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The attached circular is only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") who are qualified investors ("**qualified investors**") within the meaning of Article 2(1)(e) of (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU to the extent implemented in the relevant member state of the EEA ("**relevant member state**") and any implementing measure in each relevant member state (the "**Prospectus Directive**"). In addition, in the United Kingdom ("**UK**"), the attached circular is being distributed only to, and is directed only at, qualified investors: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act, 2000 (Financial Promotion) Order 2005, as amended (the "**order**") and qualified investors falling within Article 49(2)(a) to (d) of the order and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The attached circular must not be acted on nor relied upon in (i) the UK, by persons who are not relevant persons, or (ii) any relevant member state of the EEA other than the UK, by persons who are not qualified investors. Any investment or investment activity to which the attached circular relates is available only to (i) in the UK, relevant persons and (ii) in any relevant member state other than the UK, qualified investors and will be engaged in only with such persons.

The securities referenced in the attached circular may only be distributed in offshore transactions ("**offshore transactions**") as defined in, and in accordance with, Regulation S under the Securities Act of 1933, as amended (the "**U.S. Securities Act**") ("**Regulation S**") or within the United States ("**U.S.**") to qualified institutional buyers ("**QIBs**"), as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**"). Any forwarding, redistribution or reproduction of the attached circular in whole or in part is unauthorised. Failure to comply with this notice may result in a violation of the U.S. Securities Act or the applicable laws of other jurisdictions.

Nothing in this electronic transmission constitutes an offer of securities for sale in the U.S. or any other jurisdiction where it is unlawful to do so. The securities have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. or in any other jurisdiction other than South Africa and may not be offered, sold, pledged or otherwise transferred: (i) in or into the U.S., except to a person that the holder and any person acting on its behalf reasonably believes is a QIB or (ii) outside the U.S., except, in offshore transactions in accordance with Rule 903 or 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the U.S. or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state or local securities laws.

Confirmation of your representation: By accepting electronic delivery of the attached circular, you are deemed to have represented to the company and its advisors that: (i) you are acting on behalf of, or you are either: (a) a person outside the U.S. (as defined in Regulation S) or (b) a QIB in the U.S. that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, you are a relevant person; (iii) if you are in any relevant member state other than the UK, you are a qualified investor; (iv) the securities acquired by you pursuant to the attached circular have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any relevant member state to qualified investors; and (v) if you are outside the U.S., UK and EEA (and the electronic mail address that you gave to the company and to which the attached circular has been delivered is not located in such jurisdictions), you are a person into whose possession the attached circular may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

The attached circular has been made available to you in an electronic form. You are reminded that circulars transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the company, its advisors, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the attached circular distributed to you in electronic format and any printed copy. By accessing the attached circular, you consent to receiving it in electronic form.

A printed copy of the circular will be made available to you only upon request.

Restriction: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the company's advisors, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accept any responsibility whatsoever for the contents of the attached circular or for any statement made or purported to be made by it, or on its behalf, in connection with the company or the attached circular. The company's advisors and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort (delict), contract, or otherwise which they might otherwise have in respect of the attached circular or any such statement. No representation or warranty express or implied, is made by any of the company's advisors or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in the attached circular.

The company's advisors are acting exclusively for the company and no one else in connection with the offer pursuant to the attached circular. They will not regard any other person (whether or not a recipient of the attached circular) as their client in relation to the offer and will not be responsible to anyone other than the company for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to in the attached circular.

You are responsible for protecting your electronic systems against viruses and other destructive items. Your receipt of the attached circular via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 6 of this circular apply throughout this circular including this cover page.

Action required:

1. This circular is important and should be read with particular attention to the section entitled "Action required by qualifying shareholders", which commences on page 4 of this circular.
2. If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of some or all of your existing shares in Northam, please forward this circular to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the sale was affected.

The distribution of this circular, the form of instruction and the granting of the right to subscribe for claw-back shares in certain jurisdictions other than South Africa may be restricted by law and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdictions. Refer to paragraph 3.9 of this circular for further details.

- This circular does not constitute an offer of claw-back shares in any jurisdiction in which it is illegal to make such an offer and in such circumstances, this circular, if sent, is sent for information purposes only in compliance with the listings requirements.
- The claw-back shares, upon their issue, will rank *pari passu* in all respects with the existing shares.
- There are no convertibility or redemption provisions relating to the claw-back shares.
- The allocation of claw-back shares will be such that only whole numbers of claw-back shares will be issued and shareholders will be entitled to rounded numbers of claw-back shares. Fractional entitlements of 0.5 or greater will be rounded up and less than 0.5 will be rounded down.

The rights that are represented by the letters of allocation are valuable and may be traded on the exchange. Letters of allocation can, however, only be traded in dematerialised form and accordingly, all rights will be issued in dematerialised form.

The electronic record of certificated shareholders is maintained by the transfer secretaries and this has made it possible for qualifying certificated shareholders to enjoy similar rights and opportunities as those of qualifying dematerialised shareholders in respect of the letters of allocation. Instructions on how to accept, renounce or sell the rights represented by the letters of allocation are set out in paragraph 4 of this circular.

The directors, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required by law and the listings requirements.

This circular is issued in compliance with the listings requirements, for the purpose of furnishing shareholders with relevant information concerning the offer and the implications thereof.



Northam Platinum Limited
(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
JSE share code: NHM ISIN: ZAE000030912
LA share code: NHMN LA ISIN: ZAE000184164
Debt issuer code: NHMI
("Northam" or "the company")

CIRCULAR TO NORTHAM SHAREHOLDERS

Relating to

- a fully subscribed R600 million renounceable claw-back rights offer to qualifying shareholders or their renounees of 15 000 000 new Northam shares, in the ratio of 3.92068 new Northam shares for every 100 existing shares held as at 17:00 on Friday, 15 November 2013, at R40.00 per new Northam share;

and enclosing

- a form of instruction in respect of renounceable (nil paid) letters of allocation (where applicable) for use by qualifying certificated shareholders.

Offer opens at 09:00 on

Monday, 18 November 2013

Offer closes at 12:00 on

Friday, 6 December 2013

This circular is available in English only. Copies of this circular are available from the registered office of the company and the transfer secretaries at the addresses set out in the "Corporate information" section of this circular from Monday, 18 November 2013 to Friday, 6 December 2013, both days inclusive.

Sole bookrunner, corporate and debt advisor and sponsor

ONE CAPITAL

Transfer secretaries

Computershare

Attorneys



Independent auditors and reporting accountants



Attorneys as to U.S. and English law

Davis Polk

Date of issue: Monday, 18 November 2013

All the advisors, whose names and reports are included in this circular, have given and have not withdrawn, prior to publication of this circular, their written consents for the inclusion of their names and reports in the form and context in which they appear.

Subject to the restrictions set out below, if you have disposed of some or all of your existing shares, then this circular (and the accompanying form of instruction, if any) should be handed to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom the disposal was effected. Subject to certain exceptions, neither this circular nor any form of instruction should be distributed, forwarded to or transmitted into or from the U.S., a relevant member state, Canada, Australia, Japan or Hong Kong, or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The letters of allocation, forms of instruction and the claw-back shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state and other securities laws of the U.S.. There will be no public offer of the letters of allocation, forms of instruction or the claw-back shares in the U.S.. The letters of allocation, forms of instruction and the claw-back shares are only being offered and sold in offshore transactions in compliance with Regulation S and within the U.S. to QIBs as defined in Rule 144A pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Any person in the U.S. acquiring the letters of allocation or the claw-back shares must execute and deliver to the company an investor letter satisfactory to the company to the effect that such person and any account for which it is acquiring the letters of allocation or the claw-back shares is a QIB within the meaning of Rule 144A and satisfies certain other requirements. Purchasers are hereby notified that Northam and sellers of letters of allocation, forms of instruction and claw-back shares may be relying on an exemption from the registration requirements of section 5 of the U.S. Securities Act.

The letters of allocation, forms of instruction and the claw-back shares will not be registered under the securities laws of any of the other restricted territories and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption. In particular, subject to certain exceptions, this circular, the accompanying form of instruction and any other such documents should not be distributed, forwarded to or transmitted in or into the U.S. or any of the other restricted territories.

CORPORATE INFORMATION

Registered office and company secretary

P B Beale
Northam Platinum Limited
1A Albury Park
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Dunkeld West 2196
Johannesburg
South Africa
(PO Box 412694, Craighall, 2024)

Place of incorporation: Pretoria, South Africa

Date of incorporation: 7 October 1977

Sole bookrunner, corporate and debt advisor and sponsor

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United Kingdom

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Independent auditors and reporting accountants

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(Registration number 2005/002308/21)
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Illovo
Johannesburg, 2196
South Africa
(Private Bag X14, Northlands, 2116)

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ACTION REQUIRED BY QUALIFYING SHAREHOLDERS

This circular is important and requires your immediate attention. The enclosed form of instruction applies to qualifying certificated shareholders only. The letters of allocation to which the form of instruction relates are negotiable and can be traded on the exchange.

Qualifying shareholders are referred to paragraph 4 of this circular, which sets out the procedures to be followed by qualifying shareholders in relation to the offer.

1. QUALIFYING DEMATERIALISED SHAREHOLDERS

If you are a qualifying dematerialised shareholder, you will **not** receive a form of instruction and you should receive notification from your CSDP or broker regarding the rights to which you are entitled in terms of the offer.

Your account with your CSDP or broker will be credited with the number of letters of allocation to which you are entitled and you are required to notify your CSDP or broker:

- whether you wish to follow your rights in terms of the offer and, if so, the number of claw-back shares; and/or
- whether you wish to sell your letters of allocation and, if so, the number of letters of allocation you wish to sell; and/or
- whether you wish to renounce your letters of allocation and, if so, the number of letters of allocation and in favour of whom you wish to renounce such letters of allocation.

If you wish to follow all or some of your rights, you are required to notify your CSDP or broker of your acceptance of the offer in the manner and within the time stipulated in the agreement governing the relationship between you and your CSDP or broker. If you are not contacted, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, it is obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, it shall not subscribe for claw-back shares on your behalf in terms of the offer.

Northam does not take responsibility and will not be held liable for any failure on the part of your CSDP or broker to notify you of the offer and/or to obtain instructions from you to subscribe for the rights and/or to sell and/or renounce your letters of allocation.

CSDPs effect payment in respect of dematerialised shareholders on a delivery versus payment basis. You must ensure that you have sufficient funds in your account to settle the aggregate subscription price payable in respect of the claw-back shares for which you wish to subscribe.

Applications for excess claw-back shares will not be permitted.

2. QUALIFYING CERTIFICATED SHAREHOLDERS

A form of instruction for completion by qualifying certificated shareholders is enclosed with this circular and the relevant procedure for participation in the offer is set out below:

Letters of allocation will be created in electronic form with the transfer secretaries in order to afford qualifying certificated shareholders the same rights and opportunities as qualifying dematerialised shareholders.

If you do not wish to exercise all of the rights allocated to you as reflected in the form of instruction, you may either sell or renounce all or some of your letters of allocation as follows:

- if you wish to sell some or all of your letters of allocation, you must complete Form A in the enclosed form of instruction and return it to the transfer secretaries to be received by the transfer secretaries (at one of the physical or postal addresses or at the email address or fax number set out below) by no later than 12:00 on Friday, 29 November 2013. The transfer secretaries will endeavour to procure the sale of letters of allocation on the exchange on your behalf and will remit the net proceeds thereof in accordance with your instructions, provided that such proceeds are not less than R10. Please note that the closer to this deadline that you instruct the transfer secretaries to sell your letters of allocation, the less opportunity the transfer secretaries will have to sell your letters of allocation on the exchange at a profit or at all. In this regard, neither the transfer secretaries nor the company nor any broker appointed

by either of them to effect such sale will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of any or all of such letters of allocation. Please note that, in respect of qualifying certificated shareholders, the last day to trade in letters of allocation is 17:00 on Friday, 29 November 2013; and

- if you wish to renounce some or all of your letters of allocation in favour of any named renounee, you must complete Form B in the enclosed form of instruction, and the renounee must complete Form C in the enclosed form of instruction and return it to the transfer secretaries, to be received by the transfer secretaries (at the physical or postal address or at the email address or fax number set out below) by no later than 12:00 on Friday, 6 December 2013, together with a bank-guaranteed cheque, bank draft or an EFT (refer to paragraph 4.1.3.2 for further details) for the aggregate subscription price payable in respect of the claw-back shares subscribed for.

If you wish to exercise all or some of the rights allocated to you as reflected in the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and return it to the transfer secretaries, to be received by the transfer secretaries (at the physical or postal address or at the email address or fax number set out below), together with a bank-guaranteed cheque, bank draft or an EFT (refer to paragraph 4.1.3.2 for further details) for the aggregate subscription price payable in respect of the claw-back shares you wish to subscribe for.

By hand to:

Northam Platinum Ltd – Claw Back Offer

C/o Computershare Investor Services
(Pty) Ltd
70 Marshall Street
Johannesburg
2001

By email to:

corporate.events@computershare.co.za

By post to:

Northam Platinum Ltd – Claw Back Offer

C/o Computershare Investor Services
(Pty) Ltd
PO Box 61763
Marshalltown
2107

By fax to:

+27 11 688 5210

To the extent that you subscribe for claw-back shares, you will receive claw-back shares in certificated form. You will only be able to sell your claw-back shares on the exchange once such claw-back shares have been dematerialised.

