

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations set out on pages 13 to 20 of this circular apply throughout this circular, including this cover page (unless the context indicates a contrary intention).

ACTION REQUIRED BY MVELAPHANDA RESOURCES LIMITED ("MVELA RESOURCES") MEMBERS:

If you have disposed of all your Mvela Resources ordinary shares, then this circular, together with the attached forms of proxy, should be handed to the purchaser of such Mvela Resources ordinary shares or to the banker, broker, participant, legal advisor, accountant or other professional advisor through whom the disposal was effected.

Beneficial owners of dematerialised shares without "own name" registration, must provide their participant or broker with their instructions for voting at the general meeting and/or at the scheme meeting. Should such persons wish to attend the general meeting and/or the scheme meeting and/or the Court hearing for the sanctioning of the scheme in the South Gauteng High Court, Johannesburg (or be represented by a proxy at the general meeting and/or the scheme meeting or by counsel at the Court hearing) in person, they must request a letter of representation from their participant or broker for such purpose. Such instructions must be provided to the participant or broker by the cut-off time and date stipulated in the custody agreement governing the relationship between such persons and their participant or broker.

Dematerialised members with "own name" registration, and certificated members, who are unable to attend the general meeting and/or the scheme meeting and who wish to be represented thereat, must complete and return the form of proxy (*pink* for the general meeting and *green* for the scheme meeting) contained in this document in accordance with the instructions contained therein to Computershare Investor Services (Proprietary) Limited to be received by no later than 10:15 in respect of the general meeting and 10:30 in respect of the scheme meeting, on Friday, 11 March 2011. Forms of proxy in respect of the scheme meeting may also be handed to the chairperson of the scheme meeting 10 minutes before the scheme meeting is due to commence. Dematerialised members with "own name" registration and certificated members are also entitled to attend and/or be represented by counsel at the Court hearing for the sanctioning of the scheme in the South Gauteng High Court, Johannesburg.

If you are in any doubt as to the action you should take, please consult your banker, broker, participant, legal advisor, accountant or other professional advisor immediately.

Mvela Resources and Northam do not accept responsibility, and will not be held liable, for any action of, or omission by, any participant or broker including, without limitation, any failure on the part of the participant or broker of any beneficial owner of Mvela Resources shares to notify such beneficial owner of the transactions set out in this circular.



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)

Share code: MVL
ISIN: ZAE000050266

("Mvela Resources")

NORTHAM

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

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)

Share code: NHM
ISIN: ZAE000030912

("Northam")

CIRCULAR TO MEMBERS OF MVELA RESOURCES

relating, *inter alia*, to the following transactions:

- the proposed distribution by Mvela Resources of all the shares held by it in Northam to the holders of Mvela Resources ordinary shares in the Northam distribution ratio;
- the proposed specific repurchase by Mvela Resources of 35 million 'A' ordinary shares in the issued capital of Mvela Resources from a subsidiary of Afripalm Resources (Proprietary) Limited, for a total price of R700 000 in cash;
- a scheme of arrangement in terms of section 311 of the Companies Act, proposed by Northam between Mvela Resources and the Mvela Resources ordinary shareholders which, if approved by the Mvela Resources ordinary shareholders and sanctioned by the Court, will result in Northam acquiring (subject to the fulfilment, or if applicable waiver, of the scheme conditions precedent) all of the ordinary shares in the issued capital of Mvela Resources for the aggregate scheme consideration, with the result that Mvela Resources will become a subsidiary of Northam;
- the delisting of Mvela Resources ordinary shares from the JSE Exchange;

and incorporating:

- an explanatory statement in terms of section 312(1)(a)(i) of the Companies Act (*blue*);
- the scheme of arrangement in terms of section 311 of the Companies Act (*yellow*);
- a valuation statement in terms of section 312(1)(a)(ii) of the Companies Act;
- a statement of directors' interests in terms of section 312(1)(a)(iii) of the Companies Act;
- a statement of additional information required by the JSE and SRP;
- information on the Northam distribution and specific repurchase, and information on Mvela Resources post the Northam distribution;
- the order of Court convening the scheme meeting;
- a notice of the scheme meeting;
- a form of proxy in respect of the scheme meeting for use only by dematerialised members with "own name" registration and by certificated members (*green*);
- a notice of general meeting;
- a form of proxy in respect of the general meeting for use only by holders of Mvela Resources 'A' shares, by dematerialised members with "own name" registration and by certificated members (*pink*); and
- a form of surrender and transfer for use only by certificated members (*white*).

Financial advisor and sponsor
to Mvela Resources

J.P.Morgan

Independent reporting
accountants and auditors to
Mvela Resources



Attorneys to Mvela Resources

BG *Bowman Gilfillan*
Attorneys

Financial advisor to Northam



Independent reporting
accountants and auditors
to Northam



Attorneys to Northam



Independent advisor to the
Mvela Resources Board and
sponsor to Northam

ONE CAPITAL

Date of issue: **18 February 2011**

This circular is only available in English. Copies of this circular may be obtained from the registered office of Mvela Resources and the offices of the sponsor of Mvela Resources at the respective addresses set out in the "Mvela Resources Corporate Information and Advisors" section of this document.

FORWARD-LOOKING STATEMENTS

This circular includes forward-looking statements.

Mvela Resources and Northam have based these forward-looking statements on its current expectations and projections about future results. When used in this circular, words and expressions such as “anticipates”, “will likely result”, “are expected to”, “will continue”, “believe/s”, “anticipated”, “estimates”, “intends”, “plans”, “seeks”, “projects”, “projection”, “will”, “may”, “might”, “expects”, “potential”, “could”, “should”, “outlook”, or similar expressions or statements, are used to identify forward-looking statements.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth in the platinum or diamond markets, estimates of capital expenditures, acquisition strategy, estimates of future levels of mineral reserves, mineral resources, future exploration and expansion prospects or future capital expenditure levels and the expected South African Rand to USA Dollar rates of exchange, production forecasts and parameters, commodity prices, availability of electricity and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Mvela Resources cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Mvela Resources or Northam operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this circular.

All these forward-looking statements are based on estimates and assumptions, as regards Mvela Resources, made by Mvela Resources or, as regards Northam made by Northam, all of which estimates and assumptions, although Mvela Resources and Northam believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Mvela Resources or Northam or not currently considered material by Mvela Resources or Northam.

Mvela Resources members should keep in mind that any forward-looking statement made in this circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Mvela Resources and Northam have no duty to, and do not intend to, update or revise the forward-looking statements contained in this circular after the date of this document, except as may be required by law.

MVELA RESOURCES CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

Bernard R van Rooyen
Mvelaphanda Resources Limited
(Registration number 1980/001395/06)
Ground Floor
1A Albury Park
Magalieszicht Avenue
Dunkeld West, Johannesburg, 2196
(PO Box 412420, Craighall, 2024)

Investor relations executive

James R Wellsted
Mvelaphanda Resources Limited
(Registration number 1980/001395/06)
Ground Floor
1A Albury Park
Magalieszicht Avenue
Dunkeld West, Johannesburg, 2196
(PO Box 412420, Craighall, 2024)

Sponsor

J.P. Morgan Equities Limited
(Registration number 1995/011815/06)
1 Fricker Road
Illovo, 2196
(Private Bag X9936, Sandton, 2146)

Financial advisor

JPMorgan Chase Bank, N.A., Johannesburg Branch
(Registration number 2001/016069/10)
1 Fricker Road
Illovo, 2196
(Private Bag X9936, Sandton, 2146)

Attorneys

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Independent reporting accountants and auditors to Mvela Resources

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Transfer secretaries

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent advisor to the Mvela Resources board

One Capital Advisory (Proprietary) Limited,
(trading as One Capital)
(Registration number 2009/021943/07)
17 Fricker Road
Illovo, 2196
(PO Box 784573, Sandton, 2146)

NORTHAM CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

Mr Dawid Swanepoel
Northam Platinum Limited
(Registration number 1977/003282/06)
First Floor
1A Albury Park
Magalieszicht Avenue
Dunkeld West, Johannesburg, 2196
(PO Box 412694, Craighall, 2024)

Sponsor

One Capital
(Barnard Jacobs Mellet Corporate Finance
(Proprietary) Limited, a wholly-owned
subsidiary of One Capital)
(Registration number 2000/023249/07)
17 Fricker Road
Illovo, 2196
(PO Box 784573, Sandton, 2146)

Financial advisor

Deutsche Securities (SA) (Proprietary) Limited
(A non-bank member of the Deutsche Bank Group)
(Registration number 1995/011798/07)
3 Exchange Square
87 Maude Street
Sandton, 2196
(Private Bag X9933, Sandton, 2146)

Transfer secretaries

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Attorneys

Werksmans Incorporated
(Registration number 1990/007215/07)
155 Fifth Street
Sandown, Sandton, 2196
(PO Box 10015, Sandton, 2146)

Independent professional expert

One Capital
(One Capital Advisory
(Proprietary) Limited
trading as One Capital)
(Registration number 2009/021943/07)
17 Fricker Road
Illovo, 2196
(PO Box 784573, Sandton, 2146)

Independent reporting accountants and auditors to Northam

Ernst & Young Inc
(Registration number 2005/002308/21)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X14, Northlands, 2116)

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ACTIONS REQUIRED BY MVELA RESOURCES ORDINARY SHAREHOLDERS

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this section on the actions required by Mvela Resources members.

Please take careful note of the following provisions regarding the actions required by Mvela Resources members in respect of the general meeting, the scheme meeting and the Court hearing in the South Gauteng High Court, Johannesburg to sanction the scheme.

1. IF YOU HAVE DEMATERIALISED YOUR MVELA RESOURCES ORDINARY SHARES AND DO NOT HAVE "OWN NAME" REGISTRATION

1.1 Voting at the general meeting and the scheme meeting

1.1.1 If you have not been contacted by your participant or broker, it is advisable for you to contact your participant or broker immediately and furnish your participant or broker with your voting instructions in the manner and by the cut-off time stipulated by your participant or broker in the custody agreement between you and your participant or broker.

1.1.2 If your participant or broker does not obtain voting instructions from you, your participant or broker will be obliged to act in accordance with the instructions contained in the custody agreement between you and your participant or broker.

1.1.3 You must not complete the attached forms of proxy (*pink and green*).

1.2 Attendance and representation at the general meeting, the scheme meeting and the Court hearing

1.2.1 In accordance with the mandate between you and your participant or broker, you must advise your participant or broker if you wish to:

1.2.1.1 attend, speak and vote at the general meeting and/or the scheme meeting; or

1.2.1.2 send a proxy to represent you at the general meeting and/or the scheme meeting; and/or

1.2.1.3 appear and/or be represented by counsel at the Court hearing to sanction the scheme in the South Gauteng High Court, Johannesburg, which is located at High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg, 2001, when the application for the sanctioning of the scheme by the Court is heard. This hearing is expected to take place at 10:00 or so soon thereafter as counsel may be heard on Tuesday, 29 March 2011.

1.2.2 Your participant or broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the general meeting and/or the scheme meeting and/or for you to appear or to be represented by counsel at the Court hearing.

1.3 Implementation of the Northam distribution

If the Northam distribution is implemented, you should have your account held at your participant or broker credited on the Northam distribution implementation date with the Northam distribution shares to which you are entitled.

1.4 Discharge of scheme consideration

1.4.1 If the scheme becomes operative, you should have your account held at your participant or broker credited on the operative date with the scheme consideration and debited on the operative date with the Mvela Resources ordinary shares you are transferring to Northam.

1.4.2 You must not complete the attached form of surrender and transfer (*white*).

2. **IF YOU HAVE NOT DEMATERIALISED YOUR MVELA RESOURCES ORDINARY SHARES OR IF YOU HAVE DEMATERIALISED YOUR MVELA RESOURCES ORDINARY SHARES WITH “OWN NAME” REGISTRATION**

2.1 **Voting, attendance and representation at the general meeting and/or the scheme meeting**

2.1.1 You may attend and vote at the general meeting and the scheme meeting in person. Alternatively, you may appoint a proxy to represent you at the general meeting and/or the scheme meeting by completing the relevant attached form of proxy (*pink* for the general meeting, and *green* for the scheme meeting) in accordance with its instructions and returning it to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than:

2.1.1.1 10:15 on Friday, 11 March 2011, in respect of the general meeting; and

2.1.1.2 10:30 on Friday, 11 March 2011, in respect of the scheme meeting.

2.1.2 Forms of proxy in respect of the scheme meeting may also be handed to the chairperson of the scheme meeting no later than 10 minutes before the scheme meeting is due to commence.

2.2 **Attendance and representation at Court hearing**

You are entitled to appear or be represented by counsel at the Court hearing to sanction the scheme in the South Gauteng High Court, Johannesburg, which is located at High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg, 2001, when the application for the sanctioning of the scheme by the Court is heard. This hearing is expected to take place at 10:00 or so soon thereafter as counsel may be heard on Tuesday, 29 March 2011.

2.3 **Surrender of documents of title (this applies only to certificated scheme participants and not to “own name” dematerialised scheme participants)**

2.3.1 In order to become entitled to receive the share certificate in respect of the scheme consideration, you are required to complete the attached form of surrender and transfer (*white*) in accordance with its instructions, and return it, together with the documents of title representing all your certificated Mvela Resources ordinary shares, to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

2.3.2 Documents of title held by certificated scheme participants in respect of their Mvela Resources ordinary shares will cease to be of any value, and shall not be good for delivery, from the operative date, other than for surrender.

2.4 **Implementation of the Northam distribution**

2.4.1 **Certificated ordinary shareholders**

2.4.1.1 On the Northam distribution implementation date, you will acquire ownership of your Northam distribution shares and will be recorded in Northam’s register as holder thereof.

