any operation, and particularly at a deep-level mine. The lost time injury incidence rate (LTIIR) increased to 1.92 (FY2015: 1.31).

Merensky reef tonnes milled were 815 167 tonnes (FY2015: 795 884 tonnes) at a head grade of 5.9g/t, whilst the UG2 reef contributed 1 205 258 tonnes (FY2015: 1 064 499 tonnes) at a head grade of 4.2g/t. The combined head grade for the year was 4.9g/t (FY2015 4.9g/t) illustrating the impact of the higher UG2 contribution.

The overall operational performance of the Zondereinde mine was good. Mining flexibility on the Merensky reef remains constrained owing to challenging geological conditions. With the modifications to the processing plant, higher proportions of UG2 reef can be mined and processed and therefore the targeted UG2:Merensky mining ratio has been adjusted to 60:40.

Production of equivalent refined metal from own operations increased by 10.6% to 8 795kg/282 765oz (FY2015: 7 950kg/255 598oz). The quantities of purchased concentrates from external parties decreased by 41.7% from 1 474kg received during 2015 to only 859kg received in the current year.

Zondereinde's total operating costs were R3 464.4 million (FY2015: R3 147.0 million) representing an increase of 10.1% based on higher total production of equivalent refined metal from own operations. This resulted in an overall 1.0% decrease in the unit cash cost per equivalent refined 3PGE + Au/kg from R378 737/kg to R374 846/kg in the current year, demonstrating tight cost control.

During the year, capital expenditure to the value of R554.1 million (FY2015: R303.2 million) was incurred, relating mainly to the construction of the new 20MW furnace (R291.6 million), R132.7 million spent on the deepening project and R127.2 million spent on other sustaining capital expenditure. Management estimates that expansionary and sustaining capital expenditure will be R379.1 million and R303.6 million respectively in FY2017.

Zondereinde's total resource estimate has increased to 84.1Moz (FY2015: 81.1Moz) with 11.7Moz (FY2015: 10.6Moz) in the reserve category giving a life of mine of in excess of 20 years.

Booyssendal

The Booyssendal mine recorded two million fatality free shifts during the year. The LTIIR was 0.44 (FY2015: 0.54).

The mechanised mining method continues to be a significant safety differentiator. This is one of the reasons why management believes the growth of the group should favour shallower, mechanisable operations.

During the year the Booyssendal North UG2 mine achieved its steady state run rate of 160 000oz per annum. A total of 2 072 958 tonnes were milled at a head grade of 2.7g/t compared to 1 786 375 tonnes at a head grade of 2.6g/t in 2015.

The development of the Merensky North mine produced 92 645 tonnes during the year at a head grade of 1.9g/t, with capital expenditure of R157.1 million spent during the current year on this project.

The total operating costs at Booyssendal increased from R1 192.2 million to R1 541.0 million. The increase of 29.3% can be attributable to the increase in metals in concentrate produced which increased by 31.7% to 5 017kg/161 300oz (FY2015: 3 809kg/122 462oz).

The cash cost per equivalent 3PGE + Au kg in concentrate was R298 500/kg, a 1.4% decrease from the prior year's unit cost of R302 695/kg.

Capital expenditure incurred amounted to R616.4 million (FY2015: R798.8 million) which related to

R55.2 million on the acquisition of the Everest mineral resource, R178.0 million spent on the UG2 phase 1 mine and deepening project, employee accommodation of R14.3 million, R89.1 million on sustaining capital expenditure at the UG2 North mine and R63.5 million on the Booyssendal South feasibility study.

Management estimates that expansionary and sustaining capital expenditure will be R527.0 million and R86.9 million respectively in FY2017.

MINERAL RESOURCES AND RESERVES

Resources and reserves reflected below are reported on a Northam attributable basis.

Mineral resources are reported inclusive of mineral reserves.

Northam group reserve estimate (combined proven and probable)

		as at 30 June 2016			as at 30 June 2015		
		4E PGE			4E PGE		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal North mine	14.51	2.92	1.36	14.57	2.92	1.37
	Booyssendal South mine	9.36	2.58	0.78	-	-	-
	Dwaalkop*	-	-	-	13.66	2.61	1.15
	Zondereinde	21.01	5.51	3.72	25.45	5.35	4.38
	Total	44.88	4.06	5.86	53.68	3.99	6.90
UG2	Booyssendal North mine	41.53	3.00	4.00	43.14	3.00	4.16
	Booyssendal South mine	75.86	2.65	6.48	-	-	-
	Dwaalkop*	-	-	-	16.10	3.30	1.71
	Pandora*	1.21	4.10	0.16	1.29	4.11	0.17
	Zondereinde	58.64	4.24	7.99	47.67	4.06	6.22
	Total	177.24	3.27	18.63	108.20	3.52	12.26
Combined	Booyssendal North mine	56.04	2.98	5.36	57.71	2.98	5.53
	Booyssendal South mine	85.22	2.65	7.25	-	-	-
	Dwaalkop*	-	-	-	29.76	2.98	2.85
	Pandora*	1.21	4.10	0.16	1.29	4.11	0.17
	Zondereinde	79.65	4.58	11.72	73.13	4.51	10.60
	Total	222.12	3.43	24.49	161.89	3.68	19.15

* Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2015 while those of the previous year are at 30 September 2014.