If the required documentation and payment have not been received by the transfer secretaries in accordance with the instructions contained in this circular and the form of instruction (either from the qualifying certificated shareholder or from any person in whose favour the letters of allocation have been renounced) by 12:00 on Friday, 6 December 2013, then the rights and the relevant number of claw-back shares will be deemed to have been declined and the offer entitlement will lapse.

Applications for excess claw-back shares will not be permitted.

DEFINITIONS

In this circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

“attorneys”	Cliffe Dekker Hofmeyr Incorporated, registration number 2008/018923/21, a company duly incorporated under the company laws of South Africa;
“BBBEE”	broad-based black economic empowerment as contemplated in the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;
“board” or “directors”	the board of directors of Northam as at the last practicable date, the names of whom are set out on page 11 of this circular;
“Booyesendal”	Northam’s Booyesendal PGM mine situated on the eastern limb of the Bushveld complex near the town of Mashishing, owned by Micawber, a wholly-owned subsidiary of Northam;
“broker”	a “stockbroker” as defined in the Financial Markets Act;
“capex”	capital expenditure;
“certificated shares”	shares that have not been dematerialised and are represented by share certificates;
“circular”	this circular to shareholders dated 18 November 2013 and all annexures thereto together with the enclosed form of instruction (where applicable);
“committed amount”	an amount of R600 million committed by the subscriber towards the offer;
“commitment”	the commitment by the subscriber in terms of which it agreed to subscribe for up to 15 000 000 new Northam shares at the subscription price, subject to the offer;
“commitment agreement”	the agreement entered into between Northam and the subscriber on or about 20 September 2013, in terms of which, <i>inter alia</i> , the subscriber made the commitment;
“common monetary area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“CSDP”	a “participant”, as defined in section 1 of the Financial Markets Act, being a person authorised by a licenced central securities depository to perform custody and administration services or settlement services or both in terms of the central depository rules;
“current RCF”	Northam’s current senior unsecured 5-year R1 billion revolving credit facility provided by Nedbank Limited;
“dematerialisation”	the process by which securities which are evidenced by a certificate are converted to securities that are held in collective custody by a central securities depository or its nominee in a separate central securities account and are transferrable by entry without a certificate or written instrument;

“dematerialised”	means securities which have been through dematerialisation or which are issued in dematerialised form;
“DMTN”	Northam’s R2 billion domestic medium term note programme, comprising three year senior unsecured floating rate notes maturing on 4 September 2015, with a coupon rate of 350 basis points above 3-month JIBAR and interest payments due quarterly, of which, as at the last practicable date, notes to the value of R1.37 billion have been issued;
“EFT”	electronic funds transfer;
“exchange”	the securities exchange operated by the JSE;
“exchange control authorities”	the financial surveillance department of the SARB;
“exchange control regulations”	the Exchange Controls Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended;
“existing shares”	shares in issue as at the record date;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“form of instruction”	a printed, personalised form of instruction in respect of letters of allocation reflecting the rights of qualifying certificated shareholders and on which qualifying certificated shareholders are entitled to indicate the extent to which they wish to take up, sell or renounce their rights;
“funding programme”	the R1 billion funding programme collectively comprising the simultaneous implementation of the offer, the new RCF and the key RCF amendments;
“group”	Northam, its subsidiaries, and any other company which is directly or indirectly controlled or jointly controlled by Northam from time to time;
“independent auditors and reporting accountants”	Ernst and Young Incorporated, registration number 2005/002308/21, a company duly incorporated under the company laws of South Africa;
“JIBAR”	Johannesburg Interbank Agreed Rate;
“JSE”	JSE Limited, registration number 2005/022939/06, a public company duly incorporated under the company laws of South Africa and licensed to operate an exchange under the Financial Markets Act;
“key RCF amendments”	the special covenant holiday in respect of all debt covenants applicable to the current RCF that pertain to, or are calculated by reference to, Northam’s earnings before interest, tax, depreciation and amortisation over the next 3 measuring periods (i.e. ending on 31 December 2013, 30 June 2014 and 31 December 2014, respectively); applicable to both the new RCF and current RCF;
“last practicable date”	29 October 2013, being the last practicable date prior to the finalisation of the circular;
“letter/s of allocation” or “LA”	renounceable (nil paid) letters of allocation issued by Northam to qualifying shareholders in dematerialised form, conferring a right on the holder to subscribe for new Northam shares in terms of the offer;
“listings requirements”	the JSE Limited Listings Requirements;
“Micawber”	Micawber 278 Proprietary Limited, registration number 2002/016771/07 a private company duly incorporated under the company laws of South Africa, and a wholly-owned subsidiary of Northam;
“MOI”	the memorandum of incorporation of Northam;

“new Northam shares” or “claw-back shares”	15 000 000 new shares which are the subject of the offer;
“new RCF ”	a new R400 000 000 medium-term unsecured revolving credit facility expiring on 31 March 2015, provided by Nedbank Limited and subject to the same set of covenants as the current RCF;
“non-resident”	a person whose normal place of residence, domicile or registration is outside of the common monetary area;
“Northam” or “the company”	Northam Platinum Limited, registration number 1977/003282/06, a public company duly incorporated under the company laws of South Africa;
“Northam ADRs”	Northam’s sponsored level 1 American depository receipts, which trade in the ratio of 1:1 to a share; ticker code NMPNY and CUSIP number: 663461101, on an over-the-counter market in the U.S.;
“Northam shares” or “shares”	ordinary shares of no par value in the share capital of Northam;
“Northam shareholders” or “shareholders”	registered holders of shares;
“offer”	the offer by Northam to qualifying shareholders or their renounees, of 15 000 000 claw-back shares at the subscription price, by way of a renounceable claw back offer, in the ratio of 3.92068 claw-back shares for every 100 existing shares held on the record date;
“PGM”	platinum group metals;
“Prospective Directive”	directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010;
“QIB”	a “qualified institutional buyer” as defined in Rule 144A;
“qualifying certificated shareholders”	qualifying shareholders that hold certificated shares;
“qualifying dematerialised shareholders”	qualifying shareholders that hold dematerialised shares;
“qualifying shareholders”	shareholders entitled to participate in the offer, being those shareholders that are recorded in the register on the record date;
“record date”	the last date for shareholders to be recorded in the register in order to be entitled to participate in the offer, being 17:00 on Friday, 15 November 2013;
“register”	collectively, the register of shareholders holding certificated shares maintained by the transfer secretaries and the sub-register of shareholders who hold dematerialised shares maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
“Regulation S”	Regulation S under the U.S. Securities Act;
“relevant implementation date”	the date on which the Prospective Directive was implemented in the relevant member state;
“relevant member state ”	each member state of the European Economic Area which has implemented the Prospective Directive;

“restricted territories”	subject to certain exceptions, the U.S., a relevant member state, Canada, Australia, Japan or Hong Kong, and any other jurisdiction where claw-back shares or letters of allocation may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within such jurisdictions and to do so might constitute a violation of local securities laws or regulations;
“right(s)”	the renounceable right to subscribe for new Northam shares at the subscription price pursuant to the offer, as represented by letters of allocation automatically credited to the CSDP or broker accounts of qualifying dematerialised shareholders or, in the case of qualifying certificated shareholders, an account with the transfer secretaries for the benefit of qualifying certificated shareholders;
“Rule 144A ”	Rule 144A under the U.S. Securities Act;
“SARB”	South African Reserve Bank;
“SENS”	the stock exchange news service of the JSE;
“Sole bookrunner, corporate and debt advisor and sponsor”	One Capital Advisory Proprietary Limited, trading as One Capital, registration number 2009/021943/07, a private company duly incorporated under the company laws of South Africa;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited, registration number 1998/022242/06, a public company duly incorporated in accordance with the company laws of South Africa, licensed to operate a central securities depository in terms of the Financial Markets Act;
“subscriber”	Coronation Asset Management Proprietary Limited, registration number 1993/002807/07, a private company incorporated in accordance with the company laws of South Africa;
“subscription price”	the subscription price payable per claw-back share, being an amount of R40.00;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company duly incorporated under the company laws of South Africa;
“U.S.”	United States of America;
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended;
“VAT”	value-added tax levied in terms of the Value-Added Tax Act, No. 89 of 1991, as amended;
“VWAP”	volume weighted average price;
“ZAR” or “Rand” or “R”	South African Rand, the currency of South Africa; and
“Zondereinde”	Northam’s Zondereinde PGM mine situated on the western limb of the Bushveld complex near the town of Thabazimbi.

SALIENT DATES AND TIMES

2013

Last day to trade in shares in order to participate in the offer (<i>cum</i> entitlement)	Friday, 8 November
Shares commence trading <i>ex-entitlement</i> at 09:00 on	Monday, 11 November
Listing and trading of letters of allocation on the exchange commences at 09:00 under the JSE code: NHMN and ISIN: ZAE000184164 on	Monday, 11 November
Record date at 17:00 on	Friday, 15 November
Circular and form of instruction (where applicable) posted to qualifying shareholders on	Monday, 18 November
Offer opens at 09:00 on	Monday, 18 November
Qualifying dematerialised shareholders (or their renounees) will have their CSDP or broker accounts automatically credited with their letters of allocation at 09:00 on	Monday, 18 November
Qualifying certificated shareholders will have their letters of allocation credited to an electronic account held with the transfer secretaries at 09:00 on	Monday, 18 November
Last day to trade in letters of allocation on the exchange	Friday, 29 November
Qualifying certificated shareholders wishing to sell all or some of their letters of allocation to deliver forms of instruction to the transfer secretaries by 12:00 on	Friday, 29 November
Listing of claw-back shares and trading therein commences at 09:00 on	Monday, 2 December
Offer closes – payments to be made and form of instruction in respect of letters of allocation to be delivered by qualifying certificated shareholders by 12:00 on (see note 5)	Friday, 6 December
Record date for letters of allocation	Friday, 6 December
Issue of claw-back shares	Monday, 9 December
Qualifying dematerialised shareholders' (or their renounees') CSDP or broker accounts will be debited with the aggregate subscription price and updated with claw-back shares at 09:00 on	Monday, 9 December
Share certificates posted to qualifying certificated shareholders (or their renounees) on or about	Monday, 9 December
Results of offer released on SENS	Monday, 9 December
Results of offer published in the press	Tuesday, 10 December

Notes:

1. All times referred to in this circular are South African times.
2. Northam shares may not be dematerialised or rematerialised between Monday, 11 November 2013 and Friday, 15 November 2013, both days inclusive.
3. Qualifying dematerialised shareholders are required to notify their duly appointed CSDP or broker of their acceptance of the claw-back shares in the manner and within the time stipulated in the agreement governing the relationship between the shareholder and his/her CSDP or broker.
4. The CSDP or broker accounts of qualifying dematerialised shareholders (or their renounees) will be automatically credited with new Northam shares to the extent to which they have accepted the offer. If applicable, Northam share certificates will be posted, by registered post, to qualifying certificated shareholders (or their renounees) at his/her risk in respect of the claw-back shares which have been accepted.
5. CSDPs effect payment in respect of qualifying dematerialised shareholders (or their renounees) on a delivery versus payment basis.

NORTHAM

P L A T I N U M L I M I T E D

NORTHAM PLATINUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
JSE share code: NHM ISIN: ZAE000030912
LA share code: NHMN LA ISIN: ZAE000184164
Debt issuer code: NHMI
("Northam" or "the company")

Directors

P L Zim (chairman)[#]
G T Lewis (chief executive officer)[^]
A Z Khumalo (financial director)
M E Beckett*[^]
C K Chabedi*
J A K Cochrane[^][#]
R Havenstein*
E T Kgosi (Ms)*
A R Martin*

[#] Non-executive

^{*} Independent non-executive

[^] British

CIRCULAR TO NORTHAM SHAREHOLDERS

1. INTRODUCTION

Shareholders were advised by way of a SENS announcement on 20 September 2013 of a renounceable claw-back rights offer by Northam, in terms of which 15 000 000 claw-back shares will be offered to qualifying shareholders or their renounees in the ratio of 3.92068 claw-back shares for every 100 Northam shares held on the record date, at a subscription price of R40.00 per claw-back share, with a view to raising a total of R600 million. Northam and the subscriber have entered into the commitment agreement pursuant to which the subscriber has agreed to subscribe for all 15 000 000 claw-back shares at the subscription price.

- 1.1** The purpose of this circular is to furnish shareholders with relevant information concerning the offer and the implications thereof in accordance with the listings requirements.
- 1.2** Northam has sufficient authorised but unissued shares for the purposes of implementing the offer.
- 1.3** The enclosed form of instruction contains details of the rights to which qualifying certificated shareholders are entitled, as well as the procedures for acceptance of rights or the sale or renunciation of their letters of allocation. Qualifying dematerialised shareholders will be advised of the number of rights to which they are entitled as well as the procedure for acceptance of rights or the sale or renunciation of their letters of allocation by their CSDP or broker.
- 1.4** The exchange has approved the listing of the letters of allocation from 09:00 on Monday, 11 November 2013, to 17:00 on Friday, 29 November 2013.
- 1.5** The exchange has approved the listing of the claw-back shares from 09:00 on Monday, 2 December 2013.
- 1.6** Qualifying shareholders recorded in the register as at the record date, will be entitled to the right to subscribe for claw-back shares in terms of the offer on the basis of 3.92068 claw-back shares for every 100 Northam shares held.