2.4.1.2 Share certificates in respect of Northam distribution shares will be posted to you on the Northam distribution implementation date, at your risk by registered post.

2.4.2 **“Own name” dematerialised ordinary shareholders**

If the Northam distribution is implemented, you will have your account held at your participant or broker credited on the Northam distribution implementation date with the Northam distribution shares to which you are entitled.

2.5 Discharge of scheme consideration

2.5.1 Certificated scheme participants

2.5.1.1 If the scheme becomes operative and you surrender your documents of title and form of surrender and transfer (*white*) at or before 12:00 on the date on which the scheme consideration record date falls, the:

2.5.1.1.1 scheme consideration will be allotted and issued to you on the operative date; and

2.5.1.1.2 share certificates in respect of the scheme consideration will be posted on the operative date, at your risk to you by registered post.

2.5.1.2 If you surrender your documents of title and form of surrender and transfer (*white*) after 12:00 on the date on which the scheme consideration record date falls, the scheme consideration will still be allotted and issued to you on the operative date, but the transfer secretaries will only post the share certificates, at your risk, within 5 business days of receipt of your documents of title and form of surrender and transfer (*white*).

2.5.1.3 If you wish to anticipate the scheme becoming operative (expected to be on Monday, 16 May 2011) and so expedite receipt of the share certificates for the scheme consideration, you should complete the attached form of surrender and transfer (*white*) and return it, together with the documents of title, in accordance with the instructions contained therein to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107). Should the scheme not become operative, the transfer secretaries will, within 5 business days of the later of the date on which it becomes known that the scheme will not become operative or of receipt of the relevant documents of title, return the documents of title to the member concerned by registered post at the risk of such member.

2.5.2 "Own name" dematerialised scheme participants

2.5.2.1 If you are an "own name" registered dematerialised scheme participant, you will have your account held at your participant or broker credited with the scheme consideration and debited with your Mvela Resources ordinary shares on the operative date.

2.5.2.2 You must not complete the attached form of surrender and transfer (*white*).

If you wish to dematerialise your Mvela Resources ordinary shares, please contact your broker or a participant. You do not need to dematerialise your Mvela Resources ordinary shares to receive the Northam distribution shares or the scheme consideration.

Mvela Resources ordinary shareholders are advised to consult their professional advisors about their personal tax positions regarding the transactions recorded in this document.

IMPORTANT DATES AND TIMES

The definitions and interpretations set out on pages 13 to 20 of this circular shall apply to this section.

1. **Dates pertinent to the Northam distribution** (see notes below):

2011

Expected last day for receipt of proxies for the general meeting (<i>pink</i>), by 10:15 (see note 1 below) on	Friday, 11 March
Expected date on which the general meeting of Mvela Resources will be held at the later of 10:15 or 10 minutes after the adjournment, postponement or conclusion of the Northam general meeting which precedes this meeting on	Monday, 14 March
Expected date on which the results of the general meeting will be released on SENS on	Monday, 14 March
Expected date on which the results of the general meeting will be published in the press on	Tuesday, 15 March
Expected Northam distribution finalisation date	Monday, 18 April
Expected last day to trade in Mvela Resources ordinary shares on the JSE Exchange in order to participate in the Northam distribution	Thursday, 28 April
Mvela Resources ordinary shares trade "ex" the entitlement to the Northam distribution shares from commencement of business on	Friday, 29 April
Expected date on which trade in the Northam distribution shares commences	Friday, 29 April
Expected Northam distribution participation record date, at close of business on	Friday, 6 May
Expected Northam distribution implementation date	Monday, 9 May
Expected date on which participating dematerialised ordinary shareholders will have their accounts at their participant or broker updated with the Northam distribution shares on	Monday, 9 May
Expected date on which share certificates in respect of the Northam distribution shares will be posted, by registered post, at the risk of the participating certificated ordinary shareholders concerned, to participating certificated ordinary shareholders on or about	Monday, 9 May

2. **Dates pertinent to the scheme and the delisting of Mvela Resources ordinary shares** (see notes below):

2011

Notice of scheme meeting released on SENS on	Thursday, 17 February
Notice of scheme meeting published in the Government Gazette, Business Report, and Beeld on	Friday, 18 February
Notice of scheme meeting published in the Sunday Times and Rapport on	Sunday, 20 February
Expected last day to trade in Mvela Resources ordinary shares on the JSE Exchange in order to be recorded in the Mvela Resources register on the scheme voting record date in order to be eligible to vote at the scheme meeting on (see note 2 below)	Thursday, 3 March
Expected scheme voting record date on which Mvela Resources ordinary shareholders must be recorded in the Mvela Resources register in order to vote at the scheme meeting, at close of business on	Thursday, 10 March
Expected last day for receipt of proxies for the scheme meeting (<i>green</i>), by 10:30 on (see note 3 below)	Friday, 11 March

Expected date of scheme meeting to be held at the later of 10:30, or 10 minutes after the adjournment, postponement or conclusion of the general meeting which precedes the scheme meeting on	Monday, 14 March
Expected date on which the results of the scheme meeting will be released on SENS on	Monday, 14 March
Expected date on which the results of the scheme meeting will be published in the press on	Tuesday, 15 March
Expected date from which the scheme chairperson's report lies open for inspection from and including	Tuesday, 15 March
Expected date of court hearing to sanction the scheme at 10:00 or so soon thereafter as counsel may be heard on	Tuesday, 29 March
Expected date on which the result of the Court hearing will be released on SENS on	Tuesday, 29 March
Expected date on which the result of the Court hearing will be published in the press on	Wednesday, 30 March
If the scheme is sanctioned	
Expected date on which the Order of Court sanctioning the scheme will be lodged for registration with the Registrar on	Wednesday, 30 March
Anticipated date for Mvela Resources to receive approval from Competition Authorities (see note 4 below) on	Friday, 15 April
Expected scheme finalisation date	Monday, 18 April
Expected date on which the finalisation date announcement will be released on SENS on	Monday, 18 April
Expected date on which the finalisation date announcement will be published in the press on	Tuesday, 19 April
Expected last day to trade in Mvela Resources ordinary shares on the JSE Exchange in order to be recorded in the Mvela Resources register on the scheme consideration record date on (see note 5 below)	Friday, 6 May
Expected date of suspension of listing of Mvela Resources ordinary shares on the JSE Exchange at commencement of trading on	Monday, 9 May
Expected date on which trade in the scheme consideration shares commences	Monday, 9 May
Expected scheme consideration record date, at close of business on	Friday, 13 May
Expected operative date of the scheme	Monday, 16 May
Expected date on which dematerialised scheme participants will have their accounts at their participant or broker updated with the scheme consideration	Monday, 16 May
Expected date on which share certificates in respect of the scheme consideration will be posted, by registered post, at the risk of the certificated scheme participants, to certificated scheme participants (see notes 6 and 7 below)	Monday, 16 May
Expected date of termination of listing of Mvela Resources ordinary shares on the JSE Exchange at the commencement of trading on	Monday, 16 May

Notes:

1. All times given in this circular are local times in South Africa.
2. As transactions in shares on the JSE Exchange are settled in the electronic settlement system used by Strate, settlement of trades takes place 5 business days after the relevant trade has taken place. Therefore persons who acquire Mvela Resources ordinary shares on the JSE Exchange after Thursday, 3 March 2011 will not be eligible to vote at the scheme meeting, but will, provided the scheme becomes unconditional and they become the registered holders of the Mvela Resources ordinary shares prior to the scheme consideration record date (and remain the registered holders on that date), participate in the scheme consideration.
3. If a form of proxy for the scheme meeting is not received by the time and date shown above, it may be handed to the chairperson of the scheme meeting not later than 10 minutes before the scheme meeting is due to commence.
4. To the extent that approval from the Competition Authorities is not obtained by this date and should the scheme thereafter be sanctioned, an announcement will be made on SENS and in the press advising Mvela Resources members of the expected scheme LDT, the scheme consideration record date, the scheme finalisation date and the operative date.
5. All dates and times may be changed by mutual agreement between Mvela Resources and Northam and/or may be subject to certain regulatory approvals. Any change will be published in the South African press and released on SENS.
6. If certificated scheme participants surrender their documents of title (together with the duly completed form of surrender and transfer) after 12:00 on the date on which the scheme consideration record date falls, the share certificate in respect of the scheme consideration will be posted to them by the transfer secretaries within 5 business days of receipt of the documents of title and duly completed form of surrender and transfer.
7. Mvela Resources ordinary shares may not be dematerialised or rematerialised after Thursday, 28 April 2011.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“additional JSE and SRP information section”	the additional information required by the JSE and the SRP in relation to the proposed transactions, contained on pages 62 to 67 of this circular;
“Afripalm 1”	Newshelf 848 (Proprietary) Limited (registration number 2006/031562/07), a private company incorporated in accordance with the laws of South Africa, a subsidiary of Afripalm Resources;
“Afripalm 2”	Newshelf 849 (Proprietary) Limited (registration number 2006/031512/07), a private company incorporated in accordance with the laws of South Africa, 10% of the shares of which are held by Afripalm Resources, and 90% of which are held by the Liyema Trust (Masters Reference No. IT 8904/07), a trust established to achieve broad-based socio-economic development and empowerment of black women;
“Afripalm 2 option”	the option to subscribe for 10 million Mvela Resources ordinary shares granted by Mvela Resources to Afripalm 2 in the Afripalm 2 option agreement;
“Afripalm 2 option agreement”	the option agreement between Mvela Resources, Afripalm Resources, Mr P L Zim, the Phalali Investment Trust, Afripalm 1 and Afripalm 2, dated 19 January 2007, as amended from time to time;
“Afripalm 2 option cancellation”	the cancellation of the Afripalm 2 option agreement (and the Afripalm 2 option) announced on SENS on 28 January 2011;
“Afripalm 3”	Newshelf 947 (Proprietary) Limited (registration number 2008/003108/07), a private company incorporated in accordance with the laws of South Africa, a subsidiary of Afripalm Resources;
“Afripalm cancellation transactions”	collectively, the Afripalm repurchase and the Afripalm referrals cancellation;
“Afripalm group”	Afripalm Resources and its subsidiaries. This group holds approximately 20% of the issued Mvela Resources ordinary shares and all the issued Mvela Resources ‘A’ shares;
“Afripalm referrals arrangement”	the undertaking by, <i>inter alia</i> , Afripalm Resources and Afripalm 1 to refer opportunities in the mining sector to Mvela Resources, and the undertaking by Mvela Resources to allot and issue Mvela Resources ordinary shares to Afripalm 1 if Mvela Resources acquires such opportunities, further details of which are set out on paragraph 4.2 of the Northam distribution section;
“Afripalm referrals cancellation”	the cancellation, subject, <i>inter alia</i> , to the obtaining by Afripalm Resources of the required third party consents and to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent, of the Afripalm referrals arrangement;
“Afripalm relationship agreements”	the agreements between all or some of Mvela Resources, Afripalm Resources, Mr P L Zim, the Phalali Investment Trust, Afripalm 1, Afripalm 2 and Mvela Holdings, dated 19 January 2007 and 23 February 2007, as amended from time to time;

"Afripalm repurchase"	the proposed repurchase and acquisition by Mvela Resources, subject to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent, of all the issued Mvela Resources 'A' shares from Afripalm 1;
"Afripalm Resources"	Afripalm Resources (Proprietary) Limited (registration number 2006/011933/07), a black owned and controlled private company incorporated in accordance with the laws of South Africa which holds approximately 20% of the issued Mvela Resources ordinary shares;
"aggregate scheme consideration"	the aggregate consideration for all scheme shares, being 20 912 228 new Northam shares, subject to rounding as set out in paragraph 4.3 of the scheme of arrangement section;
"Anglo Platinum"	Anglo Platinum Limited (registration number 1946/022452/06), a public company incorporated in accordance with the laws of South Africa, whose ordinary shares are listed on the JSE Exchange;
"Anglo Platinum relationship agreement"	the relationship agreement between, <i>inter alia</i> , Anglo Platinum, Mvela Resources, Mvela Holdings and Afripalm Resources, dated 3 March 2008;
"beneficial owner"	a person on whose behalf any dematerialised share (not held in "own-name" form) is held by a participant or broker, in accordance with a custody agreement;
"Booyseendal mine"	Northam's Booyseendal PGM project on the eastern limb of the Bushveld complex;
"broker"	a "stockbroker" as defined in the Securities Services Act or its nominee;
"business day"	a day which is not a Saturday, is not a Sunday and is not an official public holiday in South Africa;
"cent"	a South African cent;
"certificated member"	a Mvela Resources member who holds certificated shares;
"certificated scheme member"	a scheme member who holds certificated shares;
"certificated scheme participant"	a scheme participant who holds certificated shares;
"certificated share"	a Mvela Resources ordinary share evidenced by documents of title;
"CGT"	capital gains tax levied in terms of section 26A read with the Eighth Schedule to the Income Tax Act;
"circular" or "document"	this bound document, dated 18 February 2011, addressed to Mvela Resources members and which includes the notice and form of proxy in relation to the general meeting and the notice, form of proxy and Order of Court in relation to the scheme meeting;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act No. 61 of 1973, as amended from time to time;
"Competition Authorities"	the Competition Commission, Competition Tribunal and/or Competition Appeal Court, as contemplated in the Competition Act No. 89 of 1998, as amended from time to time;
"Court"	the South Gauteng High Court, Johannesburg, which is located at High Court Building, von Brandis Square, corner Pritchard and von Brandis Street, Johannesburg, 2001;
"custody agreement"	a custody mandate agreement between a person and a participant or broker, regulating their relationship in respect of dematerialised shares held by the participant or broker on behalf of that person;