Northam group resource estimate (combined measured, indicated and inferred)

		as at 30 June 2016			as at 30 June 2015		
		4E PGE			4E PGE		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal North	87.82	5.06	14.29	87.82	5.06	14.29
	Booyssendal South	187.55	3.55	21.41	199.53	3.50	22.48
	Booyssendal North mine	16.97	3.23	1.76	17.05	3.23	1.77
	Booyssendal South mine	11.98	2.77	1.07	-	-	-
	Dwaalkop*	38.05	2.98	3.64	38.05	2.98	3.64
	Zondereinde	164.44	7.38	39.00	167.26	7.35	39.52
	Total	506.81	4.98	81.17	509.70	4.99	81.70
UG2	Booyssendal North	152.65	4.86	23.87	152.65	4.86	23.87
	Booyssendal South	235.67	3.20	24.26	320.41	3.27	33.65
	Booyssendal North mine	41.41	4.52	6.02	43.12	4.52	6.27
	Booyssendal South mine	126.76	3.07	12.51	-	-	-

	Dwaalkop*	37.56	4.35	5.25	37.56	4.35	5.25
	Pandora*	14.14	4.65	2.11	14.14	4.65	2.11
	Zondereinde	276.41	5.08	45.14	254.32	5.08	41.55
	Total	884.60	4.19	119.16	822.20	4.26	112.70
Combined	Booyensdal North	240.47	4.94	38.16	240.47	4.94	38.16
	Booyensdal South	423.22	3.36	45.67	519.94	3.36	56.13
	Booyensdal North mine	58.38	4.15	7.78	60.16	4.16	8.04
	Booyensdal South mine	138.74	3.04	13.57	-	-	-
	Dwaalkop*	75.61	3.66	8.90	75.61	3.66	8.90
	Pandora*	14.14	4.65	2.11	14.14	4.65	2.11
	Zondereinde	440.85	5.94	84.14	421.58	5.98	81.07
	Total	1 391.41	4.48	200.33	1 331.89	4.54	194.41

* Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2015 while those of the previous year are at 30 September 2014.

Notes to the mineral resource and reserve statement

There has been a reassignment of UG2 and Merensky resources at the Booyensdal South mine. A Merensky and UG2 reserve has been estimated for the Booyensdal South mine. This follows the completion of a mining feasibility study of both UG2 and Merensky reefs in portions of the Booyensdal South area.

The UG2 resource and reserve contained within the Everest mining right has been incorporated, into the Booyensdal estimate. This follows the transfer of the Everest mining right to Booyensdal Platinum Proprietary Limited in October 2015.

The UG2 resource and reserve estimate at Zondereinde mine has increased. This is due to a decrease in geological loss ascribed to potholing, and follows an extensive re-assessment of historical pothole losses and exploration data.

CHANGES TO THE BOARD OF DIRECTORS

Mr R Havenstein replaced Mr AR Martin as lead independent director on 18 August 2015.

Mr KB Mosehla was appointed a non-executive director on 19 August 2015.

Mr ME Beckett retired as an independent director on 11 November 2015.

Ms HH Hickey and Mr TI Mvusi's appointments as independent directors, effective 1 January 2016, were announced on 11 December 2015. Ms Hickey is also a member of the audit and risk committee.

PROSPECTS*

The global economic outlook remains uncertain resulting in volatile metal markets and exchange rates. The group's financial performance will depend on achieving higher metal sales prices and a stable operating performance. Cost saving and productivity improvement initiatives are in place at both Zondereinde and Booyensdal. Management is confident that the group's strong financial position, prudent financial controls and the development of shallow, mechanisable operations at Booyensdal will place the group in a position to take advantage of improved market conditions going forward.

* Information in this section has not been reviewed by the group's auditors.

DIVIDENDS

In view of the current challenging economic environment facing the platinum mining sector and taking into consideration the cash requirements for the development of the group's project pipeline, the board has resolved not to declare a dividend for FY2016.

On behalf of the board

PL Zim PA Dunne
Chairman Chief executive

Johannesburg
26 August 2016

PL Zim (non-executive chairman), R Havenstein (lead independent), PA Dunne (chief executive officer) (British), AZ Khumalo (chief financial officer), CK Chabedi, HH Hickey, TE Kgosi,

AR Martin, KB Mosehla and TI Mvusi

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Company secretary

Ms PB Beale

Transfer secretaries

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PO Box 61051, Marshalltown, 2107, South Africa

Sponsor and debt sponsor

One Capital
17 Fricker Road, Illovo, 2196, South Africa
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These results are disclosed in greater detail than has been disclosed in the past, including segmental analyses, breakdown of sales and costs, amongst other metrics. These appear in the reviewed interim results booklet, which is available on the Northam website at www.northam.co.za and at Northam's registered office.

Johannesburg

26 August 2016

Sponsor and debt sponsor

One Capital