- 1.7 The claw-back shares, upon their issue, will rank *pari passu* in all respects with the existing shares.
- 1.8 The claw-back shares, upon their issue, will be issued under the authority granted to directors to issue authorised but unissued new Northam shares in terms of the provisions of the MOI.

2. RATIONALE FOR THE OFFER

Challenging economic and operational conditions have beset the South African mining industry for an extended period of time, with depressed PGM basket prices, volatile exchange rates, rising costs and a complex industrial relations environment being at the forefront of the industry's challenges.

In addition to the above, Northam's specific challenges include:

Zondereinde strike: a three-week strike at the Zondereinde mine during April 2013, resulting in production interruptions and permanently lost revenues amounting to approximately R192 million;

Smelter rebuild: in addition to the capital outlay of approximately R55 million associated with the smelter rebuild, Northam is required to toll treat its concentrate, thereby considerably lengthening its working capital pipeline and increasing its cost of production during the toll treatment period;

Booyssendal completion capex: funding the balance of the capital expenditure programme to ensure the completion of the Booyssendal mine, amounting to approximately R530 million in the 2014 financial year. Northam has funded approximately R4 billion on the Booyssendal capital expenditure programme to date from debt and cash reserves;

Booyssendal ramp-up: production at Booyssendal will be ramped up to design capacity of 150 000 tonnes milled per month during the two financial years to 30 June 2015. Earnings and cash flow from Booyssendal are expected to be negative during the current financial year; and

Zondereinde development capex: funding the current financial year's development and maintenance capital expenditure at Zondereinde of approximately R350 million.

As a consequence of a combination of the above factors, Northam has fully drawn down the R1 billion available under the current RCF. Pursuant to the terms of the current RCF, Northam may not issue notes in terms of its DMTN in excess of R1.5 billion. As at the last practicable date, Northam had issued notes to the value of R1.37 billion under the DMTN.

In the circumstances, Northam had substantially utilised its available credit facilities, prior to announcing the terms of the funding programme.

A number of the above-mentioned challenges are of a temporary nature, whereas other factors have resulted or will result in a permanent capital/funding outflow for the company and/or constitute permanent capital invested, with most of the associated earnings and cash flow benefits only to be derived by Northam in future financial years.

The board and management commissioned an extensive review of the company's capital and funding requirements and the implications of its existing funding arrangements. The board and management carefully considered the timing, nature and extent of the company's capital and general funding requirements, including the potential effects of the above factors or other circumstances which may arise.

Following the aforementioned review, the board and management have resolved to implement the funding programme with a view to, *inter alia*:

- strengthening Northam's balance sheet with a moderate equity injection, amounting to less than 4% of the company's current issued share capital to be implemented in terms of the offer, to provide for a portion of Northam's permanent capital requirements, against the backdrop of the near completion of an approximately R4 billion capital development programme (expressed in 2010 money terms);
- strengthening Northam's medium-term funding capacity through the introduction of the new RCF, specifically to ease the peak funding requirements and the impact of certain of the short to medium term funding constraints that would not require permanent capital (such as the funding requirement arising from the extended toll treating pipeline); and
- pro-actively addressing Northam's key short to medium term potential borrowing risks and exposure, by introducing the key RCF amendments.

The board and management are confident that the funding programme will adequately address the company's specific short to medium term capital and funding requirements.

3. TERMS OF THE OFFER

3.1 Particulars of the offer

In terms of the offer, Northam is offering qualifying shareholders (or their renounees), the right to subscribe for a total of 15 000 000 claw-back shares at the subscription price, in the ratio of 3.92068 new Northam shares for every 100 existing shares held on the record date, upon the terms and conditions set out herein, by way of a renounceable claw-back rights offer. The claw-back shares are being issued at a discount of 2% to the 30-day VWAP and a premium of 5% to the 60-day VWAP, both calculated as at 18 September 2013. The offer will raise R600 million in gross proceeds.

Pursuant to the offer, Northam will increase its issued share capital by approximately 3.92%.

The claw-back shares will, upon allotment and issue, rank *pari passu* with all other existing shares in all respects, including in terms of both voting rights and dividends. The claw-back shares do not have any convertibility or redemption provisions.

The claw-back shares, once issued, will be fully paid-up and freely transferable.

3.2 Opening and closing dates of the offer

The offer will open at 09:00 on Monday, 18 November 2013 and will close at 12:00 on Friday, 6 December 2013.

3.3 Entitlement

Qualifying shareholders will be granted the right to subscribe for 3.92086 claw-back shares for every 100 existing shares held on the record date. In this regard, Northam shareholders are referred to the table of entitlement to claw-back shares set out in annexure 4 hereto.

Qualifying certificated shareholders (or their renounees) will have their letters of allocation credited to an account in electronic form, which will be administered by the transfer secretaries on their behalf. The enclosed form of instruction reflects the number of claw-back shares for which qualifying certificated shareholders are entitled to subscribe. The procedure that qualifying certificated shareholders should follow for the acceptance of their rights or the sale or renunciation of their letters of allocation is reflected in the form of instruction. The letters of allocation to which the form of instruction relates are negotiable and can be traded on the exchange.

Qualifying dematerialised shareholders will not receive a form of instruction and will have their rights credited to their custody accounts by their appointed CSDP or broker in electronic form. The CSDP or broker will advise the qualifying dematerialised shareholders of the procedures they need to follow for acceptance of rights or the sale or renunciation of letters of allocation.

3.4 Fractional entitlements

Only whole numbers of claw-back shares will be issued upon the exercise of rights and qualifying shareholders will be entitled to rounded numbers of claw-back shares. Fractional entitlements of 0.5 or greater will be rounded up and less than 0.5 will be rounded down.

3.5 Excess applications

Applications for excess claw-back shares will not be permitted.

3.6 Listings on the exchange

The issuer regulation division of the JSE has approved the listing of the letters of allocation and the claw-back shares on the exchange as follows:

- 15 000 000 letters of allocation in respect of 15 000 000 new Northam shares will be listed from 09:00 on Monday, 11 November 2013 until 17:00 on Friday, 29 November 2013, both days inclusive. The letters of allocation will trade under the JSE code: NHMN and have been allocated an ISIN of ZAE000184164; and
- 15 000 000 new Northam shares will be listed with effect from 09:00 on Monday, 2 December 2013.

3.7 Tax consequences

Qualifying shareholders and persons which acquire letters of allocation are advised to consult their financial advisors regarding any taxation implications pertaining to the acceptance of their rights or the sale or renunciation of their letters of allocation in terms of the offer.

3.8 Suspensive conditions

There are no suspensive conditions to the offer.

3.9 Shareholders outside of South Africa

This section is intended as a general guide only and any person outside of South Africa who is in doubt as to his or her position should consult his or her professional advisor without delay.

The attention of qualifying shareholders and persons who acquire letters of allocation, who are resident outside of South Africa and/or who are restricted shareholders, is drawn to this paragraph and to paragraph 3.10, "Representations and warranties".

3.9.1 General

The making of the offer, the distribution of the circular and the form of instruction and the transfer of claw-back shares and/or letters of allocation to certain persons who have registered addresses outside of South Africa, or who are resident or located in, or who are citizens of, countries other than South Africa, may be restricted by the laws of the relevant jurisdiction and failure to comply with any of those restrictions may constitute a contravention of the laws of any such territory.

Persons outside of South Africa should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise their rights and/or to sell or renounce their letters of allocation.

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside of South Africa wishing to take up letters of allocation or to transfer or dispose of their letters of allocation to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories.

Receipt of this circular or the form of instruction or the crediting of letters of allocation to the securities account of a CSDP or broker will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this circular and the form of instruction must be treated as being sent for information purposes only and should not be copied or redistributed.

Letters of allocation will be provisionally allotted to all qualifying shareholders. However, the accompanying form of instruction (where applicable) will not be sent to qualifying shareholders with registered addresses or who are resident or located in a restricted territory on the record date ("**restricted shareholders**") and letters of allocation will not be credited to the securities account of the CSDP or broker of qualifying shareholders who are restricted shareholders, except where Northam is satisfied that such action would not result in a contravention of any registration or other legal requirement in any jurisdiction. Restricted shareholders' letters of allocation will be sold on their behalf by the transfer secretaries, or any other third party nominated for this purpose, and the proceeds remitted to them as described in paragraph 3.11, "*Sale of letters of allocation on behalf of restricted shareholders*".

No person receiving a copy of this circular and/or form of instruction and/or receiving a credit of letters of allocation to a securities account of a CSDP or broker may treat the same as constituting an invitation or offer to him or her nor should he or she in any way use or deal in the letters of allocation or the form of instruction unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or the letter of allocation or form of instruction could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this circular and the form of instruction are to be treated as being sent for information purposes only and should not be copied or redistributed.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this circular and/or a form of instruction or whose CSDP or broker securities account is credited with letters of allocation should not, in connection with the offer, distribute or send the same or transfer letters of allocation in or into any jurisdiction where to do so would or might contravene local security laws or regulations, including, but not limited to, the restricted territories. If a form of instruction or a credit of a letter of allocation is received in his or her CSDP or broker securities account by any person in any such territory, or by his or her agent or nominee, he or she must not seek to take up or exercise the rights referred to in the form of instruction or in this circular or renounce or transfer letters of allocation unless Northam determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a form of instruction or transfer letters of allocation in or into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph and paragraph 3.10 *"Representations and warranties"*.

The company reserves the right to treat as invalid any acceptance or purported acceptance of the allotment of claw-back shares in respect of any exercise or purported exercise of rights or the sale or renunciation or purported sale or renunciation of letters of allocation if:

- (i) it appears to Northam or its agents to have been executed or effected in, or dispatched from, a restricted territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement;
- (ii) in the case of a form of instruction, it provides an address for delivery of share certificates to, or in the case of a credit of letters of allocation and/or claw-back shares, the securities account is that of, a person who is a restricted shareholder or a shareholder whose registered address is in an restricted territory; or
- (iii) the warranties required by paragraph 3.10 *"Representations and warranties"* are purported to be excluded.

Subject to certain exceptions, shareholders located in the U.S. and holders of Northam ADRs will not be entitled to take up their rights and their letters of allocation will be disposed of and the sale proceeds remitted to them in accordance with paragraph 3.11, *"Sale of letters of allocation on behalf of restricted shareholders"*.

3.9.2 United States

The letters of allocation and the claw-back shares have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the U.S. or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the offer or the accuracy or adequacy of this circular. Any representation to the contrary is a criminal offence in the U.S..

The letters of allocation and the claw-back shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the U.S. and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the U.S., except to QIBs pursuant to an exemption from or, in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S..

Accordingly, Northam is not offering the letters of allocation or the claw-back shares, or otherwise extending the offer, into the U.S. unless an exemption from the registration requirements of the U.S. Securities Act is available and, subject to certain exceptions, this circular does not constitute nor will it constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any letters of allocation or claw-back shares in the U.S.. Subject to certain exceptions, this circular will not be sent to any shareholder in, or with a registered address in, the U.S.. Any person in the U.S. wishing to acquire the letters of allocation or subscribe for the claw-back shares must execute and deliver an investor letter satisfactory to the company to the effect that such person is a QIB within the meaning of Rule 144A and satisfies certain other requirements.

Subject to certain exceptions, any person who acquires letters of allocation or claw-back shares will be deemed to have declared, warranted and agreed, by accepting delivery of this circular, exercising their rights, selling or renouncing their letters of allocation or accepting delivery of the letters of allocation or the claw-back shares that they are not, and that at the time of acquiring the letters of allocation or the claw-back shares they will not be, in the U.S. or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the U.S. or any state of the U.S..

In addition, until 40 days after the commencement of the offer, an offer, sale or transfer of the claw-back shares or the letters of allocation within the U.S. by a dealer (whether or not participating in the offer) may violate the registration requirements of the U.S. Securities Act.

If, at any time, the company is neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish, upon request, to any owner of the claw-back shares, or any prospective purchaser designated by any such owner, the information required to be delivered pursuant to Rule 144A (d)(4) under the U.S. Securities Act.

Notice to New Hampshire residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

3.9.3 United Kingdom

This circular and the form of instruction (where applicable) are only being distributed to and are only directed at: (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**order**") or (iii) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the order (all such persons together being referred to as "**relevant persons**"). The letters of allocation, the form of instruction and the claw-back shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such letters of allocation or claw-back shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this circular or the form of instruction or any of their contents.

3.9.4 Member states of the European Economic Area

No prospectus which has been approved by the competent authority in a relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state in accordance with the Prospective Directive, will be published in relation to the claw-back shares or the letters of allocation.