“dematerialise” or “dematerialisation”	the process by which certificated securities are converted into an electronic format as uncertificated securities and recorded in Mvela Resources’ sub-register of members maintained with a participant;
“dematerialised member”	a Mvela Resources member who holds dematerialised shares;
“dematerialised scheme member”	a scheme member who holds dematerialised shares;
“dematerialised scheme participant”	a scheme participant who holds dematerialised shares;
“dematerialised share”	a Mvela Resources ordinary share that has been dematerialised or has been issued in dematerialised form, and is held on Mvela Resources’ sub-register of members in electronic form;
“DMR”	the Department of Mineral Resources of South Africa;
“document of title”	a share certificate, certified transfer deed, balance receipt or any other document of title, acceptable to Mvela Resources in respect of Mvela Resources ordinary shares;
“Dwaalkop joint venture”	a joint venture with Lonmin over the Dwaalkop property which forms part of Lonmin’s Limpopo operations. Mvela Resources owns a 50% share in this joint venture;
“ENRC”	Eurasian Natural Resources Corporation plc (registration number 06023510), a company incorporated in accordance with the laws of England and Wales;
“EPS”	earnings per share;
“Exchange Control Regulations”	the Exchange Control Regulations 1961, as amended, issued in terms of section 9 of the Currency and Exchanges Act No. 9 of 1933, as amended from time to time;
“explanatory statement”	the explanatory statement in respect of the scheme, in terms of section 312(1)(a)(i) of the Companies Act, which explains the provisions and effect of the scheme, contained on pages 30 to 40 of this circular;
“foreign ordinary shareholder”	a Mvela Resources ordinary shareholder who is resident in, or who is a national or citizen of, or who has a registered address in, a country other than South Africa;
“general meeting”	the general meeting of Mvela Resources members to be held on Monday, 14 March 2011 at the later of 10:15, or 10 minutes after the conclusion, postponement or adjournment of Northam’s general meeting (which has been convened to be held at 10:00 on the same date and at the same place as Mvela Resources’ general meeting) in Room U2, Hackle Brooke, 110 Conrad Drive, Corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg, to consider and, if deemed fit, approve, with or without modification, the resolutions recorded in the notice of general meeting contained in this circular;
“Gold Fields”	Gold Fields Limited (registration number 1968/004880/06), a public company incorporated in accordance with the laws of South Africa, whose shares are listed on the JSE Exchange (primary listing), the New York Stock Exchange (NYSE), the NASDAQ Dubai Limited, the Euronext in Brussels (NYX) and the Swiss Exchange (SWX);
“Gold Fields distribution”	the distribution by Mvela Resources of Gold Fields shares to Mvela Resources ordinary shareholders, details of which are set out in a circular to Mvela Resources members dated Wednesday, 15 December 2010;
“Gold Fields share”	an ordinary share with a par value of R0.50 in the issued share capital of Gold Fields;
“HEPS”	headline earnings per share;

“HIT3”	Homestead Investment Trust 3 (Master’s reference number IT1192907), a trust registered in accordance with the laws of South Africa;
“IFRS”	International Financial Reporting Standards;
“Income Tax”	normal income tax levied in terms of the Income Tax Act;
“Income Tax Act”	the Income Tax Act No. 58 of 1962, as amended from time to time;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act;
“JSE Exchange”	the stock exchange operated by the JSE;
“Kokerboom joint venture”	an early stage Iron-Oxide Copper Gold and Massive Sulphide deposits, exploration joint venture located in the north-western part of South Africa’s Northern Cape Province in which Mvela Resources has an initial participation interest of 51%. The balance of the joint venture is 32% owned by Toba and 17% by HIT3;
“last practicable date”	the last practicable date prior to the finalisation of this document, being 28 January 2011;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Lonmin”	Lonmin plc (registration number 103002), a public limited company, incorporated under the laws of England and Wales;
“Mvela Holdings”	Mvelaphanda Holdings (Proprietary) Limited (registration number 1997/02152/07), a black owned and controlled private company incorporated in accordance with the laws of South Africa, which holds approximately 21.6% of the issued Mvela Resources ordinary shares;
“Mvela Resources”	Mvelaphanda Resources Limited (registration number 1980/001395/06), a public company incorporated in accordance with the laws of South Africa, whose ordinary shares are listed on the JSE Exchange;
“Mvela Resources ‘A’ shares”	‘A’ ordinary shares with a par value of R0.02 each in the share capital of Mvela Resources, which rank <i>pari passu</i> with the Mvela Resources ordinary shares with respect to voting rights but do not participate in any dividends declared, or capital or other distributions made, by Mvela Resources (other than an entitlement, <i>pari passu</i> with the Mvela Resources ordinary shares, to the par value of the Mvela Resources ‘A’ shares on a winding-up, liquidation or deregistration of Mvela Resources);
“Mvela Resources board” or “Mvela Resources directors”	the board of directors of Mvela Resources;
“Mvela Resources group”	Mvela Resources and its subsidiaries from time to time (excluding Northam and its subsidiaries from time to time);
“Mvela Resources members” or “members”	Mvela Resources ordinary shareholders and registered holders of Mvela Resources ‘A’ shares;
“Mvela Resources ordinary shareholder”	a registered holder of Mvela Resources ordinary shares, as reflected in the Mvela Resources register;
“Mvela Resources ordinary shares”	ordinary shares with a par value of R0.02 in the issued share capital of Mvela Resources;
“Mvela Resources register”	Mvela Resources’ register of members from time to time, including the sub-registers maintained by participants;

“Mvela Resources scheme” or “scheme”	<p>the scheme of arrangement proposed by Northam between Mvela Resources and the Mvela Resources ordinary shareholders in terms of section 311 of the Companies Act:</p> <p>(i) as set out in this circular, as amended by any amendment, variation or modification effected pursuant to paragraph 12.3 of the scheme of arrangement section; and</p> <p>(ii) which, if implemented, will result in Northam acquiring all the issued Mvela Resources ordinary shares;</p>
“Mvela Resources shares”	the Mvela Resources ordinary shares and the Mvela Resources ‘A’ shares;
“non-qualifying member”	a Mvela Resources member who is a “disqualified person” as contemplated in section 46(7)(b) of the Income Tax Act and who, together with any connected person (as defined in section 1 of the Income Tax Act in relation to it, and who is also a “disqualified person”) will immediately after the Northam distribution hold 20% or more of the Northam shares;
“Northam”	Northam Platinum Limited (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa, whose ordinary shares are listed on the JSE Exchange;
“Northam distribution”	the distribution by Mvela Resources of the Northam distribution shares to the participating Mvela Resources ordinary shareholders, in accordance with section 46 of the Income Tax Act, in the Northam distribution ratio, and on the terms and conditions set out in this circular;
“Northam distribution conditions precedent”	the scheme conditions precedent other than that relating to the implementation of the Northam distribution;
“Northam distribution finalisation date”	the business day after the Northam distribution conditions precedent are fulfilled or if applicable, waived, or such other date and time as the Issuer Services Division of the JSE may direct or permit. The Northam distribution finalisation date is expected to be Monday, 18 April 2011;
“Northam distribution implementation date”	the first business day after the Northam distribution participation record date, or such other date as the Issuer Services Division of the JSE may direct or permit. The Northam distribution implementation date is expected to be Monday, 9 May 2011;
“Northam distribution LDT”	the last day to trade on the JSE Exchange to participate in the Northam distribution. The Northam distribution LDT is expected to be Thursday, 28 April 2011;
“Northam distribution ratio”	the ratio of 0.83523:1 (that is 0.83523 Northam shares to be distributed to participating Mvela Resources ordinary shareholders for every 1 Mvela Resources ordinary share held on the Northam distribution participation record date);
“Northam distribution participation record date”	the date on, and the time at, which a person must be recorded in the Mvela Resources register as a holder of Mvela Resources ordinary shares to participate in the Northam distribution, being the close of business on the first Friday following the week in which the Northam distribution LDT occurs or such other date and time as the Issuer Services Division of the JSE may direct or permit. The first Friday is expected to be the close of business on Friday, 6 May 2011;
“Northam distribution section”	the section headed “Northam distribution, Afripalm cancellation transactions and notice of general meeting” contained on pages 68 to 83 of this circular;

“Northam distribution shares”	181 980 981 Northam shares held by Mvela Resources as at the Northam distribution participation record date, as adjusted pursuant to paragraph 3.2.4 (if applicable) of the Northam distribution section;
“Northam distribution voting record date”	the date on, and the time at, which a person must be recorded in the Mvela Resources register as a Mvela Resources ordinary shareholder or holder of Mvela Resources ‘A’ shares to be able to attend and vote at the general meeting or such other date and time as the Issuer Services Division of the JSE may direct or permit. The Northam distribution voting record date is expected to be the close of business on Thursday, 10 March 2011;
“Northam share”	an ordinary share with a par value of R0.01 in the share capital of Northam;
“NAV”	net asset value;
“NTAV”	net tangible asset value;
“One Capital”	One Capital Advisory (Proprietary) Limited (registration number 2009/021943/07), a private company incorporated in accordance with the laws of South Africa;
“operative date”	the date on which the Mvela Resources scheme becomes operative, being the first business day following the scheme consideration record date or such other date and time as the Issuer Services Division of the JSE may direct or permit. The operative date is expected to be Monday, 16 May 2011;
“participant”	a “participant” as defined in the Securities Services Act or its nominee appointed by a Mvela Resources member for the purpose of and in regard to dematerialisation, or a dematerialised share, in terms of the Securities Services Act;
“participating Mvela Resources ordinary shareholder”	a Mvela Resources ordinary shareholder who holds either certificated shares or dematerialised shares, registered as a holder of Mvela Resources ordinary shares in the Mvela Resources register on the Northam distribution participation record date;
“PGE(4)”	platinum, palladium, rhodium and associated gold;
“PGM”	platinum group metals;
“proposed transactions”	collectively, the Northam distribution, the Afripalm cancellation transactions and the Mvela Resources scheme;
“Rand”	the official currency of South Africa;
“Registrar”	the Registrar as defined in the Companies Act;
“restricted period”	the period of 6 months prior to the last practicable date;
“scheme conditions precedent”	the conditions precedent to which the scheme is subject, as set out in paragraph 13 of the explanatory statement;
“scheme consideration”	the consideration for each scheme share in terms of the scheme, being 0.09598 Northam shares for each scheme share held on the scheme consideration record date, subject to rounding as set out in paragraph 4.3 of the scheme of arrangement section;
“scheme consideration record date”	the date on, and time at, which a person is required to be recorded in the Mvela Resources register as a Mvela Resources ordinary shareholder to participate in the Mvela Resources scheme and to be entitled to receive the scheme consideration, being the close of business on the first Friday following the week in which the scheme LDT occurs, or such other date and time as the Issuer Services Division of the JSE may direct or permit. The scheme consideration record date is expected to be close of business on Friday, 13 May 2011;

“scheme finalisation date”	the date on which the last of the scheme conditions precedent are fulfilled (or, if applicable, waived), which is expected to be Monday, 18 April 2011;
“scheme LDT”	the last day to trade in Mvela Resources ordinary shares on the JSE Exchange to participate in the scheme. The scheme LDT is expected to be Friday, 6 May 2011;
“scheme meeting”	the meeting of scheme members convened in terms of section 311 of the Companies Act, to be held on Monday, 14 March 2011 in Room U2, Hackle Brooke, 110 Conrad Drive, Corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg at the later of 10:30 or 10 minutes after the conclusion, postponement or adjournment of the general meeting which precedes it (or any adjournment thereof, the time and date of which will be released on SENS and published in the South African press), at which meeting the scheme members will consider and vote on the Mvela Resources scheme;
“scheme member”	a person registered in the Mvela Resources register as a Mvela Resources ordinary shareholder on the scheme voting record date, being a person who is entitled to attend and vote at the scheme meeting;
“scheme of arrangement section”	the section of this circular which sets out the terms and conditions of the Mvela Resources scheme, contained on pages 41 to 52 of this circular;
“scheme participant”	a person registered in the Mvela Resources register as a Mvela Resources ordinary shareholder on the scheme consideration record date, being a person who is entitled to receive the scheme consideration;
“scheme share”	a Mvela Resources ordinary share held by a Mvela Resources ordinary shareholder, in either or certificated or dematerialised form, on the scheme consideration record date;
“scheme voting record date”	the date on, and the time at, which a person is required to be recorded in the Mvela Resources register as a Mvela Resources ordinary shareholder to be able to attend and vote at the scheme meeting. The scheme voting record date is expected to be the close of business on Thursday, 10 March 2011;
“Securities Services Act”	the Securities Services Act No. 36 of 2004, as amended from time to time;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“SRP”	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
“SRP Code”	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP issued pursuant to the Companies Act;
“statement of directors’ interests”	the statement of directors’ interests in respect of the Mvela Resources scheme, in terms of section 312(1)(a)(iii) of the Companies Act, provided on pages 57 to 61 of this circular;
“STC”	Secondary Tax on Companies levied in terms of section 64B of the Income Tax Act;
“Toba”	Toba Minerals (South Africa) (Proprietary) Limited (registration number 2007/016064/07), a private company incorporated in accordance with the laws of South Africa;

"transfer secretaries"	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa, situated at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
"Trans Hex"	Trans Hex Group Limited (registration number 1963/007579/06), a public company incorporated in accordance with the laws of South Africa, whose shares are listed on the JSE Exchange and the Namibian Stock Exchange;
"USA"	the United States of America;
"valuation statement section"	the valuation statement in respect of the Mvela Resources scheme, in terms of section 312(1)(a)(ii) of the Companies Act, provided on pages 53 to 56 of this circular; and
"Zondereinde mine"	Northam's Zondereinde platinum mine near Thabazimbi.



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL

ISIN: ZAE000050266

("Mvela Resources")

OVERVIEW OF THE PROPOSED TRANSACTIONS

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this section, unless the context indicates a contrary intention.