Accordingly, in relation to each relevant member state, with effect from and including the relevant implementation date, no claw-back shares or letters of allocation have been offered or will be offered pursuant to the offer to the public in that relevant member state except that, with effect from and including the relevant implementation date, offers of claw-back shares or letters of allocation may be made to the public in that relevant member state at any time:

- (i) to any person or legal entity which is a "*qualified investor*" as defined under the Prospective Directive;

- (ii) to fewer than 100, or, if the relevant member state has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospective Directive) in such relevant member state subject to obtaining the prior consent of the company; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospective Directive,

provided that no such offer of claw-back shares or letters of allocation shall result in a requirement for Northam to publish a prospectus pursuant to Article 3 of the Prospective Directive or supplement a prospectus pursuant to Article 16 of the Prospective Directive.

For the purposes of this provision, the expression "*an offer of claw-back shares or letters of allocation to the public*" in relation to any claw-back shares or letters of allocation in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the claw-back shares and letters of allocation to be offered so as to enable an investor to decide to purchase or subscribe for the claw-back shares or letters of allocation, as the same may be varied in that relevant member state by any measure implementing the Prospective Directive in that member state.

In the case of any claw-back shares or letters of allocation being offered to a financial intermediary as that term is used in Article 3(2) of the Prospective Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the claw-back shares or letters of allocation acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a relevant member state in circumstances which may give rise to an offer of any claw-back shares or letters of allocation to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the company has been obtained for each such proposed offer or resale.

The company, the sole bookrunner, corporate and debt advisor and sponsor, and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the company of such fact in writing may, with the consent of the company, be permitted to subscribe for or purchase claw-back shares or letters of allocation pursuant to the offer.

3.9.5 Restricted territories

Subject to certain exceptions, the letters of allocation, forms of instruction and the claw-back shares may not be transferred or sold into, or renounced or delivered in, the restricted territories. No offer of claw-back shares is being made into the restricted territories by virtue of this circular or the form of instruction.

Although letters of allocation may be credited to the CSDP or broker securities accounts of qualifying dematerialised shareholders (i) with a registered address, or resident, in one of the restricted territories, or (ii) who hold shares on behalf of persons located in restricted territories, such crediting of letters of allocation does not constitute an offer to restricted shareholders and such restricted shareholders will not be entitled to take up or transfer letters of allocation or acquire claw-back shares unless such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdictions.

3.10 Representations and warranties

3.10.1 Qualifying certificated shareholders

Any person selling or renouncing all or part of his or her letters of allocation or exercising all or part of his or her rights by completing the accompanying form of instruction represents and warrants to Northam that, except where proof has been provided to the company's satisfaction that such person's use of the form of instruction, the letters of allocation or the claw-back shares, as the case may be, will not result in the contravention of any applicable legal requirement in any jurisdiction, such person:

- (i) is not selling or renouncing his or her letters of allocation or exercising his or her rights from within the U.S. or any other restricted territories;

- (ii) is not in any jurisdiction in which it is unlawful to make or accept the offer, follow rights, subscribe for claw-back shares or sell or renounce letters of allocation;
- (iii) is not accepting rights or selling or renouncing claw-back shares for the account of a person located within the U.S. unless:
 - (a) the instruction to accept or renounce was received from a person outside the U.S.; and
 - (b) the instructing person has advised such person that it has the authority to give such instruction and that either it: (A) has investment discretion or authority over such account or (B) is an investment manager or investment company and that in the case of each of (A) and (B), is acquiring the claw-back shares in an offshore transaction within the meaning of Regulation S; and
- (iv) is not acquiring claw-back shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such claw-back shares into a restricted territory.

The company reserves the right to treat as invalid any acceptance or purported acceptance of claw-back shares in respect of any exercise or purported exercise of rights or the sale or renunciation or purported sale or renunciation of letters of allocation if it:

- (i) appears to the company or its agents to have been executed or effected in, or dispatched from, a restricted territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement;
- (ii) provides an address in a restricted territory for delivery of share certificates evidencing claw-back shares; or
- (iii) purports to exclude the warranty required by this paragraph.

3.10.2 Qualifying dematerialised shareholders

Any person selling or renouncing all or part of his or her letters of allocation or exercising all or part of his or her rights in accordance with the procedures set out in this paragraph 3 represents and warrants to the company that, except where proof has been provided to the company's satisfaction that such person's use of the letters of allocation, the rights or the claw-back shares, as the case may be, will not result in the contravention of any applicable legal requirement in any jurisdiction, such person:

- (i) is not selling or renouncing their letters of allocation or exercising their rights in or from within the U.S. or any other restricted territories;
- (ii) is not in any jurisdiction in which it is unlawful to make or accept the offer to subscribe for claw-back shares or sell or renounce letters of allocation;
- (iii) is not accepting rights or selling or renouncing letters of allocation for the account of a person located within the U.S. unless:
 - (a) the instruction to accept was received from a person outside the U.S.; and
 - (b) the instructing person has advised such person that it has the authority to give such instruction and that either it: (A) has investment discretion or authority over such account or (B) is an investment manager or investment company and that in the case of each of (A) and (B), is acquiring the claw-back shares in an offshore transaction within the meaning of Regulation S; and
- (iv) is not acquiring claw-back shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such claw-back shares in or into a restricted territory.

3.11 Sale of letters of allocation on behalf of restricted shareholders

The claw-back shares and letters of allocation have not been and will not be registered for the purposes of the offer under the securities laws of the United Kingdom, Canada, U.S., any restricted territory or any other country outside of South Africa and, accordingly, to the extent that claw-back shares and letters of allocation may not be offered, sold, taken up, re-sold or delivered, directly or indirectly, to persons with registered addresses outside of South Africa, this circular and any form of instruction are sent to them for information purposes only. The rights attributable to restricted shareholders will, if a premium can be obtained over the expenses of sale, be sold on the exchange for the benefit of such shareholders as soon as practicable. However, if the net proceeds of sale in relation to any such restricted shareholders are less than R10, they will be retained for the benefit of Northam. In this regard, neither the transfer secretaries nor the company nor any broker appointed by either of them to effect such sale will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of any or all of such letters of allocation.

4. PROCEDURE FOR ACCEPTANCE OF RIGHTS OR THE RENUNCIATION OR SALE OF LETTERS OF ALLOCATION

4.1 Qualifying certificated shareholders

4.1.1 *Acceptance of rights*

Full details of the procedure for acceptance of rights by qualifying certificated shareholders are set out below and contained in the form of instruction enclosed with this circular. The following should be noted:

- 4.1.1.1** acceptances are irrevocable and may not be withdrawn;
- 4.1.1.2** acceptances may only be made by qualifying certificated shareholders by means of the form of instruction;
- 4.1.1.3** a properly completed form of instruction and a cheque or banker's draft, in the currency of ZAR crossed "*not transferable*" with the words "*or bearer*" deleted, or an EFT into a designated bank account (details of which is available from the corporate actions department of Computershare, contactable during ordinary business hours on +27 (0) 861 100 634/+27 (0) 861 100 933 (between 08:00 – 16:30) or +27 (0) 11 370 5000 (between 08:00-17:00)) for the aggregate subscription price payable in respect of the claw-back shares subscribed for must be received by the transfer secretaries (at the physical or postal address or at the email address or fax number referred to in paragraph 4.1.3.2) by no later than 12:00 on Friday, 6 December 2013. No late acceptances will be accepted;
- 4.1.1.4** the form of instruction to take up the rights in question will be regarded as complete only when the cheque, banker's draft or EFT has been cleared for payment;
- 4.1.1.5** such payment will constitute an irrevocable acceptance of the offer upon the terms and conditions set out in this circular and in the form of instruction once the banker's draft, cheque or EFT has been cleared for payment; and
- 4.1.1.6** if no form of instruction is received as set out above, the rights will be deemed to have been declined and the rights to subscribe for the claw-back shares in terms of the form of instruction will lapse regardless of who holds the letters of allocation.

4.1.2 *Renunciation or sale of letters of allocation*

- 4.1.2.1** Northam has issued letters of allocation in dematerialised form and the electronic record of qualifying certificated shareholders is being maintained by the transfer secretaries. This has made it possible for qualifying certificated shareholders to enjoy the same rights and opportunities as qualifying dematerialised shareholders.
- 4.1.2.2** Qualifying certificated shareholders who wish to follow only a portion of their rights must indicate on the form of instruction the number of claw-back shares for which they wish to subscribe.

- 4.1.2.3** Qualifying certificated shareholders not wishing to subscribe for all, or some, of the claw-back shares to which they are entitled as reflected in the form of instruction, may sell or renounce their letters of allocation or allow their rights to lapse.
- 4.1.2.4** In addition, qualifying certificated shareholders who wish to sell some or all of their letters of allocation as reflected in the form of instruction must complete Form A of the enclosed form of instruction and return it to the transfer secretaries to be received by the transfer secretaries (at one of the physical or postal addresses or at the email address or fax number referred to in paragraph 4.1.3.2), by no later than 17:00 on Friday, 29 November 2013.
- 4.1.2.5** The transfer secretaries will endeavour to procure the sale of the letters of allocation on the exchange on behalf of such qualifying certificated shareholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses, provided that such proceeds are not less than R10. Please note that the closer to this deadline that you instruct the transfer secretaries to sell your letters of allocation, the less opportunity the transfer secretaries will have to sell your rights on the exchange at a profit or at all. In this regard, neither the transfer secretaries nor the company nor any broker appointed by either of them will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such letters of allocation.
- 4.1.2.6** Qualifying certificated shareholders who do not wish to sell the letters of allocation allocated to them as reflected in the form of instruction, and who do not wish to follow their rights by subscribing for the claw-back shares to which they are entitled as set out in the form of instruction but who wish to renounce their letters of allocation, must complete Form B of the form of instruction and return it to the transfer secretaries to be received by the transfer secretaries (at one of the physical or postal addresses or at the email address or fax number referred to in paragraph 4.1.3.2) by no later than 12:00 on Friday, 6 December 2013.
- 4.1.2.7** If the rights are not accepted, sold or renounced, the rights will lapse.

4.1.3 Payment

4.1.3.1 Currency

The amount due upon acceptance of the offer is payable in ZAR.

4.1.3.2 Payment terms

A banker's draft drawn on a registered bank or a cheque drawn on a South African bank (each of which should be crossed and marked "*not transferable*" and in the case of a cheque, with the words "*or bearer*" deleted) in favour of "**Northam Platinum Ltd – Claw Back Offer**" or an EFT into a designated bank account (details of which is available from the Computershare call centre- corporate actions department contactable on +27 (0) 861 100 634/+27 (0) 861 100 933 (between 08:00 – 16:30) or +27 (0) 11 370 5000 (between 08:00 – 17:00)) for the aggregate subscription price payable in respect of the claw-back shares to be subscribed for, together with a properly completed form of instruction, must be delivered by qualifying certificated shareholders or their renounees to the transfer secretaries to be received by the transfer secretaries by no later 12:00 on Friday, 6 December 2013 in accordance with the instructions contained in the form of instruction and clearly marked "**Northam Platinum Ltd – Claw Back Offer**".

By hand to:
Northam Platinum Ltd – Claw Back Offer
C/o Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
2001

By email to:
corporate.events@computershare.co.za

By post to:
Northam Platinum Ltd – Claw Back Offer
C/o Computershare Investor Services (Pty) Ltd
PO Box 61763
Marshalltown
2107

By fax to:
+27 11 688 5210

All cheques or banker's drafts received by the transfer secretaries will be deposited immediately for payment. In the event that any cheque, banker's draft or EFT is dishonoured, Northam may, in its sole discretion and without prejudice to any other rights which it may have, treat the relevant acceptance as void or may tender delivery of the relevant claw-back shares to which it relates against payment in cash of the aggregate subscription price for such claw-back shares. Payment received in respect of an application which is rejected or otherwise treated as void by Northam, or which is otherwise not validly received in accordance with the terms stipulated in this circular, will be posted by ordinary mail (without interest) by way of a cheque drawn in ZAR to the applicant concerned, at the applicant's risk, on or about Monday, 9 December 2013. If the applicant concerned is not a Northam shareholder and does not give an address in the form of instruction, then the relevant refund will be held by Northam until claimed by the applicant.

4.1.4 Share certificates

Where applicable, share certificates in respect of claw-back shares will be posted, by registered post, by the transfer secretaries, at the risk of the qualifying certificated shareholders concerned, or his or her renounee, on or about Monday, 9 December 2013. As Northam uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of claw-back shares.

Persons receiving claw-back shares in certificated format must note that such shares cannot be traded on the exchange until they have been dematerialised. This could take between one and ten days.

4.2 Qualifying dematerialised shareholders

4.2.1 Acceptance, renunciation or sale of rights

The CSDPs or brokers appointed by qualifying dematerialised shareholders should contact them to ascertain:

- whether they are qualifying dematerialised shareholders;
- whether they wish to follow their rights in terms of the offer (in which case CSDPs effect payment on a delivery versus payment basis); and/or
- if they do not wish to follow all or some of their rights, whether and to what extent they wish to sell or renounce some or all of their letters of allocation.

If you are not contacted, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a qualifying dematerialised shareholder, they are obliged to act in terms of the mandate granted to them by such qualifying dematerialised shareholder, or if the mandate is silent in this regard, not to accept the rights on behalf of such qualifying dematerialised shareholders.

4.2.2 Payment

The CSDP or broker of qualifying dematerialised shareholders or their renounees will effect payment of the aggregate subscription price payable in respect of the claw-back shares to be subscribed for, directly on their behalf on Monday, 9 December 2013 on a delivery versus payment basis.

4.2.3 **Claw-back shares**

Qualifying dematerialised shareholders or their renounees will have their accounts with their CSDP or broker credited with the claw-back shares subscribed for in terms of the offer, at 09:00 on Monday, 9 December 2013.

5. **COMMITMENT**

5.1 **Commitment agreement**

Northam entered into the commitment agreement with the subscriber in terms of which the subscriber has committed to subscribe for 15 000 000 claw-back shares, subject to the offer. An amount of R600 million has been paid by the subscriber to the company in accordance with the commitment agreement and the subscriber has approved the use of the committed amount by Northam for purposes of its general working capital and capital expenditure requirements.

In terms of the commitment agreement, the subscriber will be allotted claw-back shares and issued with such number of claw-back shares not subscribed for by LA holders exercising their rights.

5.2 **Commitment fee**

In consideration for the subscriber providing the commitment and providing the committed amount to Northam in advance, Northam shall pay to the subscriber a liquidity fee equal to 2% of the committed amount.

5.3 **Confirmation regarding the committed amount**

The directors have confirmed that the subscriber has paid the committed amount to the company in full. Accordingly, the company has certainty with respect to the subscriber's ability to meet its commitments pursuant to the commitment agreement.

6. **EXCHANGE CONTROL REGULATIONS**

The information below is not intended as legal advice and it does not purport to describe all of the considerations that may be relevant to qualifying shareholders or renounees. Qualifying shareholders or their renounees who are non-residents or emigrants from the common monetary area are urged to seek further professional advice in regard to the subscription for claw-back shares and the sale or purchase of letters of allocation.

Exchange control regulations provide for exchange controls which, among other things, restrict the export of capital from the common monetary area.

The purpose of exchange controls is to mitigate the decline of foreign capital reserves in South Africa. It is expected that South African exchange controls will continue to operate for the foreseeable future. The government has, however, committed itself to gradually relaxing exchange controls and significant relaxation has occurred in recent years. It is the stated objective of the South African authorities to achieve equality of treatment between South African residents and non-residents in relation to inflows and outflows of capital. This gradual approach towards the abolition of exchange controls adopted by the government is designed to allow the economy to adjust more smoothly to the removal of controls that have been in place for a considerable period of time.

In terms of the exchange control regulations, no person may transfer any assets (including cash and securities) out of South Africa or make any payment to a non-resident or give any security in favour of a non-resident without the prior approval of the exchange control authorities.

For the purposes of the exchange control regulations, a **"resident"** is any person (including a legal entity) who or which has taken up permanent residence, is domiciled or is registered in the common monetary area. A **"non-resident"** is any person (including a legal entity) who or which is not a "resident".

Applications for approval under the exchange control regulations are effected through **"authorised dealers"** which assist the exchange control authorities with the monitoring and enforcement of the exchange control regulations. Authorised dealers include the major South African banks, and the local branches of foreign banks, which are approved by SARB as authorised dealers in foreign currency. Certain approvals can be granted by authorised dealers, subject to compliance by the applicant with the applicable conditions specified in the relevant exchange control circular, directive or ruling.

6.1 Non-residents

Any documents of title issued to non-residents will be endorsed "*non-resident*". In the event that letters of allocation and/or claw-back shares are held by a non-resident through Strate, the securities account maintained for such non-resident by the relevant CSDP must be designated as a non-resident account.

It will be incumbent on any such non-resident to instruct its nominated or authorised dealer as to how any funds due to such non-resident in respect of letters of allocation, forms of instruction and/or claw-back shares are to be dealt with. Such funds may, in terms of the exchange control regulations, be remitted abroad only if the claw-back shares are acquired with foreign currency introduced into South Africa and provided that the relevant documents of title have been endorsed "*non-resident*" or the relevant securities account has been designated as a non-resident account, as the case may be.

6.2 Emigrants from the common monetary area

Funds which may not, in terms of the exchange control regulations, be remitted out of South Africa or paid into a bank account outside of South Africa ("**blocked Rand**") may be used for the subscription for claw-back shares and the purchase of letters of allocation. Any amounts payable in respect of letters of allocation, forms of instruction and/or payable by Northam in respect of claw-back shares subscribed for or purchased with blocked Rand may not, in terms of the exchange control regulations, be remitted out of South Africa or paid into any non-South African bank account.

All applications by emigrants from the common monetary area using blocked Rand for the above purposes must be made through the authorised dealer controlling such emigrant's blocked assets.

Any documents of title issued to emigrants from the common monetary area will be endorsed "*emigrant*". Such restrictively endorsed documents of title must be deposited with the authorised dealer controlling such emigrant's blocked assets. In the event that letters of allocation and/or claw-back shares are held by an emigrant from the common monetary area through Strate, the securities account maintained for such emigrant by the relevant CSDP will be designated as an "*emigrant*" account.

The proceeds due to an emigrant from the common monetary area from the sale of letters of allocation, if applicable, will be deposited into such emigrant's blocked Rand account maintained by the authorised dealer. Any amounts payable by Northam to an emigrant from the common monetary area in respect of claw-back shares will be deposited into such emigrant's blocked rand account maintained by the relevant authorised dealer. Such proceeds and amounts are not freely transferable from the common monetary area and may only be dealt with in terms of the exchange control regulations.

7. PRO FORMA FINANCIAL INFORMATION

7.1 *Pro forma* statement of consolidated comprehensive income and consolidated statement of financial position

The table below sets out the *pro forma* financial effects of the offer based on the published audited financial statements of Northam for the year ended 30 June 2013. The full *pro forma* statement of financial position at 30 June 2013 and *pro forma* statement of comprehensive income for the year ended 30 June 2013 are set out in annexure 1 to this circular.

This *pro forma* financial information has been prepared for illustrative purposes only, in order to provide information about how the offer might have affected shareholders had the offer been implemented on the dates indicated in the notes below. Due to their nature, the *pro forma* financial information may not fairly present Northam's financial position and results of operations, nor the effect and impact of the offer going forward.

The *pro forma* statement of comprehensive income and statement of financial position have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the published audited financial statements of Northam for the year ended 30 June 2013.

The directors are responsible for the compilation, contents and preparation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Northam; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the listings requirements.

Independent auditors and reporting accountants' limited assurance report on the *pro forma* consolidated financial information relating to the proposed offer is set out in annexure 2 of this circular.

	Before the offer	<i>Pro forma</i> after the offer	Percentage change
Earnings per share (cents)	132	127	(3.79)
Diluted earnings per share (cents)	132	127	(3.79)
Headline earnings per share (cents)	136	131	(3.68)
Diluted headline earnings per share (cents)	136	131	(3.68)
Net asset value per share (cents)	2 824	2 863	1.38
Net tangible asset value per share (cents)	1 332	1 427	7.13
Weighted average number of shares in issue	382 560 902	397 560 902	3.92
Diluted weighted average number of shares in issue	382 560 902	397 560 902	3.92
Number of shares in issue	382 586 090	397 586 090	3.92

Notes:

1. The figures included in the "*before the offer*" column have been extracted, without amendment, from the published audited financial statements of Northam for the year ended 30 June 2013.
2. The financial effects have been prepared on the basis of the following assumptions:
 - (i) The offer has been assumed to have been concluded on 1 July 2012 for purposes of the statement of comprehensive income and 30 June 2013 for purposes of the statement of financial position.
 - (ii) 15 000 000 new Northam shares are issued pursuant to the offer at an issue price of R40 per share.
 - (iii) Costs directly attributable to the offer of R22.2 million have been capitalised against equity in accordance with International Accounting Standard ("**IAS**") 32.35. No income has been accounted for on the funds received pursuant to the offer as they have been assumed to have been applied to general working capital and capital expenditure of the company.
 - (iv) 270 331 new share options with an exercise price of R40 will be required to be issued with regards to the Northam share option scheme; however, these are classified as anti-dilutive in accordance with IAS 33 and have therefore not been accounted for in the calculation of the diluted number of shares in issue.

8. NATURE OF THE BUSINESS AND PROSPECTS

8.1 Introduction

Northam is a mid-tier, integrated PGM producer and its shares are listed on the exchange.

Northam's business is focused on the mining, processing and marketing of PGMs and its associated by-products to a long-standing and stable customer base in the major economic centres of the world. Northam has a diversified mining asset portfolio, which includes inter alia, the cash-generative Zondereinde platinum mine and metallurgical complex, the Booyendal platinum mine and concentrating plant, an 80% (previously 70%) interest in Northam Chrome Producers Proprietary Limited ("**NCP**"), effective 1 July 2013, and a 7.5% interest in the Pandora joint venture.

Following the unbundling by its former major shareholder, Mvelaphanda Resources Proprietary Limited and the subsequent acquisition by Northam of its entire issued share capital by means of a scheme arrangement, Northam owns a 50% interest in the Dwaalkop Platinum project, a 20.3% interest in the issued share capital of Trans Hex Group Limited, a diamond producing and marketing company listed on the exchange and a 51% initial participatory interest in the Kokerboom joint venture which is a greenfields iron oxide/gold/copper and massive sulphide exploration project.

The company also runs a sponsored level 1 ADR facility. The Northam ADRs trade with the ticker code NMPNY on an over-the-counter market in the U.S..

8.2 Zondereinde

The company wholly owns and operates the established Zondereinde platinum mine and metallurgical complex on the upper end of the western limb of the South African Bushveld complex near the town of Thabazimbi, which produces some 300 000oz of PGMs annually.

For the company's financial year ended 30 June 2013 ("F2013"), the combined tonnes milled at Zondereinde mine were 9.4% up at 2 115 712 tonnes from 1 933 677 in the financial year ended 30 June 2012 ("F2012"). This comprises 958 211 Merensky tonnes milled (F2012: 884 660 million tonnes) and 1 157 501 UG2 tonnes milled (F2012: 1 049 017 million tonnes). The 3PGE+Au combined head grade dropped by 3.9% to 4.9 g/t compared to 5.1 g/t in F2012. This drop reflects the lower average UG2 grade of 4.2 g/t over the period owing to grade control challenges. This will be a key focus area for management in the year ahead.

In spite of the lower head grade, the increase in tonnes milled resulted in a 5.4% increase in metals produced from underground operations. Metals from secondary material declined significantly resulting in total mine production increasing marginally to 9 041kg (F2012: 8 979kg). Volumes of concentrates purchased declined by 13.0% from 1 877kg in F2012 to 1 633kg in the current year. This is mainly due to the interruption of smelting activities both in July to September 2012 and again in May 2013.

The mining strategy at Zondereinde continues to be to open up ore reserves in the north-west quadrant and also on the lower levels of the mine to access normal Merensky reef. Shareholders were advised on 23 May 2013 that the smelter at Zondereinde would be shut down and rebuilt following the unexpected erosion of the refractory bricks comprising the walls of the smelter in proximity to the slag level interface. The rebuild, using a different brick specification, was completed in October 2013. The smelter was previously rebuilt in F2012 after a run-out.

8.3 Booyesendal

Northam is in the process of developing the shallower Booyesendal platinum mine, located near the town of Mashishing on the eastern limb of the Bushveld complex, which has been in commission from 1 July 2013.

A total of 242 602 tonnes were milled in F2013, to produce 473kg of metal concentrate which has been processed. Metal sales from Booyesendal were restricted to 109kg owing to the shutdown of the smelter at Zondereinde in May 2013. Revenue earned from metal sales to 30 June 2013 was credited to capital, in line with International Financial Reporting Standards. For accounting purposes, the mine came into production on 1 July 2013. To counter certain delays in the construction of conveyors and other services underground, management has taken on additional contractors in a temporary capacity to mitigate delays to the production build-up. The mine is expected to reach steady state in 2016.

Following the commissioning of the permanent power supply on 10 March 2013, cold and hot commissioning of the concentrator continued to year end with a number of issues having been identified which have been or are in the process of being rectified. This process will continue until all outstanding issues have been remedied.

8.4 Other assets

In addition, the company holds a 7.5% interest in the Pandora joint venture, a PGM mining operation at the southern end of the western limb of the Bushveld complex, in partnership with Anglo American Platinum Limited, the Bapo Ba Mogale community and Lonmin plc.

Following the acquisition of a 70% shareholding in NCP for R10 million effective 1 July 2012, the group acquired a further 10% of NCP for R10 million effective 1 July 2013, bringing its total holding to 80%. NCP produces chrome from Zondereinde's UG2 tailings, and has contributed an amount of R52.1 million after tax to the group results in F2013.

8.5 Prospects

The platinum industry in South Africa remains dominated by social and economic uncertainty, which is manifested in certain external factors such as the U.S. Dollar metal prices and the Rand/Dollar exchange rate, as well as the current labour issues.