This section must be read in conjunction with the entire circular in order to understand the proposed transactions.

1. INTRODUCTION

As announced on SENS on Tuesday, 8 February 2011:

1.1 Mvela Resources intends to:

- 1.1.1 distribute all the Northam shares it holds to persons who, and entities which, are Mvela Resources ordinary shareholders as at the Northam distribution participation record date;
- 1.1.2 buyback the 35 million 'A' shares in the issued share capital of Mvela Resources from Afripalm 1 at par for an aggregate price of R700 000 (and accordingly a price of R0.02 for each Mvela Resources 'A' share) in cash;
- 1.1.3 implement the Afripalm referrals cancellation; and

1.2 thereafter:

- 1.2.1 Northam intends to acquire the entire issued ordinary share capital of Mvela Resources through the issue of new Northam shares to Mvela Resources ordinary shareholders, pursuant to a scheme of arrangement in terms of section 311 of the Companies Act; and
- 1.2.2 Mvela Resources intends to delist its ordinary shares from the JSE Exchange.

2. PURPOSE OF THIS DOCUMENT

2.1 The purpose of this document is to furnish Mvela Resources members with all material information relating to the proposed transactions. For ease of reference, this is the basic structure of this document:

- 2.1.1 the terms and conditions of the Mvela Resources scheme are contained in the scheme of arrangement section of this circular commencing on page 41. The explanatory statement outlining the effects of the scheme and other required disclosures in terms of section 312 of the Companies Act is set out on pages 30 to 40 and 53 to 61, respectively; and
- 2.1.2 the terms and conditions of the Northam distribution and the Afripalm cancellation transactions are contained in the Northam distribution section.

2.2 This document also contains, among other things:

- 2.2.1 a notice convening the general meeting, at which the Mvela Resources members may vote on the resolutions necessary to, *inter alia*, implement the Northam distribution and the Afripalm repurchase;

- 2.2.2 a form of proxy to vote at the general meeting (*pink*) (for use by certificated members and “own-name” dematerialised members only);
- 2.2.3 a notice convening the Mvela Resources scheme meeting, at which the scheme members may vote on the scheme;
- 2.2.4 a form of proxy to vote at the scheme meeting (*green*) (for use by certificated scheme members and “own-name” dematerialised scheme members only);
- 2.2.5 a form of surrender and transfer (*white*) for use by holders of certificated shares to surrender their certificated Mvela Resources ordinary shares (which they may do in anticipation of the scheme consideration record date or thereafter);
- 2.2.6 the following information to assist Mvela Resources members in deciding, *inter alia*, whether or not to vote in favour of the Northam distribution, the Afripalm repurchase and the Mvela Resources scheme:
 - independent fairness opinion from One Capital on the terms and conditions of the scheme (Annexure 1);
 - financial and other information relating to Mvela Resources (Annexures 3 and 6);
 - share price trading history of Mvela Resources ordinary shares on the JSE Exchange (Annexure 8); and
 - independent reporting accountants’ limited assurance report on the unaudited pro forma consolidated financial effects (Mvela Resources) (Annexure 2).

3. PROPOSED TRANSACTIONS

- 3.1 Subject to the fulfilment (or, if applicable, waiver) of certain conditions precedent, the proposed transactions will be implemented in accordance with the steps set out in paragraphs 3.2, 3.4 and 3.5.
- 3.2 Mvela Resources proposes to distribute its entire Northam shareholding, as at the Northam distribution participation record date, to its ordinary shareholders in the Northam distribution ratio. After the Northam distribution, Mvela Resources will be left with all the assets it currently holds (other than its Northam shares which will have been distributed pursuant to the Northam distribution) (“remaining assets”), and all of its liabilities (“remaining liabilities”). The difference between the value of the remaining assets and the value of the remaining liabilities is referred to in this overview of the proposed transactions as “the value of Mvela Resources’ remaining net assets”.
- 3.3 On completion of the Northam distribution:
 - 3.3.1 the Mvela Resources ordinary shareholders will hold:
 - 3.3.1.1 the Northam shares which were distributed to them pursuant to the Northam distribution;
 - 3.3.1.2 those of the Gold Fields shares distributed to them pursuant to the Gold Fields distribution which they have not since sold; and
 - 3.3.1.3 their existing Mvela Resources ordinary shares;
 - 3.3.2 Mvela Resources’ remaining assets will include:
 - 3.3.2.1 net cash of not less than R650 million;
 - 3.3.2.2 a 50% interest in the Dwaalkop joint venture;
 - 3.3.2.3 20.3% of the issued share capital of Trans Hex; and
 - 3.3.2.4 a 51% initial participatory interest in the Kokerboom joint venture.
 A more detailed description of the remaining assets is included in paragraph 4 of the explanatory statement.
- 3.4 At or about the same time as the implementation of the Northam distribution, Mvela Resources will repurchase all issued Mvela Resources ‘A’ shares from Afripalm 1, and the cancellation of the Afripalm referrals arrangement will take effect.

- 3.5 Following the implementation of the Northam distribution, Northam will acquire all the issued ordinary shares in Mvela Resources, pursuant to the Mvela Resources scheme, for the aggregate scheme consideration. As the Mvela Resources scheme will be implemented after the Northam distribution, the scheme consideration has been calculated based on the value of Mvela Resources' remaining net assets.
- 3.6 On completion of the Mvela Resources scheme, Mvela Resources ordinary shareholders will hold:
- 3.6.1 the Northam shares which were distributed to them pursuant to the Northam distribution;
- 3.6.2 those of the Gold Fields shares distributed to them pursuant to the Gold Fields distribution which they have not since sold; and
- 3.6.3 the Northam shares which were issued to them pursuant to the Mvela Resources scheme.
- 3.7 The Mvela Resources scheme will only occur if the Northam distribution is implemented. The Northam distribution will only be implemented if the Northam distribution conditions precedent have been fulfilled (or, if applicable, waived).

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

4.1 Mvela Resources' rationale for the Northam distribution

- 4.1.1 Mvela Resources controls over 50% of the voting rights attaching to the share capital of Northam, derives over 75% of its attributable income before tax from its shareholding in Northam and its shareholding in Northam represents more than 50% of its gross assets. It is accordingly classified as a "pyramid company" by the JSE. The JSE prohibits the listing of pyramid companies and has accordingly instructed Mvela Resources to remove the pyramid company structure, or face delisting.
- 4.1.2 Mvela Resources has traded at a discount to its NAV for most of its history as a listed company, primarily due to its pyramid structure and limited influence on strategic and capital decisions in respect of most of its investments.
- 4.1.3 In February 2009, the Mvela Resources board decided that a strategy involving the distribution by Mvela Resources of its remaining shares in Northam and Gold Fields was the most appropriate means to satisfy the requirements of the JSE. The distribution of Gold Fields shares was implemented on 31 January 2011.
- 4.1.4 The Northam distribution will simply convert Mvela Resources ordinary shareholders' interest in Northam from an indirect to a direct holding. Mvela Resources ordinary shareholders will accordingly still retain their exposure to the underlying assets of (and will have direct access to dividends and other distributions from) Northam after the Northam distribution.

4.2 Mvela Resources' and Northam's rationale for the Afripalm cancellation transactions

- 4.2.1 Northam does not propose to enter into an arrangement with Afripalm 1 similar to the referral of opportunities provisions detailed in paragraph 4.2 of the Northam distribution section subsequent to the implementation of the scheme. Northam has therefore proposed that the referral of opportunities provisions be cancelled. Both Mvela Resources and Afripalm Resources have agreed to this, subject, *inter alia*, to the obtaining by Afripalm Resources of the required third party consents and to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent.
- 4.2.2 Further, as Northam proposes to acquire 100% of the share capital of Mvela Resources, it has proposed that the Mvela Resources 'A' shares be repurchased by Mvela Resources, and both Mvela Resources and Afripalm 1 have agreed to this, subject, *inter alia*, to the obtaining by Afripalm Resources of the required third party consents and to the fulfilment (or, if applicable, waiver) of the Northam distribution conditions precedent.
- 4.2.3 Mvela Resources is willing to enter into the Afripalm cancellation transactions to facilitate the scheme.

4.3 **Mvela Resources' rationale for the scheme**

Upon implementation of the Northam distribution, the remaining assets of Mvela Resources will comprise:

- 4.3.1 net cash of not less than R650 million;
- 4.3.2 a 50% interest in the Dwaalkop platinum project, a joint venture with Lonmin;
- 4.3.3 20.3% of the issued share capital of Trans Hex, a diamond producing and marketing company listed on the JSE Exchange; and
- 4.3.4 a 51% initial participatory interest in the Kokerboom joint venture.

The Mvela Resources board believes that the continued separate listing of Mvela Resources will not benefit Mvela Resources members or Mvela Resources itself, and that it will be in the interests of Mvela Resources members for Northam, with its infrastructure, to develop Mvela Resources' remaining net assets. Mvela Resources members, as shareholders of Northam, will continue to have exposure to these assets.

4.4 **Northam's rationale for the scheme**

The proposed transactions provide Northam with a unique combination of capital raising and project acquisition, while maintaining its black economic empowerment status. More specifically the proposed transactions achieve the following:

- 4.4.1 by securing R650 million of additional cash funds, the scheme allows Northam to further strengthen its balance sheet, in anticipation of its existing, and potential capital expenditure requirements arising from its enhanced growth prospects;
- 4.4.2 the scheme provides Northam with a 50% interest in another PGM development opportunity (the Dwaalkop joint venture);
- 4.4.3 after the implementation of the proposed transactions the Northam free float will increase from 35% currently to approximately 64%, with an enlarged capital base, which adds to Northam's investment appeal both amongst local and international institutions; and
- 4.4.4 the potential future earnings uplift for Northam emanating from the application of the new shareholder funds to the development of the Booyendal project will furthermore accelerate the benefits of the scheme for Northam's shareholders.

5. **CONSIDERATION IN RESPECT OF THE PROPOSED TRANSACTIONS**

5.1 **Northam distribution**

- 5.1.1 In terms of the Northam distribution, each holder of Mvela Resources ordinary shares will, subject to paragraph 5.1.2, receive 0.83523 Northam share for every 1 Mvela Resources ordinary share held on the Northam distribution participation record date.
- 5.1.2 Only whole numbers of Northam shares will be distributed. The exact number of Northam shares to be distributed to a Mvela Resources ordinary shareholder may vary as a result of the rounding calculations described in paragraph 3.2.4 of the Northam distribution section.
- 5.1.3 Annexure 12 contains a table of entitlements setting out the number of Northam shares to which holders of Mvela Resources ordinary shares on the Northam distribution participation record date will be entitled in terms of the Northam distribution, based on the Northam distribution ratio.

5.2 **Afripalm cancellation transactions**

- 5.2.1 The Mvela Resources 'A' shares will be repurchased for an aggregate amount of R700 000 in cash.
- 5.2.2 No consideration is payable in respect of the Afripalm referrals cancellation.

5.3 Mvela Resources scheme consideration

- 5.3.1 As consideration for the sale of Mvela Resources ordinary shares in terms of the Mvela Resources scheme, Mvela Resources ordinary shareholders will receive 0.09598 Northam shares for every 1 Mvela Resources ordinary share held on the scheme consideration record date, to be settled as described under paragraph 8 of the explanatory statement.
- 5.3.2 The aggregate scheme consideration has an implied Rand value of R982.8 million assuming a Northam share price of R47.00 per share.

6. SUMMARY OF UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

- 6.1 The unaudited *pro forma* financial effects have been prepared in terms of the Listings Requirements and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.
- 6.2 The unaudited *pro forma* financial effects set out below have been prepared to assist Mvela Resources members in assessing the impact of the proposed transactions on the EPS, HEPS, NAV and NTAV as of and for the financial year ended 30 June 2010 and the unaudited *pro forma* statement of comprehensive income and *pro forma* statement of financial position (in Annexure 3) and the *pro forma* financial effects (in this paragraph) as of and for the financial year ended 30 June 2010 have been prepared to illustrate:
- 6.2.1 the effect of the Northam distribution and the Afripalm repurchase (after the Gold Fields distribution and after the recent exercise of 2.26 million share options in terms of the Mvelaphanda Resources Limited Share Option Participation Scheme and after the Afripalm 2 option cancellation); and
- 6.2.2 the effect of the scheme (after the adjusted Northam distribution and Afripalm repurchase), as if these transactions had occurred on 1 July 2009 for purposes of the *pro forma* income statement, and on 30 June 2010, for purposes of the *pro forma* statement of financial position. The unaudited *pro forma* financial information is presented for illustrative purposes only and because of its nature, may not fairly present Mvela Resources' financial position, changes in equity, results of operations or cash flows.
- 6.3 The unaudited *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information of Mvela Resources has been prepared.
- 6.4 The Mvela Resources directors are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information and for the financial information from which it has been prepared. Their responsibility includes determining that the unaudited *pro forma* financial information has been properly compiled on the basis as stated; that the basis is consistent with the accounting policies of Mvela Resources for previous financial years and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements. The material assumptions are set out in the notes below and in Annexure 3. The unaudited *pro forma* financial effects set out below were reported on by PricewaterhouseCoopers Inc., whose report is included as Annexure 2 to this circular.