Assuming no disruptions to the company's operations during the financial year ending 30 June 2014 ("F2014") the F2014 year, the company expects to maintain its operational performance at the Zondereinde mine and ramp-up production at its Booyssendal mine in F2014.

The future financial performance of Northam will depend largely on a combination of market circumstances and international metal prices, a peaceful and productive labour force, and regular underground mining conditions.

On 3 August 2012, Northam published an announcement on SENS which provided the details of a proposed BBBEE transaction in terms of which Northam expects to create a new class of ordinary shares ("A shares"). These "A" shares will rank *pari passu* with Northam's existing shares in issue with respect to voting rights but will be subject to dividend restrictions. A sufficient number of "A" shares would then be issued to certain trusts representing BBBEE parties, at a value to be determined by the board and to be approved by shareholders. This proposed BBBEE transaction remains in its initial stages and further information in this regard will be published by Northam in due course.

9. STATED CAPITAL

9.1 Authorised and issued capital

The authorised and issued capital of Northam as at the last practicable date is set out below.

Authorised

545 000 000 shares of no par value

Issued

382 586 090 shares of no par value

The company does not hold any treasury shares.

9.2 Share price history

A table setting out the share price history of Northam shares on the exchange is included in this circular as annexure 5.

10. INFORMATION RELATING TO DIRECTORS

10.1 Details and experience of directors and senior management

Biographical details of the directors and senior management of Northam and its major subsidiary are set out in annexure 7 to this circular.

10.2 Directors' remuneration

The total aggregate remuneration and benefits paid to the directors for the year ended 30 June 2013 were as follows:

	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Total R000
Executive					
A Z Khumalo	–	2 392	955	391	3 738
G T Lewis	–	5 841	2 291	809	8 941
Non-executive					
M E Beckett	475	–	–	–	475
C K Chabedi	389	–	–	–	389
J A K Cochrane	282	–	–	–	282
N J Dlamini ¹	512	–	–	–	512
R Havenstein ²	892	–	–	–	892
E T Kgosi	510	–	–	–	510
A R Martin	517	–	–	–	517
M S M M Xayiya ³	112	–	–	–	112
P L Zim	280	–	–	–	280
	3 969	8 233	3 246	1 200	16 648

Notes:

1. Dr N J Dlamini resigned as a non-executive director on 30 September 2013.
2. Mr R Havenstein was paid an *ad hoc* fee of R217 000 in respect of special work done for the board.
3. Mr M S M M Xayiya resigned as a non-executive director on 7 December 2012.

The company does not pay any pension contributions on behalf of the non-executive directors, neither have they received any material benefits, nor are there any commission, gain or profit-sharing arrangements in place.

None of the directors are remunerated by any of Northam's subsidiaries, associates or joint ventures.

Mr A Z Khumalo, the financial director, has a service contract with the company which is subject to a notice period of three months, whilst Mr G T Lewis, the chief executive officer, has a service contract that expires on 31 December 2013, but which has been extended to 30 June 2014. None of the non-executive directors have a service contract with the company.

10.3 Shareholding of the directors

As at the 30 June 2013, the directors and their associates, held the following beneficial interests, either directly or indirectly, in the issued share capital of the company.

	30 June 2013		Total	% of stated capital
	Direct beneficial holding	Indirect beneficial holding		
M E Beckett	30 000	–	30 000	0.00784
N J Dlamini ¹	–	326	326	0.00008
	30 000	326	30 326	

Note:

1. Dr N J Dlamini resigned as a non-executive director on 30 September 2013.

There has been no change in the directors' interests between the date of the company's annual integrated report and the last practicable date.

10.4 Directors' interests in share schemes

Details of the participation by the executive directors in the Northam share option scheme and the Northam share incentive plan are as follows:

Northam share option scheme

Grant date	Expiry date	Exercise price R	Number of options	
			A Z Khumalo	GT Lewis
22 October 2007	21 October 2014	48.00	–	187 500
27 November 2008	26 November 2015	32.38	–	187 500
5 November 2009	4 November 2016	36.95	–	187 500
1 July 2010	30 June 2017	45.59	125 000	–
12 October 2010	11 October 2017	46.57	125 000	187 000

As announced on 18 October 2013, Mr GT Lewis exercised 187 500 options at an exercise price of R38.45, that were due to expire on 22 October 2013. No other options were exercised by directors during the current or prior year.

Northam share incentive plan

Award date	A Z Khumalo		GT Lewis	
	Retention shares	Performance shares	Retention shares	Performance shares
22 November 2011	34 000	59 000	34 000	59 000
6 November 2012	56 000	98 000	56 000	98 000

None of the shares had vested at the last practicable date.

10.5 Directors' interests in transactions

None of the directors have any material beneficial interest, direct or indirect, in any transaction entered into by the company that was effected during the current or immediately preceding financial year or in an earlier year, and which remains in any respect outstanding or unperformed.

10.6 Variation of remuneration

The remuneration receivable by the directors of Northam will not be varied as a consequence of the offer.

11. LITIGATION

The company confirms that it is not aware of any legal or arbitration proceedings, either pending or threatened, which may have or have had in the recent past, being at least the previous twelve months, a material effect on the financial position of the company and its subsidiaries.

12. CORPORATE GOVERNANCE

Details of Northam's corporate governance structures and practices are set out in annexure 3.

13. CONSENTS

The independent auditors and reporting accountants, whose limited assurance report is included in the circular, have given and have not, prior to publication, withdrawn their written consent to the inclusion of their limited assurance report in the form and context in which they appear in annexure 2. The sole bookrunner, corporate and debt advisor and sponsor, transfer secretaries, the attorneys and the attorneys as to U.S. and English law, whose names are included in the circular, have given and have not, prior to the date of this circular, withdrawn their written consents to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in the circular.

14. EXPENSES

At the last practicable date, estimated expenses of R22.2 million (including VAT) were provided for in respect of the offer which will be settled out of the proceeds of the offer and include:

	R'000
Commitment fee – the subscriber	13 680
Sole bookrunner, corporate and debt advisor and sponsor fees – One Capital*	6 840
Attorneys' fees – Cliffe Dekker Hofmeyr Inc.	855
Foreign attorney's fees – Davis Polk	150
Independent auditor and reporting accountant fees – Ernst & Young Inc.	208
JSE documentation inspection fee	24
JSE listing fee	209
Printing and publishing costs – INCE	101
Transfer secretaries – Computershare Investor Services Proprietary Limited	83
Total	22 150

* The fee has not been split as it is charged in terms of one mandate.

15. FILING OF DOCUMENTS

The circular and the form of instruction will be filed with the Companies and Intellectual Property Commission for disclosure and record purposes only.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on page 11, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted that would make any statement in this circular false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the listings requirements.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, are available for inspection at the registered office of the company, from the date of issue of this circular, up to and including Friday, 6 December 2013:

- the MOI of Northam and its subsidiaries;
- the audited financial statements of Northam for the three financial years ended 30 June 2011, 30 June 2012 and 30 June 2013;
- the independent auditors and reporting accountants' limited assurance report on the *pro forma* consolidated financial information, the text of which is included as annexure 2 to this circular;
- the latest competent person's report;
- copies of the directors' service contracts;
- the written consents by the company's professional advisors;
- signed copies of this circular and the form of instruction; and
- a signed copy of the commitment agreement.

Signed at Dunkeld West on Wednesday, 13 November 2013 for and on behalf of the board of directors, in terms of a board resolution dated 29 October 2013.

P B Beale

Company secretary

PRO FORMA STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The definitions commencing on page 6 of this circular apply *mutatis mutandis* to this annexure 1.

This *pro forma* consolidated financial information has been prepared for illustrative purposes only, in order to provide information about how the offer might have affected shareholders had the offer been implemented on the dates indicated in the notes below. Due to their nature, the *pro forma* consolidated financial information may not fairly present Northam's financial position and results of operations, nor the effect and impact of the offer going forward.

The *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the published audited financial statements of Northam for the year ended 30 June 2013.

The directors are responsible for the compilation, contents and preparation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Northam; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the listings requirements.

The independent auditors and reporting accountants' limited assurance report on the *pro forma* consolidated financial information relating to the proposed offer is set out in annexure 2 to this circular.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* consolidated statement of comprehensive income set out below presents the effects of the offer on the results of Northam for the year ended 30 June 2013 based on the assumption that the offer was effective 1 July 2012.

	Before the offer⁽¹⁾ R'000	Offer⁽²⁾ R'000	<i>Pro forma</i> after the offer R'000
Sales revenue	4 420 977	–	4 420 977
Cost of sales	3 813 301	–	3 813 301
Operating costs	2 826 094	–	2 826 094
Concentrates purchased	657 540	–	657 540
Refining and other costs	161 591	–	161 591
Depreciation and write offs	234 690	–	234 690
Change in metal inventories	(66 614)	–	(66 614)
Operating profit	607 676	–	607 676
Share of earnings from associate	13 783	–	13 783
Investment revenue	33 434	–	33 434
Finance charges	(17 946)	–	(17 946)
Sundry expenditure	(28 254)	–	(28 254)
Sundry income	88 362	–	88 362
Profit before tax	697 055	–	697 055
Taxation	169 054	–	169 054
Profit for the year	528 001	–	528 001
Other comprehensive income			
Items that will be reclassified subsequently to profit and loss	(4 145)	–	(4 145)
Share of associate's exchange differences on translating foreign operations	(4 105)	–	(4 105)
Share of associate's fair value adjustment on available-for-sale financial assets	(40)	–	(40)
Total comprehensive income for the year	523 856	–	523 856
<i>Profit attributable to:</i>			
Owners of the parent	504 907	–	504 907
Non-controlling interests	23 094	–	23 094
Profit for the year	528 001	–	528 001
<i>Total comprehensive income attributable to:</i>			
Owners of the parent	500 762	–	500 762
Non-controlling interests	23 094	–	23 094
Total comprehensive income for the year	523 856	–	523 856

	Before the offer⁽¹⁾ R'000	Offer⁽²⁾ R'000	<i>Pro forma</i> after the offer R'000
Reconciliation of headline earnings and per share information			
Profit attributable to shareholders	504 907	–	504 907
Profit on sale of property, plant and equipment	(1 769)	–	(1 769)
Write-off of smelter	33 000	–	33 000
Insurance claim	(4 318)	–	(4 318)
Profit on sale of associate's property, plant and equipment	(2 118)	–	(2 118)
Tax effect on above	(7 520)	–	(7 520)
Headline earnings	522 182	–	522 182
Earnings per share (cents)	132	–	127
Fully diluted earnings per share (cents)	132	–	127
Headline earnings per share (cents)	136	–	131
Fully diluted headline earnings per share (cents)	136	–	131
Weighted average numbers of shares in issue	382 560 902	15 000 000	397 560 902
Fully diluted number of shares in issue	382 560 902	15 000 000	397 560 902
Number of shares in issue	382 586 090	15 000 000	397 586 090

Notes:

1. The figures included in the "before the offer" column have been extracted, without amendment, from the published audited financial statements of Northam for the year ended 30 June 2013.
2. The "offer" column calculations have been prepared on the basis of the following assumptions:
 - (i) The offer has been assumed to have been concluded on 1 July 2012 for purposes of the statement of comprehensive income.
 - (ii) 15 000 000 new Northam shares are issued pursuant to the offer at an issue price of R40 per share.
 - (iii) Costs directly attributable to the offer of R22.2 million have been capitalised against equity in accordance with IAS 32.35.
 - (iv) No income has been accounted for on the funds received pursuant to the offer as they have been assumed to have been applied to general working capital and capital expenditure of the company.
 - (v) 270 331 new share options with an exercise price of R40 will be required to be issued in accordance with the Northam share option scheme; however, these are classified as anti-dilutive in accordance with IAS 33 and have therefore not been accounted for in the calculation of the diluted number of shares in issue.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The *pro forma* consolidated statement of financial position set out below presents the effects of the offer on the financial position of Northam as at 30 June 2013 based on the assumption that the offer was effective 30 June 2013.