Unaudited *pro forma* financial effects for Mvela Resources ordinary shareholders:

	AFTER the Gold Fields distribution (1)	AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation (2)	AFTER the Northam distribution and the Afripalm repurchase (3)	Effect of the Northam distribution and the Afripalm repurchase (Change from (2) to (3))	Adjusted AFTER the Northam distribution and the Afripalm repurchase (4)	Attributable Northam results per Mvela Resources ordinary share AFTER the scheme (5)	Effect of the scheme (Change from (4) to (5))
Basic EPS per Mvela Resources ordinary share (cents)	(51.2)	(53.2)	1 065.1	1 118.3	(143.6)	8.1	151.7
Basic HEPS per Mvela Resources ordinary share (cents)	2.8	0.3	(146.6)	(146.9)	(146.6)	7.9	154.5
NAV per Mvela Resources ordinary share (cents)	2 757.0	2 680.8	327.5	(2 353.4)	327.5	246.7	(80.7)
NTAV per Mvela Resources ordinary share (cents)	2 757.0	2 680.8	327.5	(2 353.4)	327.5	94.0	(233.5)
Weighted average number of Mvela Resources ordinary shares in issue	215 064 169	217 324 169	217 324 169		217 324 169		
Number of Mvela Resources ordinary shares in issue at	215 621 101	217 881 101	217 881 101		217 881 101		
Weighted average number of Northam ordinary shares in issue after the scheme						381 204 113	
Number of Northam ordinary shares in issue after the scheme						381 554 228	

NOTES APPLICABLE TO THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS

- The **AFTER the Gold Fields distribution** column represents the unaudited *pro forma* financial effects extracted from the circular that was distributed to the shareholders of Mvela Resources and released on SENS on 15 December 2010 which was based on the Mvela Resources' audited and published financial results for the year ended 30 June 2010, adjusted for the sale of 10 million Gold Fields shares and for the distribution of 22.2 million Gold Fields shares.
- The **After the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column is based on the unaudited *pro forma* **AFTER the Gold Fields distribution** column for the year ended 30 June 2010 and after adjusting for the following principal assumptions:

– EPS and HEPS

- 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in cash receipts of R46.4 million. For the purposes of these unaudited *pro forma* financial effects it was assumed that these options were exercised on 1 July 2009 resulting in an equivalent increase in the weighted average number of ordinary shares in issue during the period. Accordingly, a *pro forma* adjustment of interest earned of R2.2 million, based on the net receipts from the exercise of the share options at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax expense of R620 000 are included.

It was also assumed that the Afripalm 2 option cancellation was effective on 1 July 2009. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity. An adjustment to interest foregone of R9.8 million based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax saving of R2.7 million are included. These EPS and HEPS adjustments are of a recurring nature.

– NAV and NTAV

- 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in total cash received of R46.4 million. For the purposes of these unaudited *pro forma* financial effects, it was assumed that these options were exercised on 30 June 2010, resulting in an equivalent *pro forma* increase in the number of shares in issue on that date. It was also assumed that the Afripalm 2 option cancellation was effective on 30 June 2010. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity.

3. The **AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* **AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column and after the following principal assumptions:

– **EPS and HEPS**

- 3.1 it was assumed that the Northam distribution and the Afripalm repurchase were effective on 1 July 2009;
- 3.2 the consolidated audited and published Northam financial results for the year ended 30 June 2010 is eliminated, resulting in a reduction of profit after tax for the year ended 30 June 2010 by R641.0 million of which R390.6 million accrued to the Mvela Resources' ordinary shareholders. This is of a recurring nature;
- 3.3 Furthermore, the net consolidation journals for the year ended 30 June 2010 are reversed as well as the dividend received from Northam and the related interest foregone impact of R5.4 million, because of dividends foregone, based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving impact of R1.5 million. These adjustments result in the total results of Northam for the year ended 30 June 2010 being eliminated from the Mvela Resources results for the year ended 30 June 2010. The effect of this is an increase in the profits for the year after tax of R153.7 million of which R93.2 million accrued to the Mvela Resources' ordinary shareholders;
- 3.4 a once off gain of R2.7 billion recognised upon the derecognition of the Northam distribution shares based on the market value of R43.17 per Northam share on 28 January 2011 (being the last practicable date). No tax is payable on this profit as it is an IFRS disclosure and the Northam distribution is effected in terms of the unbundling rules of Section 46 of the Income Tax Act;
- 3.5 a reduction in interest foregone relating to the Afripalm repurchase amounting to R46 000 based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the relating tax saving of R13 000. This is of a recurring nature;
- 3.6 estimated costs relating to the Northam distribution of R21.4 million and the related impact of interest foregone of R1.1 million based on the net payment made at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving of R309 000, which is once-off in nature.

– **NAV and NTAV**

- 3.7 the Northam distribution was effective 30 June 2010;
- 3.8 a recurring elimination of the consolidated net assets of Northam as at 30 June 2010 and the elimination of the accumulated consolidated entries of Northam up to 30 June 2010 (together amounting to R5.1 billion);
- 3.9 the Afripalm repurchase for R700 000 resulted in a reduction of cash and the related long-term liability;
- 3.10 estimated costs relating to the Northam distribution of R21.4 million, which is once-off in nature.

4. The **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* results **AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:

– **EPS and HEPS**

- 4.1 for purposes of the computation of EPS and HEPS the fair value gain on the Northam distribution and the fair value loss on the disposal/distribution of the Gold Fields shares are reversed (a net surplus of R2.6 billion) and the related tax expense (R22.4 million). This adjustment is done for comparative purposes because these gains/losses do not relate to the on-going business of Mvela Resources.

– **NAV and NTAV**

- 4.2 no impact.

5. The **Attributable Northam results per Mvela Resources ordinary share AFTER the scheme** column is based on the unaudited *pro forma* results **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:

– **EPS and HEPS**

- 5.1 the scheme was effective on 1 July 2009.
- 5.2 inclusion of the Northam audited financial results for the year ended 30 June 2010 (amounting to a net profit of R641.0 million after tax) in order to reflect the *pro forma* consolidated Northam results for the year ended 30 June 2010.
- 5.3 estimated costs for Northam relating to the scheme of R7.7 million and the estimated interest foregone of R242 000 based on the interest actually earned by Northam during the year ended 30 June 2010 and the related tax estimated tax saving of R68 000. These are once-off in nature.
- 5.4 the unaudited *pro forma* results per Northam share after the scheme equates to:
- EPS per Northam share – 84.2 cents – HEPS per Northam share – 82.3 cents The scheme consideration is 0.09598 Northam shares for every 1 Mvela Resources ordinary share held. Accordingly attributable Northam EPS and HEPS per Mvela Resources ordinary share is a factor of the Northam EPS and HEPS after the scheme multiplied by the scheme consideration

– **NAV and NTAV**

- 5.5 the scheme as effective on 30 June 2010.
- 5.6 it is assumed that the liabilities and recoverable assets of Mvela Resources were settled on 30 June 2010 (amounting to a net reduction in cash of R387.7 million).
- 5.7 it is assumed that Northam issued 20 912 228 new ordinary shares in exchange for the Mvela Resources ordinary shares under the scheme. The cost for Northam equates to R982.8 million based on the price per Northam share of R47.00 on 28 January 2011, being the last practicable date. The fair value of the net Mvela Resources assets acquired by Northam under the scheme is accounted for in the *pro forma* consolidated balance sheet of Northam, resulting in an increase in the value of the mineral resources of R349.3 million, being the fair value for the Dwaalkop and Kokerboom joint venture assets, the inclusion of the Trans Hex shares at R50.5 million, assumed liabilities of R67.1 million and an increase in cash of R650 million. After the elimination of the Mvela Resources equity and pre acquisition profits, this resulted in an increase in Northam's shareholders equity of R982.8 million.
- 5.8 accounted for estimated costs applicable to Northam for the scheme of R7.7 million.
- 5.9 the unaudited *pro forma* effect per Northam share after the scheme equates to:
- NAV per Northam share – 2 570.6 cents
 - NTAV per Northam share – 979.2 cents

The scheme consideration is 0.09598 Northam shares for every 1 Mvela Resources ordinary share held. Accordingly, the attributable Northam NAV and NTAV per Mvela Resources ordinary share is a factor of the Northam NAV and NTAV after the scheme multiplied by the scheme consideration.

7. CONDITIONS PRECEDENT

7.1 Northam distribution conditions precedent

The Northam distribution is subject, *inter alia*, to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent

7.2 Afripalm cancellation transactions

The Afripalm cancellation transactions are subject, *inter alia*, to the obtaining by Afripalm Resources of required third party consents and to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent.

7.3 Scheme conditions precedent

The Mvela Resources scheme is subject to the fulfilment (or, if applicable, waiver in writing by Northam in respect of the scheme condition precedent in paragraph 7.3.8, by Mvela Resources in respect of the scheme condition precedent in paragraph 7.3.9 and by agreement between Northam and Mvela Resources, in respect of those of the other scheme conditions precedent which are capable of waiver) of the following conditions precedent by no later than the following dates or such later dates as Mvela Resources and Northam may agree that:

- 7.3.1 special resolution number 1 set out in the notice of general meeting forming part of this circular is passed by the shareholders of Mvela Resources in general meeting by no later than 31 March 2011, the resolution is lodged for registration with the relevant authority (if registration is required) by no later than 31 March 2011, and (if registration is required) the resolution is thereafter registered by the relevant authority by no later than 31 May 2011;
- 7.3.2 the scheme is approved by no later than 31 March 2011 by a majority representing not less than three-fourths of the votes exercisable by Mvela Resources ordinary shareholders present and voting, either in person or by proxy, at the scheme meeting;
- 7.3.3 the scheme is sanctioned by the Court by no later than 31 May 2011;
- 7.3.4 the Order of Court sanctioning the scheme is registered with the relevant authority by no later than 31 May 2011;
- 7.3.5 all regulatory approvals, to the extent required by law, from all applicable regulators in South Africa, including without limitation, the JSE, the SRP and the Competition Authorities are received by no later than 31 May 2011;
- 7.3.6 Northam ordinary shareholders in general meeting approve (by the required majority) by no later than 31 March 2011 the proposal of the scheme and the issue of Northam ordinary shares to directors of Northam who hold Mvela Resources ordinary shares;
- 7.3.7 the Northam distribution is implemented by no later than 31 May 2011;

- 7.3.8 Mvela Resources confirms in writing on the date it files the application to sanction the scheme with the Court (“confirmation date”) that:
- 7.3.8.1 it has 217 881 101 Mvela Resources ordinary shares in issue;
 - 7.3.8.2 it has not sold, alienated, ceded, transferred, donated or disposed of any of its remaining assets in the period between 7 February 2011 and the confirmation date (“restriction period”) other than as contemplated in the proposed transactions;
 - 7.3.8.3 it has net cash of not less than R650 million;
 - 7.3.8.4 during the restriction period, no distribution will have been made to its shareholders in their capacity as such;
 - 7.3.8.5 in the restriction period, the business of the Mvela Resources group will have been substantially conducted in the normal, ordinary and regular course other than implementation of the proposed transactions and the steps necessary to implement the proposed transactions; and
- 7.3.9 Northam confirms in writing on the confirmation date that:
- 7.3.9.1 it has in issue no more than 361 258 500 ordinary shares, save for additional ordinary shares issued in the ordinary course of business during the restriction period to the employees or directors of Northam pursuant to its share incentive schemes;
 - 7.3.9.2 it has not, during the restriction period, made any distribution to its shareholders (other than for dividend distributions in the ordinary course of business);
 - 7.3.9.3 during the restriction period, Northam and its subsidiaries have not sold, alienated, ceded, transferred, donated or disposed (in one or more transactions) of the whole of the greater part of the assets or undertaking of Northam and its subsidiaries other than in the ordinary course of business.

8. **MVELA RESOURCES BOARD’S RECOMMENDATION**

- 8.1 The SRP has granted the Mvela Resources board a dispensation from the requirement to obtain an independent opinion advising on the fairness of the Northam distribution to Mvela Resources ordinary shareholders.
- 8.2 One Capital has advised the Mvela Resources board that it is of the opinion that the terms and conditions of the Mvela Resources scheme are fair to Mvela Resources ordinary shareholders. The text of the letter from One Capital is included in Annexure 1 to this circular. The letter has not been withdrawn prior to the publication of this circular.
- 8.3 Having considered the independent advice of One Capital referred to in paragraph 8.2 above and other relevant factors, the Mvela Resources board is of the opinion that the terms and conditions of the Northam distribution, the Afripalm cancellation transactions and the Mvela Resources scheme are fair to Mvela Resources members. Accordingly, the Mvela Resources board recommends that Mvela Resources members vote in favour of the resolutions proposed at the general meeting and that the scheme members vote in favour of the Mvela Resources scheme at the scheme meeting.
- 8.4 Those of the Mvela Resources directors who hold Mvela Resources ordinary shares intend to vote:
- 8.4.1 all their Mvela Resources ordinary shares in favour of the scheme; and
 - 8.4.2 all their Mvela Resources shares in favour of the resolutions proposed at the general meeting on which they are eligible to vote.
- 8.5 The votes at the scheme meeting of those Mvela Resources ordinary shareholders who are also directors of Northam will be recorded separately at the scheme meeting.



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)
Share code: MVL ISIN: ZAE000050266

NORTHAM

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

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
Share code: NHM ISIN: ZAE000030912

EXPLANATORY STATEMENT APPLICABLE TO THE MVELA RESOURCES SCHEME INTERMS OF SECTION 312(1)(a)(i) OF THE COMPANIES ACT

Directors of Mvela Resources

P L Zim (*Chairman*)*
B R van Rooyen (*Deputy Chairman*)
M E Beckett (British)**
P M Buthelezi*
C K Chabedi**
Y Z Cuba*
S W Mofokeng
R Moonsamy*
M J Willcox*
M S M M Xayiya*

* Non-executive director

** Independent non-executive director

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this explanatory statement.