	Before the offer ⁽¹⁾ R'000	Offer ⁽²⁾ R'000	<i>Pro forma</i> after the offer R'000
ASSETS			
Non-current assets	12 622 989	–	12 622 989
Property, plant and equipment	6 222 226	–	6 222 226
Mining properties and mineral resources	5 708 825	–	5 708 825
Interest in associate and joint ventures	495 498	–	495 498
Unlisted investments	6	–	6
Land and township development	15 553	–	15 553
Long-term receivables	87 400	–	87 400
Investments held by Northam Platinum Restoration Trust Fund	40 948	–	40 948
Environmental Guarantee Investment	42 407	–	42 407
Buttonshope Conservancy Trust	10 126	–	10 126
Current assets	1 734 675	577 850	2 312 525
Inventories	878 530	–	878 530
Trade and other receivables	547 920	–	547 920
Cash and cash equivalents	298 580	577 850	876 430
Receiver of Revenue	9 645	–	9 645
TOTAL ASSETS	14 357 664	577 850	14 935 514
EQUITY AND LIABILITIES			
Equity			
Stated capital	8 599 655	577 850	9 177 505
Retained earnings	2 220 477	–	2 220 477
Share of other comprehensive income from associate	(14 013)	–	(14 013)
Equity attributable to owners of the parent	10 806 119	577 850	11 383 969
Non-controlling interests	9 516	–	9 516
Total equity	10 815 635	577 850	11 393 485

	Before the offer⁽¹⁾ R'000	Offer⁽²⁾ R'000	<i>Pro forma</i> after the offer R'000
Non-current liabilities	1 997 826	–	1 997 826
Deferred tax liability	476 053	–	476 053
Long-term provisions	133 267	–	133 267
Share-based payment liability	90 942	–	90 942
Domestic medium-term notes	1 250 000	–	1 250 000
Long-term loans	47 564	–	47 564
Current liabilities	1 544 203	–	1 544 203
Trade and other payables	1 012 104	–	1 012 104
Receiver of Revenue	156 963	–	156 963
Short-term provisions	104 670	–	104 670
Share-based payment liability	16 665	–	16 665
Revolving credit facilities	250 000	–	250 000
Current portion of long-term loans	3 801	–	3 801
TOTAL EQUITY AND LIABILITIES	14 357 664	577 850	14 935 514
Net asset value per share (cents)	2 824	3 852	2 863
Tangible net asset value per share (cents)	1 332	3 852	1 427

Notes:

1. The figures included in the “before the offer” column have been extracted, without amendment, from the published audited financial statements of Northam for the year ended 30 June 2013.
2. The “offer” column calculations have been prepared on the basis of the following assumptions:
 - (i) The offer has been assumed to have been concluded on 30 June 2013 for purposes of the statement of financial position.
 - (ii) 15 000 000 new Northam shares are issued pursuant to the offer at an issue price of R40 per share.
 - (iii) Costs directly attributable to the offer of R22.2 million have been capitalised against equity in accordance with IAS 32.35.
 - (iv) 270 331 new Northam share options with an exercise price of R40 will be required to be issued in accordance with the Northam share option scheme; however, these are classified as anti-dilutive in accordance with IAS 33 and have therefore not been accounted for in the calculation of the diluted number of shares in issue.

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION

The Directors
Northam Platinum Limited
1A Albury Park
Magalieszicht Avenue
Dunkeld West
2196

Independent auditors and reporting accountants' assurance report on the compilation of the *pro forma* consolidated financial information included in a circular

To the directors of Northam Platinum Limited

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Northam Platinum Limited by the directors. The *pro forma* financial information, as set out in annexure 1 on pages 30-34 of the circular, consists of the *pro forma* consolidated statement of financial position (the "*pro forma* financial information") and the consolidated statement of comprehensive income. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the listings requirements and the South African Institute of Chartered Accountants ("SAICA") Guide on *pro forma* financial information.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate actions or events, described in paragraph 3 on page 13 of the circular, on the group's financial position as at 30 June 2013, as if the corporate action or event had taken place at 30 June 2013. As part of this process, information about the group's financial position has been extracted by the directors from the group's annual financial statements for the year ended 30 June 2013, on which an auditor report was issued on 27 September 2013.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the listings requirements and the SAICA Guide on *pro forma* financial information and described in paragraph 3 on page 13 of the circular.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the listings requirements and the SAICA Guide on *pro forma* financial information based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to report on the compilation of *pro forma* financial information included in a prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the listings requirements and the SAICA Guide on *pro forma* financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2013 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the group, the corporate actions or events in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the listings requirements and the SAICA Guide on *pro forma* financial information described in paragraph 3 on page 13 of the circular.

Ernst & Young Inc.
Mike Herbst
Capacity: Director
Reporting Accountant Specialist

30 October 2013

Ernst & Young Inc.
(Registration number 2005/002308/21)
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg
South Africa
(Private Bag X14, Northlands, 2116)

CORPORATE GOVERNANCE

The board of directors subscribes to and promotes the highest standards of integrity and good corporate governance throughout the group. The board and management recognise that, in order to safeguard the interests of stakeholders, all of their actions must be guided by full accountability and transparency.

The board is guided by the board charter, MOI, the Companies Act, the equity and debt listings requirements of the JSE, the third King Report on corporate governance for South Africa 2009 (“**King III**”), the Global Reporting Initiative (GRI) as well as other applicable legislation. The board is also responsible for the corporate strategy of the group, which is executed within the confines of its corporate governance structure.

Board of directors

As at the last practicable date, the company’s board comprised nine directors, two of whom are executive directors, being the chief executive officer (“**CEO**”) and the financial director (“**FD**”). Of the seven non-executive directors, five are independent in terms of King III. Northam has a unitary board led by a non-executive chairman, Mr Lazarus Zim who was appointed in 2007. Mr Zim, although non-executive, is not independent and therefore a non-executive lead independent director, Mr Alwyn Martin, was appointed in 2010. In line with the company’s MOI, at least 50% of board members must be historically disadvantaged persons. It is the responsibility of the board to ensure that its composition is appropriate in terms of skills, knowledge, experience and gender, in line with legislation and best corporate governance practice.

The board charter provides that the position of the CEO and chairman shall be separate and that there shall be at all times a clearly defined division of responsibilities in both offices to ensure a balance of authority and power.

Board and committee meetings

The board has five scheduled meetings a year, and six meetings were held in the financial year ended 30 June 2013. The committees meet at least once a quarter; *ad hoc* meetings may also be called to consider specific issues. The investment committee meets as and when required, which may be more or less than four times a year. All directors are required to declare their directorships and interests. At each board and committee meeting they are requested to declare any conflict of interest in matters pending.

Board charter and committees’ terms of reference

The board charter articulates the objectives and responsibilities of the board. Each of the board committees operates in accordance with written terms of reference, which are regularly reviewed by the board. The board takes ultimate responsibility for the group’s adherence to sound corporate governance standards and sees to it that all business decisions and judgements are made with reasonable care, skill and diligence. The revised board of directors’ charter and the board committees’ terms of reference are available on the Northam website at www.northam.co.za.

The key responsibilities of the board in terms of its charter are as follows:

- determining the group’s strategy and related plans and objectives;
- delegating adequate powers to the CEO and FD in order to execute the group’s strategy, achieve group objectives and run the group’s business;
- implementing, maintaining and monitoring corporate governance practice within the group;
- determining the board’s charter and the terms of reference of board committees;
- identifying and managing the risks of the group;
- ensuring board committees are mandated for specific tasks and that these committees are effective;
- reviewing performance of executive directors and senior management;
- approving the budget of the group, including capital and project expenditure;
- ensuring that there are effective risk and internal controls over all the business processes of the company, including that of information technology;

- considering and approving Northam’s interim results, announcement of financial results, the annual financial statements, the sustainability report and the annual integrated report;
- reporting to shareholders and other stakeholders of the group;
- ensuring compliance with legislation and corporate governance rules; and
- ensuring the effectiveness of the board, board committees and their members.

Annual performance evaluation of board and committees

An annual evaluation of the board; assessment of the board chairman and re-appointment thereto; individual director assessments including the executive directors, and the independence test prescribed by King III for directors classified as “independent” were undertaken during the financial year ended 30 June 2013. Each of the board committees also conducted annual evaluations.

Company secretary

During the financial year, and in compliance with the listings requirements, the board evaluated the performance of the company secretary and is satisfied that the company secretary is competent, suitably qualified and experienced. Furthermore, since she is not a director, nor is she related to or connected to any of the directors, thereby negating a potential conflict of interest, she maintains an arm’s length relationship with the board.

Compliance with King III

The areas identified by the gap analysis conducted under the auspices of the audit and risk committee in 2011 as requiring attention, and the progress made to address these gaps, have been documented in annual integrated reports. King III is not a prescriptive document but is rather a series of recommendations which may be adopted on an “apply or explain” basis. Furthermore, in terms of this, Northam does not apply King III in every aspect but in most recommendations. The group carefully considers each and every aspect of King III and complies as far as is practicable.

In terms of the above, Northam’s compliance with the King III principles and recommendations, is available on the Northam website at www.northam.co.za.

Companies Act

On 1 May 2011 the Companies Act was introduced to regulate the corporate business landscape in South Africa. Companies were given a two year window period to implement the provisions of the Companies Act and at the annual general meeting of the company (“**AGM**”) in November 2012, shareholders approved the adoption of the company’s MOI, in order to align it with the Companies Act, pursuant to which the authorised and issued ordinary share capital of the company was converted from ordinary shares having a nominal or par value of 1 cent each to ordinary shares not having a nominal or par value. Northam’s subsidiary companies also adopted new MOI’s in October 2012.

Listings requirements

As a listed entity Northam is required to comply with the listings requirements and certification of this is submitted to the JSE at the end of each calendar year. Northam’s submissions are currently up to date.

Board committees

AUDIT AND RISK COMMITTEE

Audit and risk committee members are elected at each AGM in line with the Companies Act and King III. The committee is chaired by an independent non-executive director, who in this instance is also the lead independent director. All members of this committee are independent. The members are Messrs. A R Martin (chairman), M E Beckett, R Havenstein, and Ms E T Kgosi. The board is satisfied that members of the audit and risk committee have the requisite skills, understanding of corporate law and adequate practical experience relevant to the business of Northam. They also understand the International Financial Reporting Standards framework in terms of which Northam must report as a listed company.

The executive directors are invited to committee meetings and, both external and internal auditors attend. Five meetings were held in the financial year ended 30 June 2013, in line with the planning. At least once a year, the external and internal audit plans are reviewed and approved for the year ahead. The internal audit plan is approved after management’s input on focus areas needing attention. The committee also approves and

reviews the risk management report twice yearly, based on management proposals that identify key risks and state the measures in place to mitigate these risks.

Audit and risk committee terms of reference

The key responsibilities of the committee's terms of reference, which is also available on the Northam website at www.northam.co.za are as follows:

- review and recommend to the board for approval the interim report and preliminary announcement of results, the annual financial statements, annual integrated report and the sustainability report;
- appoint and evaluate external auditors and their terms of engagement;
- appoint and evaluate the internal auditors and their mandate;
- approve the remuneration of external and internal auditors;
- ensure the independence of external and internal auditors;
- approve non-audit work which may be performed by the external auditors which includes tax compliance services, assurance related work in respect of any corporate actions and opinions not related to any prohibited services;
- ensure that company risks are properly assessed and monitored by management and that a risk register is maintained, and to ensure that such risks are adequately mitigated;
- ensure that internal controls of the company are implemented, effective and monitored; and
- ensure a cordial working relationship between management and external and internal auditors.

In terms of the listings requirements, the audit and risk committee has satisfied itself as to the appropriateness of the expertise and experience of the financial director and that the financial department has adequate resources to execute its functions.

HEALTH, SAFETY AND ENVIRONMENTAL ("HSE") COMMITTEE

The committee's members are three independent non-executive directors, Messrs. R Havenstein (chairman), M E Beckett, and C K Chabedi. Dr N J Dlamini resigned as a member on 30 September 2013 and Mr Beckett was appointed on 1 October 2013. The executive directors are invited to committee meetings. As required and in line with planning, the committee held four meetings in the financial year ended 30 June 2013.

The HSE committee is charged with ensuring the group's performance on such sustainability issues as safety, health and the environment at the mines, especially as these disciplines affect employees and communities in the areas in which the group operates. This committee has oversight of policies, records and reporting systems pertaining to typical occupational safety and other endemic health issues associated with the mining industry. The terms of reference of the committee is available on the Northam website at www.northam.co.za.

INVESTMENT COMMITTEE

This committee was established in April 2012 to evaluate and advise the board on all investment-related opportunities. The committee which is not a permanent committee considers the suitability and compatibility of potential investments and their returns, weighted against the interests of shareholders. It is composed of four non-executive directors, three of whom are independent. The committee members are Messrs R Havenstein (chairman), C K Chabedi, J A K Cochrane, and A R Martin. Dr N J Dlamini resigned as a member on 30 September 2013. The executive directors are invited to committee meetings. Six meetings were held during the financial year end 30 June 2013. The terms of reference of the committee is available on the Northam website at www.northam.co.za.

SOCIAL, ETHICS AND HUMAN RESOURCES (SE&HR) COMMITTEE

This committee is composed of three independent non-executive directors, Ms E T Kgosi (chairperson), Messrs M E Beckett, and R Havenstein. Dr N J Dlamini resigned as a member on 30 September 2013. The committee has four scheduled meetings a year, and six were held in the financial year ended 30 June 2013.

The functions of the SE&HR committee as set out in the Companies Act include monitoring the company's activities and compliance with relevant legislation, legal requirements and international codes of practice regarding:

- social and economic development, including the company's standing in terms of the goals and purposes of the United Nations Global Compact's 10 principles; the OECD recommendations regarding corruption;

the United Kingdom Bribery Act; the Employment Equity Act; the BBBEE Act; the Mineral and Petroleum Resources Development Amendment Act, and the Mining Charter;

- good corporate citizenship;
- the environment, health and public safety;
- labour and employment; and
- the company's standing in terms of the International Labour Organisation's protocol on decent work and working conditions.

Apart from these statutory requirements, the other functions of the committee are remuneration, transformation and nomination matters as follows:

- to enable the board to establish and implement a remuneration policy which empowers the company to source, reward and retain skilled personnel;
- to advise on salaries, bonus schemes and share incentive plans;
- to ensure adequate transformation in compliance with the Mining Charter in a manner which will enhance the group's performance; and
- to ensure the appointment of competent directors and senior managers. Appointments to the board are carried out in a formal and transparent manner, and further details of this process can be found in the SE&HR committee terms of reference, available on the website at www.northam.co.za.

TABLE OF ENTITLEMENT TO CLAW-BACK SHARES

The rounded number of claw-back shares to which a qualifying shareholder will become entitled in terms of the offer, based on the ratio of 3.92068 claw-back shares for every 100 existing shares held, will be as follows:

Number of existing shares held	Number of claw-back shares to which an LA holder is entitled	Number of existing shares held	Number of claw-back shares to which an LA holder is entitled	Number of existing shares held	Number of claw-back shares to which an LA holder is entitled	Number of existing shares held	Number of claw-back shares to which an LA holder is entitled
1	–	41	2	81	3	2 200	86
2	–	42	2	82	3	2 300	90
3	–	43	2	83	3	2 400	94
4	–	44	2	84	3	2 500	98
5	–	45	2	85	3	2 600	102
6	–	46	2	86	3	2 700	106
7	–	47	2	87	3	2 800	110
8	–	48	2	88	3	2 900	114
9	–	49	2	89	3	3 000	118
10	–	50	2	90	4	3 100	122
11	–	51	2	91	4	3 200	125
12	–	52	2	92	4	3 300	129
13	1	53	2	93	4	3 400	133
14	1	54	2	94	4	3 500	137
15	1	55	2	95	4	3 600	141
16	1	56	2	96	4	3 700	145
17	1	57	2	97	4	3 800	149
18	1	58	2	98	4	3 900	153
19	1	59	2	99	4	4 000	157
20	1	60	2	100	4	4 100	161
21	1	61	2	200	8	4 200	165
22	1	62	2	300	12	4 300	169
23	1	63	2	400	16	4 400	173
24	1	64	3	500	20	4 500	176
25	1	65	3	600	24	4 600	180
26	1	66	3	700	27	4 700	184
27	1	67	3	800	31	4 800	188
28	1	68	3	900	35	4 900	192
29	1	69	3	1 000	39	5 000	196
30	1	70	3	1 100	43	10 000	392
31	1	71	3	1 200	47	100 000	3 921
32	1	72	3	1 300	51	1 000 000	39 207
33	1	73	3	1 400	55	10 000 000	392 068
34	1	74	3	1 500	59	100 000 000	3 920 680
35	1	75	3	1 600	63		
36	1	76	3	1 700	67		
37	1	77	3	1 800	71		
38	1	78	3	1 900	74		
39	2	79	3	2 000	78		
40	2	80	3	2 100	82		

SHARE PRICE HISTORY OF NORTHAM ON THE EXCHANGE

Daily

Day ended	High (cents)	Low (cents)	Volume	Value (Rands)
17/09/13	4 178	4 100	289 034	12 001 011
18/09/13	4 222	4 105	788 141	32 728 076
19/09/13	4 288	4 200	1 407 199	59 697 097
20/09/13	4 208	4 011	565 352	23 560 418
23/09/13	4 286	4 060	691 329	29 035 705
25/09/13	4 283	4 103	971 766	40 602 029
26/09/13	4 250	4 188	82 181	3 457 689
27/09/13	4 245	4 172	406 756	17 191 519
30/09/13	4 241	4 126	1 128 518	47 332 061
01/10/13	4 288	4 005	675 048	27 751 080
02/10/13	4 097	3 852	1 184 275	46 667 050
03/10/13	3 980	3 880	1 078 736	42 120 928
04/10/13	3 954	3 827	921 480	35 855 790
07/10/13	3 956	3 850	1 106 664	43 256 677
08/10/13	3 953	3 857	731 853	28 525 814
09/10/13	4 028	3 876	602 600	23 972 403
10/10/13	4 130	3 989	511 466	20 953 194
11/10/13	4 228	4 065	1 325 117	54 754 445
14/10/13	4 150	4 020	196 842	8 109 893
15/10/13	4 200	4 046	213 592	8 836 304
16/10/13	4 229	4 021	346 953	14 472 308
17/10/13	4 280	4 200	231 096	9 778 696
18/10/13	4 249	4 025	1 142 756	47 977 640
21/10/13	4 250	4 172	387 200	16 282 600
22/10/13	4 294	4 200	438 193	18 644 321
23/10/12	4 277	4 104	510 433	21 434 453
24/10/13	4 219	4 090	479 567	19 894 500
25/10/13	4 235	4 094	145 516	6 008 851
28/10/13	4 210	4 045	242 515	9 912 036
29/10/13	4 198	4 026	480 768	19 808 380

Monthly

Month ended	High (cents)	Low (cents)	Volume	Value (Rands)
31/10/12	3 400	2 800	12 289 280	381 653 862
30/11/12	3 800	3 075	14 843 301	487 586 227
31/12/12	3 874	3 426	9 866 253	356 650 054
31/01/13	3 982	3 400	25 404 413	926 502 878
28/02/13	4 098	3 550	13 500 994	528 631 434
31/03/13	4 025	3 701	13 843 817	536 716 195
30/04/13	4 090	3 162	17 785 135	624 838 836
31/05/13	3 630	3 005	29 982 652	988 359 887
30/06/13	3 870	3 117	16 108 631	560 420 541
31/07/13	3 893	3 186	20 305 463	704 680 565
31/08/13	4 249	3 588	15 606 319	620 724 769
30/09/13	4 390	4 003	23 688 353	986 870 833

Quarterly

Quarter ended	High (cents)	Low (cents)	Volume	Value (Rands)
30/09/10	4 700	3 920	43 842 669	1 928 832 650
31/12/10	5 153	4 450	25 386 391	1 207 092 730
31/03/11	4 999	3 998	47 328 123	2 133 633 120
30/06/11	4 600	4 105	79 188 716	3 446 427 090
30/09/11	4 239	3 150	89 751 845	3 223 109 300
31/12/11	3 489	2 821	66 213 157	2 079 044 620
31/03/12	3 495	2 929	50 661 898	1 653 648 820
30/06/12	3 448	2 281	75 984 599	2 097 357 570
30/09/12	3 449	2 251	89 457 584	2 314 665 640

INFORMATION ON THE SUBSCRIBER

The following information on the subscriber is disclosed in accordance with the listings requirements:

Company name	Coronation Asset Management Proprietary Limited
Date of incorporation	25/05/1993
Place of incorporation	South Africa
Registration number	1993/002807/07
Directors	J A Snalam, H A Nelson, A C Pillay
Company secretary	L J Parenzee
Bankers	Nedbank Limited
Authorised share capital	250 000 ordinary shares of R1.00 each
Issued share capital	250 000 ordinary shares of R1.00 each

PART A

INFORMATION ON DIRECTORS

Executive directors**GT Lewis** (British)

Position	Chief executive officer
Age	56
Business address	1A Albury Park, Magalieszicht Avenue, Dunkeld West, 2196
Qualifications	B Sc (Mining Engineering), MBA
Experience	Mr Lewis joined Northam in 2001 as mine manager, was appointed general manager in 2002 and chief executive officer in 2005. He has extensive experience in the mining industry in both metalliferous and non-metalliferous mines.

A Z Khumalo

Position	Financial director
Age	49
Business address	1A Albury Park, Magalieszicht Avenue, Dunkeld West, 2196
Qualifications	CA (SA), B Compt (Hons), B Comm
Experience	Mr Khumalo, a Chartered Accountant by profession, holds a B Compt (Hons) and B Comm degree from the University of South Africa and has extensive mining and corporate finance experience. From September 2008 he was the group finance executive of Coal of Africa Limited. Prior to that, from 2004 to 2008, he was director of finance, of Aquarius Platinum South Africa Proprietary Limited.

Non-executive directors**P L Zim**

Position	Non-executive chairman
Age	53
Business address	135 West Street, Sandton, 2196
Qualifications	B Comm (Hons), M Comm, D Comm
Experience	Mr Zim is a director of Zim Capital Proprietary Limited, Sanlam Limited and Sanlam Life Insurance Limited. He is also a previous past President of the Chamber of Mines of South Africa. Previously chairman of Telkom Limited, he has also held senior executive positions at Anglo American South Africa Limited and MTN Group Limited. He also serves on the International Advisory board of the Capital Group.

M E Beckett (British)

Position Independent non-executive director
Age 77
Business address Northcroft, Dulwich Common, London SE21 7EW, United Kingdom
Qualifications B Sc, FIMM
Experience Mr Beckett is non-executive chairman of Endeavour Mining Corporation, and a director of International Hotels Investment Limited and Petroamerica Oil Corporation. A geologist by training, Mr Beckett was formerly managing director of Consolidated Gold Fields plc.
Member of the audit and risk committee, the health, safety and environmental committee, and the social, ethics and human resources committee.

C K Chabedi

Position Independent non-executive director
Age 45
Business address School of Mining Engineering, 2nd Floor, Chamber of Mines Building, University of the Witwatersrand, 2001, Johannesburg
Qualifications BSc (Mining Engineering), MDP
Experience Mr Chabedi has many years' experience in the mining industry, having worked in various management positions for Anglo Coal. He currently consults to the mining industry while lecturing mining methods in both opencast and underground mining at the University of the Witwatersrand. He teaches an international post-graduate course which attracts students from around the world. Mr Chabedi has undertaken research and advises the South African coal mining industry in the problem of spontaneous combustion. His current research includes the mechanism of moving the centre of coal from Emalahleni to the Waterberg in the medium term.
Member of the health, safety and environmental committee, and the investment committee.

J A K Cochrane (British)

Position Non-executive director
Age 49
Business address The Downs, The Warren, Ashstead, Surrey, United Kingdom
Qualifications B Eng (Hons), MBA
Experience Mr Cochrane holds an MBA and a B Eng (Hons) degree in mining and petrochemical engineering. Formerly an executive director of Eurasian Natural Resources Corporation plc ("**ENRC**") responsible for marketing and logistical operations. Mr Cochrane is an independent director of Jindal Stainless Limited, India's largest stainless steel producer. His previous appointments include head of M&A and business development at ENRC, marketing director at Samancor Chrome Limited and operations manager at Impala Platinum Holdings Limited.
ENRC, which is listed on the London Stock Exchange, holds a 13.5% interest in Northam.
Member of the investment committee.

R Havenstein

Position Independent non-executive director
Age 57
Business address 43 Boeing Street, Helderkruin, Roodepoort, 1724
Qualifications MSc (Chemical Engineering), B Comm

Experience Mr Havenstein's current non-executive directorships include Heric Ferrochrome Proprietary Limited, Omnia Holdings Limited and Reatile Proprietary Limited. He was previously chief executive officer of Anglo American Platinum Limited, prior to which he was an executive director of Sasol Limited responsible for Sasol Chemical Industries.

Member of the audit and risk committee, and the social, ethics and human resources committee; chairman of the health, safety and environmental committee, and the investment committee.

ET Kgosi

Position Independent non-executive director
Age 59
Business address Eskom Centre, 204 Smit Street, Braamfontein, 2001
Qualifications B Comm (Hons)

Experience Ms Kgosi is the cluster manager in Supply Chain Operations, Eskom Group Commercial. She has extensive experience in the banking sector mainly in a treasury operations environment, having held positions at a number of South Africa's main banking groups as well as Credit Suisse First Boston (NY).

Member of the audit and risk committee, and chairperson of the social, ethics and human resources committee.

A R Martin

Position Independent non-executive director
Age 75
Business address 62A Stiglingh Road, Rivonia, 2191
Qualifications CA (SA), B Comm

Experience Mr Martin is a director of Datacentrix Holdings Limited, Petmin Limited and Trans Hex Group Limited.

Member of the investment committee; chairman of the audit and risk committee, and lead independent director.

PART B

DIRECTORS OF MAJOR SUBSIDIARY

Micawber 278 Proprietary Limited

GT Lewis (British)

Position Director

Age 56

Business address 1st Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, 2196

Qualifications B Sc (Mining Engineering), MBA

Experience Mr Lewis joined Northam in 2001 as mine manager, was appointed general manager in 2002 and chief executive officer in 2005. He has extensive experience in the mining industry in both metalliferous and non-metalliferous mines.

A Z Khumalo

Position Director

Age 49

Business address 1st Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, 2196

Qualifications CA (SA), B Compt (Hons)

Experience Mr Khumalo, a Chartered Accountant by profession, holds a B Compt (Hons) and B Comm degree from the University of South Africa and has extensive mining and corporate finance experience. From September 2008 he was the group finance executive of Coal of Africa Limited. Prior to that, from 2004 to 2008, he was director of finance, of Aquarius Platinum South Africa Proprietary Limited.

D R Wolstenholme

Position Director

Age 64

Business address 1A Albury Park, Magalieszicht Avenue, Dunkeld West, 2196

Qualifications CA (SA)

Experience Mr Wolstenholme, a Chartered Accountant by profession, joined the group in his current position in 1999. Prior to that he held various finance related positions in Gold Fields Limited and Gold Fields of South Africa Limited.