1. INTRODUCTION

- 1.1 As announced on SENS on Tuesday, 8 February 2011, Northam has proposed a scheme of arrangement between Mvela Resources and the Mvela Resources ordinary shareholders for the acquisition by Northam of all the issued Mvela Resources ordinary shares.
- 1.2 The same announcement advises Mvela Resources members that the scheme forms part of a broader transaction, referred to in paragraph 1.3 below.
- 1.3 Subject to the fulfilment (or, if applicable, waiver) of certain conditions precedent:
 - 1.3.1 Mvela Resources will distribute all the Northam shares it holds, as at the Northam distribution participation record date, to Mvela Resources ordinary shareholders pro rata to their holdings of Mvela Resources ordinary shares. After the Northam distribution, Mvela Resources will be left with all the assets it currently holds (other than the Northam shares, which will have been distributed pursuant to the Northam distribution) ("remaining assets"), and all of its liabilities ("remaining liabilities"). The difference between the value of the remaining assets and the value of the remaining liabilities is referred to in this explanatory statement as "the value of Mvela Resources' remaining net assets";
 - 1.3.2 on completion of the Northam distribution, Mvela Resources' remaining assets will include:
 - 1.3.2.1 net cash of not less than R650 million;
 - 1.3.2.2 a 50% interest in the Dwaalkop joint venture;
 - 1.3.2.3 20.3% of the issued share capital of Trans Hex; and
 - 1.3.2.4 a 51% initial participatory interest in the Kokerboom joint venture.

The particulars of these assets are set out in paragraph 4 of this explanatory statement;

- 1.3.3 at or about the same time as the implementation of the Northam distribution, Mvela Resources will repurchase all issued Mvela Resources 'A' shares from Afripalm 1 and the Afripalm referrals arrangement will be cancelled;
 - 1.3.4 following the implementation of the Northam distribution, Northam will acquire all the issued Mvela Resources ordinary shares pursuant to the scheme for the scheme consideration, being 0.09598 Northam ordinary shares for every 1 Mvela Resources ordinary share held. As the Mvela Resources scheme will be implemented after the Northam distribution, the scheme consideration has been calculated based on the value of Mvela Resources' remaining net assets.
- 1.4 The purpose of this explanatory statement is to explain the provisions and effect of only the scheme of arrangement referred to in paragraph 1.3.4 above. The scheme is set out in full in the *yellow* section of this circular immediately following this explanatory statement. For a full understanding of the detailed legal terms and conditions, the scheme should be read in its entirety.

2. THE OBJECT OF THE SCHEME

- 2.1 The object of the Mvela Resources scheme is to procure that Northam acquires all the issued Mvela Resources ordinary shares in consideration of the aggregate scheme consideration, with the result that Mvela Resources becomes a subsidiary of Northam.
- 2.2 Pursuant to the Mvela Resources scheme, Mvela Resources' listing on the JSE Exchange will be terminated, and the aggregate scheme consideration will be listed on the JSE Exchange.

3. REQUIREMENTS AND MECHANICS OF THE SCHEME

- 3.1 In terms of section 311 of the Companies Act, a scheme of arrangement between a company and its members (or any class of its members) will become binding on that company and its members (or the members of that class, as the case may be), even if one or more members oppose(s) the scheme and is/are not willing to be bound thereby if:
 - 3.1.1 a meeting of the company's members (or members of that class) has been summoned in a manner directed by a Court;
 - 3.1.2 the scheme is agreed to by a majority representing not less than three-fourths of the votes exercisable by members (or members of that class) present and voting, either in person or by proxy, at such meeting;
 - 3.1.3 after such agreement, the scheme is sanctioned by a Court at an open hearing; and
 - 3.1.4 the Order of Court sanctioning the scheme is lodged with, and registered by, the Registrar.
- 3.2 The Court has granted an order (a copy of which is set out on pages 132 to 134 of this circular) in terms of which a meeting of holders of Mvela Resources ordinary shares is required to be convened to consider the scheme.
- 3.3 A copy of the notice convening the scheme meeting (which will be published in the South African press and in the Government Gazette in accordance with the requirements of the Order of Court) is contained on pages 135 and 136 of this circular.

4. DESCRIPTION OF THE NON-CASH REMAINING ASSETS

4.1 Dwaalkop joint venture

Mvela Resources has a 50% joint venture holding in the Dwaalkop platinum project on the eastern limb of the Bushveld Complex, some 100km north of Northam's Booyensdal mine, which hosts a PGM resource of 17 million ounces PGE(4). The property abuts Lonmin's Limpopo operations, is host to both the Merensky and UG2 reefs and has a strike length of approximately 5.5km. Resource estimates amount to some 9.9 million ounces PGE(4) in the indicated class and 17 million ounces PGE(4) if inferred resources are included. With the relatively high sulphide content of its UG2 ore, it could prove to be an invaluable constituent of Northam's smelter feed. A pre-feasibility study has been completed on the project and a mining right application has been submitted and is currently being processed by the DMR.

4.2 Trans Hex

Trans Hex is a listed diamond exploration, mining and marketing company with producing assets in South Africa and significant growth opportunities at its new Luana project in Angola, which may offer upside in recovering diamond markets. Mvela Resources has an approximate 20.3% interest in the issued ordinary share capital of Trans Hex, comprising 21 530 263 Trans Hex ordinary shares.

4.3 Kokerboom joint venture

The Kokerboom joint venture offers early stage earn-in exposure to a greenfield Iron Oxide, Copper, Gold and massive sulphide exploration project in the north western part of the Northern Cape Province. Mvela Resources has an initial participation interest of 51%. The balance is owned 32% by Toba and 17% by HIT3. Applications for prospecting rights have been submitted to the DMR with some already approved. Once all the necessary prospecting rights are in place, the exploration work program will commence with an airborne geophysical survey to identify specific targets within the area of interest.

5. STATUTORY REQUIREMENTS FOR THE SCHEME

5.1 The scheme meeting

- 5.1.1 The scheme will be put to a vote at the scheme meeting, to be held on Monday, 14 March 2011 at the later of 10:30, or 10 minutes after the conclusion, postponement or adjournment of the Mvela Resources general meeting which precedes it in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg. The notice convening the scheme meeting is attached to, and forms part of, this circular.
- 5.1.2 In terms of section 311(2)(b) of the Companies Act, the scheme requires the agreement of a majority representing not less than three-fourths of the votes exercisable by the scheme members, present and voting, either in person or by proxy, at the scheme meeting.
- 5.1.3 Each certificated scheme member, and each dematerialised scheme member with "own name" registration, which is recorded in the Mvela Resources register on the scheme voting record date, can attend and vote at the scheme meeting in person, or may appoint a proxy to represent it at the scheme meeting. If a certificated scheme member, or a dematerialised scheme member with "own name" registration, wishes to appoint a proxy, a form of proxy (*green*) must be completed in accordance with its instructions and returned to the transfer secretaries by no later than 10:30 on Friday, 11 March 2011. Forms of proxy may also be handed to the chairperson of the scheme meeting by no later than 10 minutes before the scheme meeting is due to commence.
- 5.1.4 A beneficial owner of dematerialised shares without "own name" registration must provide its participant or broker with its instructions for voting of its Mvela Resources ordinary shares at the scheme meeting or must arrange with its participant or broker to give it or its proxy the necessary letter of representation if it wishes to attend, speak and vote at the scheme meeting.
- 5.1.5 Scheme members who do not want to vote in favour of the scheme will be given the opportunity at the scheme meeting to voice their objections.

5.2 Court hearing

- 5.2.1 If the scheme is agreed to at the scheme meeting by the required majority of scheme members, application will be made to the Court to sanction the scheme at 10:00, or so soon thereafter as counsel may be heard, on Tuesday, 29 March 2011. Application might be made even if some scheme conditions precedent have not at that point yet been fulfilled or, if applicable, waived. The Court is located at the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg.
- 5.2.2 Each certificated scheme member, and each dematerialised scheme member with "own name" registration, will be entitled to attend in person, or be represented by counsel, at the Court hearing for the sanctioning of the scheme and to be heard concerning any objections it may have to the scheme.

- 5.2.3 A beneficial owner of dematerialised shares not held in “own name” form who wishes to attend and be heard at the Court hearing for the sanctioning of the scheme, or to appoint counsel to represent it and be heard, must arrange with its participant or broker to give it or its counsel authority in writing to do so.
- 5.2.4 No action need be taken by a Mvela Resources ordinary shareholder if it does not wish to attend the Court hearing.

5.3 **Registration**

If the Court sanctions the scheme, the Order of Court sanctioning the scheme will be lodged with the Registrar for registration. When the Order of Court sanctioning the scheme is registered, which is expected to be on Thursday, 31 March 2011, and all other scheme conditions precedent are fulfilled (or, if applicable, waived) the scheme will, become operative and be binding on all scheme participants, including any scheme participants which may have voted against it.

6. **EFFECTS OF THE SCHEME**

- 6.1 If the scheme conditions precedent are fulfilled (or, if applicable, waived), and the scheme accordingly becomes operative:

6.1.1 ***Disposal and transfer***

- 6.1.1.1 each scheme participant will be deemed to have irrevocably:
- 6.1.1.1.1 disposed, on the operative date, of its scheme shares to Northam, which will, on that date, be deemed to have acquired ownership of those scheme shares; and
 - 6.1.1.1.2 authorised Mvela Resources (and/or the transfer secretaries acting on behalf of Mvela Resources) to procure the transfer to Northam of the scheme shares;
- 6.1.1.2 the transfer of the scheme shares will be effected exclusively by Mvela Resources or the transfer secretaries (acting on behalf of Mvela Resources);
- 6.1.1.3 with effect from the operative date, each Mvela Resources director and the transfer secretaries on behalf of Mvela Resources will irrevocably be deemed to be the attorney and agent in rem suam of each scheme participant to implement the transfer referred to in this paragraph 6.1.1 and to sign any instrument of transfer in respect thereof or any other documents required to implement the scheme;

6.1.2 ***Surrender***

- 6.1.2.1 each certificated scheme participant will be obliged, to the extent that it has not already done so, to surrender its documents of title in respect of its scheme shares to the transfer secretaries (acting on behalf of Mvela Resources), under cover of the form of surrender and transfer (*white*) attached to the circular in order to become entitled to receive the share certificate for the scheme consideration;
- 6.1.2.2 the documents of title received by the transfer secretaries (acting on behalf of Mvela Resources), pursuant to paragraph 6.1.2.1 shall be surrendered to Northam by Mvela Resources or the transfer secretaries (acting on behalf of Mvela Resources exclusively);
- 6.1.2.3 dematerialised scheme participants will not need to take any action regarding the surrender of documents of title;

6.1.3 ***Scheme consideration***

- 6.1.3.1 Northam will, subject to the adjustment for rounding as set out in paragraph 7.3 below, be obliged to allot and issue to each scheme participant 0.09598 Northam shares for every 1 Mvela Resources ordinary share held by such scheme participant on the scheme consideration record date. Each scheme participant and Northam will be deemed to have irrevocably instructed Mvela Resources (and/or the transfer secretaries acting on behalf of Mvela Resources) to collect from Northam and deliver the scheme consideration to scheme participants, this right being exclusively granted to Mvela Resources.
- 6.1.3.2 Northam will deliver to Mvela Resources (or the transfer secretaries acting on behalf of Mvela Resources), and each scheme participant shall be deemed to have irrevocably authorised Mvela Resources (or the transfer secretaries on behalf of Mvela Resources) to collect, in respect of the certificated scheme participants, the share certificates in respect of the scheme consideration; and;

6.1.3.3 Mvela Resources, or the transfer secretaries acting on behalf of Mvela Resources, will post, to the certificated scheme participants (at the risk of the scheme participants), the share certificates in respect of the scheme consideration, in accordance with paragraph 8.2 below.

6.2 Mvela Resources is acting at all times as principal.

6.3 Compliance by Northam with its obligations in terms of paragraph 6.1.3.1 will be the sole and exclusive manner of discharge by Northam of its obligations in respect of the scheme consideration.

6.4 The rights of the scheme participants to receive the scheme consideration, and any share certificate for the scheme consideration, will be rights enforceable by the scheme participants against Mvela Resources only (and Mvela Resources undertakes to enforce its rights in terms of the scheme against Northam).

7. **SCHEME CONSIDERATION**

7.1 Subject to the fulfilment (or, if applicable, waiver) of the scheme conditions precedent:

7.1.1 each scheme participant will, in consideration of the disposal of all the scheme participant's scheme shares to Northam, be entitled to receive the scheme consideration; and

7.1.2 subject to the adjustment for rounding as set out in paragraph 7.3, the aggregate scheme consideration will consist of 20 912 228 new Northam shares and each scheme participant will be allotted and issued, on the operative date, 0.09598 new Northam shares for every 1 Mvela Resources ordinary share held by it on the scheme consideration record date, credited as fully paid.

7.2 The aggregate scheme consideration has an implied Rand value of R982.8 million assuming a Northam share price of R47.00 per share. Changes in the Northam or Mvela Resources share price from time to time will not affect the scheme consideration.

7.3 If, but for this paragraph 7.3, a scheme participant were to receive a fraction of a Northam share, the fraction will be rounded as follows:

7.3.1 if the fraction is less than 0.5, the scheme participant will have its entitlement to a Northam share rounded down to the nearest whole number; or

7.3.2 if the fraction is equal to or greater than 0.5, the scheme participant will have its entitlement to a Northam share rounded up to the nearest whole number.

7.4 Mvela Resources ordinary shareholders are referred to the table of entitlements in Annexure 12 for further details.

7.5 The JSE has approved the listing of the aggregate scheme consideration.

8. **SETTLEMENT OF THE SCHEME CONSIDERATION**

8.1 **Scheme consideration**

Subject to the fulfilment (or, if applicable, waiver) of the scheme conditions precedent:

8.1.1 Northam will be obliged, on the operative date, to allot and issue the scheme consideration to each scheme participant;

8.1.2 scheme participants are referred to paragraph 12 below regarding the treatment of their scheme consideration in terms of the Exchange Control Regulations;

8.1.3 the scheme consideration due to a dematerialised scheme participant will be transferred to the dematerialised scheme participant on the operative date, by crediting its account with its participant or broker;

8.1.4 a beneficial owner of shares not held in “own name” form should receive from its participant or broker (in accordance with their custody agreement) the scheme consideration attributable to the scheme shares held on the scheme consideration record date by the participant or broker on behalf of that beneficial owner. This should take place in accordance with the custody agreement and none of Northam, Mvela Resources or the transfer secretaries will be liable for any failure on the part of the participant or broker to comply with the custody agreement.

8.2 Documents of title in respect of scheme consideration (for certificated scheme participants)

8.2.1 Subject to the fulfilment (or, if applicable, waived) of the scheme conditions precedent:

8.2.1.1 Northam will deliver on the operative date, in respect of the certificated scheme participants, the share certificates in respect of their scheme consideration, to Mvela Resources, or the transfer secretaries, acting on behalf of Mvela Resources;

8.2.1.2 the share certificate in respect of the scheme consideration will be posted by Mvela Resources (or the transfer secretaries acting on behalf of Mvela Resources), to each scheme participant, at its risk, to its postal address reflected in the Mvela Resources register;

8.2.1.3 delivery of the share certificate in respect of the scheme consideration to a scheme participant will be effected on the operative date if its documents of title together with the form of surrender and transfer have been surrendered by that scheme participant to the transfer secretaries at or before 12:00 on the date on which the scheme consideration record date falls, or within 5 business days of the receipt of its documents of title together with the form of surrender and transfer, if they are surrendered by that scheme participant to the transfer secretaries after 12:00 on the date on which the scheme consideration record date falls.

8.2.2 Where:

8.2.2.1 a person or entity who is not a registered holder of a scheme share at the scheme consideration record date tenders, on or subsequent to the operative date, to the transfer secretaries documents of title together with a form of surrender and transfer (purported to have been executed on behalf of the registered holder), in respect of Mvela Resources ordinary shares; and

8.2.2.2 the scheme consideration has not already been posted or delivered to the registered holder of that scheme share,

such transfer may, subject to proof satisfactory to Northam and Mvela Resources as to the payment of any securities transfer tax or other tax payable and provided that Mvela Resources and/or Northam is, if so required by either or both of them, given an indemnity on terms acceptable to Mvela Resources and/or Northam in respect of such consideration, be accepted by Northam and Mvela Resources as if there had been a valid transfer to such person of the Mvela Resources ordinary shares concerned. The share certificate in respect of the scheme consideration will be posted to such person/entity, at the risk of such person, to the address specified on tendering the documents of title and form of surrender and transfer.

8.2.3 If the share certificates in respect of the scheme consideration are:

8.2.3.1 not sent to certificated scheme participants entitled thereto on account of the relevant documents of title, together with the form of surrender or transfer, not having been surrendered; or

8.2.3.2 returned undelivered to the transfer secretaries,
the share certificates in respect of the scheme consideration will be held by Northam or the transfer secretaries, on behalf of the scheme participant concerned, until claimed.

8.3 No set-off

The settlement of the scheme consideration to which any scheme participant becomes entitled in terms of the Mvela Resources scheme will be effected in full in accordance with the terms thereof without regard to any lien, right of set-off, counterclaim or any other analogous right to which Mvela Resources or Northam may be entitled.

9. TRANSFER OF SCHEME SHARES

Subject to the fulfilment (or, if applicable, waiver) of the scheme conditions precedent, each scheme participant will be deemed to have disposed, on the operative date, of its scheme shares to Northam which will be deemed to have acquired ownership of the scheme shares on that date, for the scheme consideration as set out in paragraph 7, to be settled in accordance with the provisions of paragraph 8.

10. SURRENDER OF DOCUMENTS OF TITLE IN RESPECT OF SCHEME SHARES

10.1 Dematerialised scheme participants

Dematerialised scheme participants need not take any action regarding the surrender of documents of title as the transfer process will be handled by the relevant participant or broker in terms of the custody agreement entered into between the dematerialised scheme participant and its participant or broker.

10.2 Certificated scheme participants

10.2.1 *Surrender*

- 10.2.1.1 A certificated scheme participant must complete the form of surrender and transfer (*white*) (attached to this circular) and return it together with its documents of title in respect of all its scheme shares to the transfer secretaries (acting on behalf of Mvela Resources) to become entitled to receive the share certificate for the scheme consideration.
- 10.2.1.2 Mvela Resources and Northam (acting together) may at their discretion dispense with the requirement for the surrender of documents of title in respect of certain scheme shares on production of evidence satisfactory to Mvela Resources and Northam that the documents of title to those scheme shares have been lost or destroyed and on provision of a suitable indemnity. Indemnity forms are obtainable from the transfer secretaries on request and will be regarded as the only suitable form for submission in such case.
- 10.2.1.3 If a certificated scheme participant does not return the form of surrender and transfer together with its documents of title in respect of its holding of scheme shares, then the share certificate for the scheme consideration in respect of those scheme shares will be held by Northam or the transfer secretaries on behalf of the scheme participant concerned, until the required documents are delivered.
- 10.2.1.4 Upon the fulfilment (or, if applicable, waiver) of the scheme conditions precedent, documents of title relating to scheme shares shall cease to be of any value, other than for the purposes of surrender in terms of the scheme, and no certificates, deeds or documents will be issued by Mvela Resources in place thereof.

10.2.2 *No receipts*

No receipts will be issued for documents of title surrendered unless specifically requested. A scheme participant who requires a receipt is requested to prepare a special transaction receipt and deliver it to the transfer secretaries.

10.2.3 *Early surrender*

- 10.2.3.1 A holder of certificated shares who wishes to surrender its documents of title in anticipation of the Mvela Resources scheme becoming operative is required to (as stated in paragraph 10.2.1.1) complete the form of surrender and transfer (*white*) attached to this circular and return it together with the documents of title in respect of all such holder's Mvela Resources ordinary shares to the transfer secretaries (acting on behalf of Mvela Resources).
- 10.2.3.2 Documents of title surrendered prior to the operative date in anticipation of the Mvela Resources scheme becoming operative will be held in trust by the transfer secretaries pending the Mvela Resources scheme becoming operative. If the Mvela Resources scheme does not become operative for any reason whatsoever, the transfer secretaries will, within 5 business days of the date on which it becomes

known that the Mvela Resources scheme will not become operative, return the documents of title, at the risk of the holder of certificated shares concerned, by registered post, to the holder concerned, to such holder's postal address reflected in the Mvela Resources register.

- 10.2.3.3 If a holder of certificated shares surrenders its documents of title in advance of the operative date, it will between the date of surrender and the scheme LDT not be in a position to arrange to have its certificated shares dematerialised so as to enable it to deal in those Mvela Resources ordinary shares on the JSE Exchange.

11. GOVERNING LAW AND JURISDICTIONS

- 11.1 The scheme may be affected by the laws of the relevant jurisdiction of a foreign ordinary shareholder. A foreign ordinary shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this circular that may affect it. It is the responsibility of each foreign ordinary shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 11.2 The scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.
- 11.3 Any member who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.
- 11.4 If Mvela Resources is advised by a foreign ordinary shareholder that because of the laws of the jurisdiction of that foreign ordinary shareholder, the foreign ordinary shareholder is unable to receive the scheme consideration to be issued to it, or Mvela Resources is advised or becomes aware that it is not entitled to distribute the scheme consideration to a foreign ordinary shareholder on account of the laws of the jurisdiction of that foreign ordinary shareholder, then Mvela Resources may instruct its transfer secretaries in South Africa to dispose of the relevant scheme consideration on behalf of the relevant foreign ordinary shareholder as expeditiously as is reasonably possible after the operative date. As soon as reasonably possible after such disposal, Mvela Resources shall pay the proceeds derived from such disposal to the foreign ordinary shareholder in cash in Rands (net of costs and duties).

12. EXCHANGE CONTROL REGULATIONS

Scheme participants who are emigrants or non-residents of the common monetary area, will receive the scheme consideration subject to and in terms of the Exchange Control Regulations.

12.1 Delivery of scheme consideration in accordance with Exchange Control Regulations

12.1.1 *Emigrants from the common monetary area*

If a scheme participant is an emigrant from the common monetary area, its Mvela Resources ordinary shares form part of its blocked assets:

- 12.1.1.1 and if it is a certificated scheme participant whose documents of title in respect of its Mvela Resources ordinary shares have been endorsed "non-resident" under the Exchange Control Regulations, the share certificate in respect of the scheme consideration will also be endorsed "non-resident" and will be forwarded, at its risk, to the South African authorised dealer in foreign exchange controlling its blocked assets in terms of the Exchange Control Regulations. The form of surrender and transfer (*white*) makes provision for details of the authorised dealer concerned to be given; or
- 12.1.1.2 and if it is a dematerialised scheme participant, its scheme consideration will be credited to an account in the Northam sub-register maintained by its participant or broker and will be subject to the order of the South African authorised dealer in foreign exchange controlling its blocked assets in terms of the Exchange Control Regulations.

12.1.2 **All other non-residents of the common monetary area**

If a scheme participant is not an emigrant from the common monetary area but has a registered address outside the common monetary area:

- 12.1.2.1 and if it is a certificated scheme participant whose documents of title in respect of its Mvela Resources ordinary shares have been endorsed "non-resident" under the Exchange Control Regulations, the documents of title in respect of its scheme consideration will also be endorsed "non-resident" and will be posted, at its risk, to its registered address; or
- 12.1.2.2 and if it is a dematerialised scheme participant whose participant account has been endorsed "non-resident" under the Exchange Control Regulations, its scheme consideration will be credited to an account in the Northam sub-register maintained by its participant or broker, which will also be endorsed "non-resident".

12.2 **Information not provided**

If the information regarding authorised dealers is not given or the instructions required in terms of paragraph 12.1 above are not given, the share certificates in respect of the scheme consideration will be held by Northam or the transfer secretaries for the scheme participant concerned, pending receipt of the necessary information or instructions.

13. **SCHEME CONDITIONS PRECEDENT**

13.1 The Mvela Resources scheme is subject to the fulfilment (or, if applicable, waiver in writing by Northam in respect of the scheme condition precedent in paragraph 13.1.8, by Mvela Resources in respect of the scheme condition precedent in paragraph 13.1.9 and by agreement between Northam and Mvela Resources, in respect of those of the other scheme conditions precedent which are capable of waiver) of the following conditions precedent by no later than the following dates or such later dates as Mvela Resources and Northam may agree:

- 13.1.1 special resolution number 1 set out in the notice of general meeting forming part of this circular is passed by the shareholders of Mvela Resources in general meeting by no later than 31 March 2011, the resolution is lodged for registration with the relevant authority (if registration is required) by no later than 31 March 2011, and (if registration is required) the resolution is thereafter registered by the relevant authority by no later than 31 May 2011;
- 13.1.2 the scheme is approved by no later than 31 March 2011 by a majority representing not less than three-fourths of the votes exercisable by Mvela Resources ordinary shareholders present and voting, either in person or by proxy, at the scheme meeting;
- 13.1.3 the scheme is sanctioned by the Court by no later than 31 May 2011;
- 13.1.4 the order of Court sanctioning the scheme is registered with the relevant authority by no later than 31 May 2011;
- 13.1.5 all regulatory approvals, to the extent required by law, from all applicable regulators in South Africa, including without limitation, the JSE, the SRP and the Competition Authorities are received by no later than 31 May 2011;
- 13.1.6 Northam ordinary shareholders in general meeting approve (by the required majority) by no later than 31 March 2011 the proposal of the scheme and the issue of Northam ordinary shares to directors of Northam who hold Mvela Resources ordinary shares;
- 13.1.7 the Northam distribution is implemented by no later than 31 May 2011;
- 13.1.8 Mvela Resources confirms in writing on the date it files the application to sanction the scheme with the Court ("confirmation date") that:

- 13.1.8.1 it has 217 881 101 Mvela Resources ordinary shares in issue;
 - 13.1.8.2 it has not sold, alienated, ceded, transferred, donated or disposed of any of its assets remaining after the Northam distribution in the period between 7 February 2011 and the confirmation date ("restriction period") other than as contemplated in the proposed transactions;
 - 13.1.8.3 it has net cash of not less than R650 million;
 - 13.1.8.4 during the restriction period, no distribution will have been made to its shareholders in their capacity as such;
 - 13.1.8.5 in the restriction period, the business of the Mvela Resources group will have been substantially conducted in the normal, ordinary and regular course other than the implementation of the proposed transactions and the steps necessary to implement the proposed transactions; and
- 13.1.9 Northam confirms in writing on the confirmation date that:
- 13.1.9.1 it has in issue no more than 361 258 500 ordinary shares, save for additional ordinary shares issued in the ordinary course of business during the restriction period to the employees or directors of Northam pursuant to its share incentive schemes;
 - 13.1.9.2 it has not during the restriction period made any distribution to its shareholders (other than for dividend distributions in the ordinary course of business);
 - 13.1.9.3 during the restriction period, Northam and its subsidiaries have not sold, alienated, ceded, transferred, donated or disposed (in one or more transactions) of the whole of the greater part of the assets or undertaking of Northam and its subsidiaries other than in the ordinary course of business.
- 13.2 If any of the scheme conditions precedent are not fulfilled or, if applicable, waived, the Mvela Resources scheme will fail to become operative and will be of no force and effect.

14. TAX IMPLICATIONS FOR SCHEME PARTICIPANTS

- 14.1 This is a summary of the South African taxation implications of the disposal by the Mvela Resources ordinary shareholders of their Mvela Resources ordinary shares to Northam under the scheme. It serves as a general guide and is not intended to constitute a complete analysis of the tax consequences of the disposal under South African tax law. It is not intended to be, nor should it be considered to be, legal or tax advice. Mvela Resources ordinary shareholders should, therefore, consult their own tax advisors regarding the tax consequences of the disposal under South African law, the law of the jurisdiction of their residence, and any tax treaty between South Africa and their country of residence.
- 14.2 The disposal by Mvela Resources ordinary shareholders of the Mvela Resources ordinary shares to Northam will:
- 14.2.1 be regarded as a "disposal" as defined in paragraph 11 of the Eighth Schedule to the Income Tax Act, for South African CGT and Income Tax purposes;
 - 14.2.2 constitute an "asset-for-share transaction" as contemplated in section 42 of the Income Tax Act. Section 42 applies to the disposal and has the following effect:
 - 14.2.2.1 if the Mvela Resources ordinary shares were held by a Mvela Resources ordinary shareholder as capital assets, the Mvela Resources ordinary shareholder concerned will be deemed to have disposed of its Mvela Resources ordinary shares at their base cost and will further be deemed to have acquired the Northam shares on the date that the Mvela Resources ordinary shares were originally acquired and at a cost equal to the base cost of the Mvela Resources ordinary shares. The effect of section 42 of the Income Tax Act for a Mvela Resources ordinary shareholder holding Mvela Resources ordinary shares as capital assets is thus to defer any capital gain on the disposal of the Mvela Resources ordinary shares until the disposal of the Northam shares;

14.2.2.2 if the Mvela Resources ordinary shares are held by a Mvela Resources ordinary shareholder as trading stock, the Mvela Resources ordinary shareholder concerned will be deemed to have disposed of its Mvela Resources ordinary shares at the amount taken into account in respect of those shares in terms of section 11(a), section 22(1), or section 22(2) of the Income Tax Act ("tax cost") and will further be deemed to have acquired the Northam shares on the date that the Mvela Resources ordinary shares were originally acquired and at a tax cost equal to the tax cost of the Mvela Resources ordinary shares. The effect of section 42 of the Income Tax Act for a Mvela Resources ordinary shareholder holding Mvela Resources ordinary shares as trading stock is thus to defer any revenue gain on the disposal of the Mvela Resources ordinary shares until the disposal of the Northam shares;

14.2.2.3 the transfer of the Mvela Resources ordinary shares to Northam and the issue of the Northam shares to the Mvela Resources ordinary shareholders will not be subject to securities transfer tax in terms of the Securities Transfer Act No. 25 of 2007.

14.3 Certain potentially adverse tax consequences may be triggered if the Northam shares are disposed of prior to a period of 18 months after they were acquired as consideration for the disposal of the Mvela Resources ordinary shares. Mvela Resources ordinary shareholders should obtain their own tax and legal advice in this regard.

14.4 Section 42 of the Income Tax Act stipulates that if a person disposes of an asset to a company in terms of a section 42 transaction and becomes entitled to any consideration, in addition to equity shares issued by that company, certain rules will apply. On this basis, only to the extent that Northam shares are received as consideration by the Mvela Resources ordinary shareholders, will the tax relief rules of section 42 apply.

15. **AUTHORS**

The authors of this explanatory statement are the Mvela Resources board (in respect of information relating to Mvela Resources) and the board of directors of Northam (in respect of information relating to Northam).

For and on behalf of

MVELAPHANDA RESOURCES LIMITED

Director

18 February 2011
Johannesburg

NORTHAM PLATINUM LIMITED

Director

18 February 2011
Johannesburg



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)
Share code: MVL
ISIN: ZAE000050266
("Mvela Resources")

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)
Share code: NHM
ISIN: ZAE000030912
("Northam")

SCHEME OF ARRANGEMENT IN TERMS OF SECTION 311 OF THE COMPANIES ACT

Directors of Mvela Resources

P L Zim (*Chairman*)*
B R van Rooyen (*Deputy Chairman*)
M E Beckett (British)**
P M Buthelezi*
C K Chabedi**
Y Z Cuba*
S W Mofokeng
R Moonsamy*
M J Willcox*
M S M M Xayiya*

* Non-executive directors

** Independent non-executive directors

Note:

A member who is opposed to the Mvela Resources scheme may oppose it by, *inter alia*:

- attending the scheme meeting and voicing any objections it may have in respect of the Mvela Resources scheme;
- either personally or by proxy voting against the Mvela Resources scheme at the scheme meeting; and/or
- attending in person, or being represented by counsel, at the Court hearing to sanction the Mvela Resources scheme, and being heard concerning any objections it may have to the Mvela Resources scheme.

DEFINITIONS AND INTERPRETATIONS

In this scheme, unless otherwise stated or clearly indicated by the context, the words in the first column shall have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender shall include the other genders, and a reference to a natural person shall include a juristic person and body corporate and *vice versa*:

“aggregate scheme consideration”	the aggregate consideration for all scheme shares, being 20 912 228 new Northam shares, subject to rounding as set out in paragraph 4.3;
“beneficial owner”	a person on whose behalf any dematerialised share (not held in “own-name” form) is held by a participant or broker, in accordance with a custody agreement;
“broker”	a “stockbroker” as defined in the Securities Services Act or its nominee;
“business day”	a day which is not a Saturday, is not a Sunday and is not an official public holiday in South Africa;
“cent”	a South African cent;
“certificated member”	a Mvela Resources member who holds certificated shares;
“certificated scheme member”	a scheme member who holds certificated shares;
“certificated scheme participant”	a scheme participant who holds certificated shares;
“certificated share”	a Mvela Resources ordinary share evidenced by documents of title;
“circular” or “document”	the bound document, dated Friday, 18 February 2011, which includes this scheme;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act No. 61 of 1973, as amended from time to time;
“Competition Authorities”	the Competition Commission, Competition Tribunal and/or Competition Court established in terms of the Competition Act No. 89 of 1998, as amended from time to time;
“conditions precedent”	the conditions precedent to which the scheme is subject, as set out in paragraph 9;
“Court”	the South Gauteng High Court, Johannesburg, which is located at High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg, 2001;
“custody agreement”	a custody mandate agreement between a person and a participant or broker, regulating their relationship in respect of dematerialised shares held by the participant or broker on behalf of that person;
“dematerialise” or “dematerialisation”	the process by which certificated securities are converted into an electronic format as uncertificated securities and recorded in Mvela Resources’ sub-register of members maintained with a participant;
“dematerialised member”	a Mvela Resources member who holds dematerialised shares;
“dematerialised scheme member”	a scheme member who holds dematerialised shares;
“dematerialised scheme participant”	a scheme participant who holds dematerialised shares;
“dematerialised share”	a Mvela Resources ordinary share that has been dematerialised or has been issued in dematerialised form, and is held in Mvela Resources’ sub-register of members in electronic form;
“DMR”	the Department of Mineral Resources of South Africa;

“document of title”	a share certificate, certified transfer deed, balance receipt or any other document of title, acceptable to Mvela Resources in respect of Mvela Resources ordinary shares;
“Exchange Control Regulations”	the Exchange Control Regulations 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act No. 9 of 1933, as amended from time to time;
“explanatory statement”	the explanatory statement in respect of the Mvela Resources scheme, in terms of section 312(1)(a)(i) of the Companies Act, which explains the provisions and effect of the scheme, contained on pages 30 to 40 of the circular;
“foreign ordinary shareholders”	a Mvela Resources ordinary shareholder who is resident in, or who is a national or citizen of, or who has a registered address in, a country other than South Africa;
“general meeting”	the general meeting of Mvela Resources members to be held on Monday, 14 March 2011 at the later of 10:15 or 10 minutes after the conclusion, postponement or adjournment of Northam’s general meeting (which has been convened to be held at 10:00 on the same date and at the same place as Mvela Resources’ general meeting), in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg, to consider and, if deemed fit, approve, with or without modification, the resolutions recorded in the notice of general meeting contained in the circular;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act;
“JSE Exchange”	the stock exchange operated by the JSE;
“last practicable date”	the last practicable date prior to the finalisation of this document, being 28 January 2011;
“Mvela Resources”	Mvelaphanda Resources Limited (registration number 1980/001395/06), a public company incorporated in accordance with the laws of South Africa, whose ordinary shares are listed on the JSE Exchange;
“Mvela Resources ‘A’ shares”	‘A’ ordinary shares with a par value of R0.02 in the share capital of Mvela Resources, which rank pari passu with the Mvela Resources ordinary shares with respect to voting rights but do not participate in any dividends declared, or capital or other distributions made, by Mvela Resources (other than an entitlement, pari passu with the Mvela Resources ordinary shares, to the par value of the Mvela Resources ‘A’ shares on a winding-up, liquidation or deregistration of Mvela Resources);
“Mvela Resources board” or “Mvela Resources directors”	the board of directors of Mvela Resources;
“Mvela Resources group”	Mvela Resources and its subsidiaries from time to time (excluding Northam and its subsidiaries from time to time);
“Mvela Resources members” or “members”	Mvela Resources ordinary shareholders and registered holders of Mvela Resources ‘A’ shares;
“Mvela Resources ordinary shareholders”	a registered holder of Mvela Resources ordinary shares, as reflected in the Mvela Resources register;
“Mvela Resources ordinary shares”	ordinary shares with a par value of R0.02 in the share capital of Mvela Resources;
“Mvela Resources register”	Mvela Resources’ register of members from time to time, including the sub-registers maintained by participants;

“Mvela Resources scheme” or “scheme”	<p>the scheme of arrangement proposed by Northam between Mvela Resources and the Mvela Resources ordinary shareholders, in terms of section 311 of the Companies Act:</p> <p>(i) as set out herein, as amended by any amendment, variation or modification effected pursuant to paragraph 12.3; and</p> <p>(ii) which, if implemented, will result in Northam acquiring all the issued Mvela Resources ordinary shares;</p>
“Mvela Resources shares”	the Mvela Resources ordinary shares and the Mvela Resources ‘A’ shares;
“Northam”	Northam Platinum Limited (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa, whose ordinary shares are listed on the JSE Exchange;
“Northam share”	an ordinary share with a par value of R0.01 in the issued share capital of Northam;
“operative date”	the date on which the Mvela Resources scheme becomes operative, being the first business day following the scheme consideration record date, or such other date and time as the Issuer Services Division of the JSE may direct or permit. The operative date is expected to be Monday, 16 May 2011;
“participant”	a “participant” as defined in the Securities Services Act or its nominee appointed by a Mvela Resources member for the purpose of and in regard to dematerialisation, or a dematerialised share, in terms of the Securities Services Act;
“Rand”	the official currency of South Africa;
“Registrar”	the Registrar as defined in the Companies Act;
“scheme consideration”	the consideration for each scheme share in terms of the scheme, being 0.09598 Northam shares for each scheme share, subject to rounding as set out in paragraph 4.3;
“scheme consideration record date”	the date on, and time at, which a person must be recorded in the Mvela Resources register as a Mvela Resources ordinary shareholder to participate in the Mvela Resources scheme and to be entitled to receive the scheme consideration, being the close of business on the first Friday following the week in which the scheme LDT occurs, or such other date and time as the Issuer Services Division of the JSE may direct or permit. The scheme consideration record date is expected to be close of business on Friday, 13 May 2011;
“scheme finalisation date”	the business day after the date on which all of the conditions precedent are fulfilled (or, if applicable, waived), which is expected to be Monday, 18 April 2011;
“scheme LDT”	the last day to trade in Mvela Resources ordinary shares on the JSE Exchange to participate in the scheme. The scheme LDT is expected to be Friday, 6 May 2011;
“scheme meeting”	the meeting of scheme members convened in terms of section 311 of the Companies Act, to be held on Monday, 14 March 2011 in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg at the later of 10:30 or 10 minutes after the conclusion, postponement or adjournment of the general meeting which precedes it (or any adjournment thereof, the time and date of which will be released on SENS and published in the South African press), at which meeting the scheme members will consider and vote on the Mvela Resources scheme;

“scheme member”	a person registered in the Mvela Resources register as a Mvela Resources ordinary shareholder on the scheme voting record date, being a person who is entitled to attend and vote at the scheme meeting;
“scheme participant”	a person registered in the Mvela Resources register as a Mvela Resources ordinary shareholder on the scheme consideration record date, being a person who is entitled to receive the scheme consideration;
“scheme share”	a Mvela Resources ordinary share held by a Mvela Resources ordinary shareholder, in either certificated or dematerialised form, on the scheme consideration record date;
“scheme voting record date”	the date on, and the time at, which a person must be recorded in the Mvela Resources register as a Mvela Resources ordinary shareholder to be able to attend and vote at the scheme meeting. The scheme voting record date is expected to be the close of business on Thursday, 10 March 2011;
“Securities Services Act”	the Securities Services Act No. 36 of 2004, as amended from time to time;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“SRP”	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
“SRP Code”	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP issued pursuant to the Companies Act; and
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa, situated at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

1. SHARE CAPITAL OF MVELA RESOURCES

As at the last practicable date:

- 1.1 the authorised share capital of Mvela Resources comprised 300 million Mvela Resources ordinary shares and 50 million Mvela Resources ‘A’ shares;
- 1.2 the issued share capital of Mvela Resources comprised:
 - 1.2.1 217 881 101 Mvela Resources ordinary shares; and
 - 1.2.2 35 million Mvela Resources ‘A’ shares;
- 1.3 all of the issued Mvela Resources ordinary shares are listed on the JSE Exchange;
- 1.4 the share premium of Mvela Resources is as set out in paragraph 4 of the valuation statement section.

2. THE OBJECT OF THE SCHEME

The object of the Mvela Resources scheme is to procure that Northam acquires all the issued Mvela Resources ordinary shares in consideration of the aggregate scheme consideration, with the result that Mvela Resources becomes a subsidiary of Northam. Pursuant to the Mvela Resources scheme, the listing of Mvela Resources’ ordinary shares on the JSE Exchange will be terminated, and the aggregate scheme consideration will be listed on the JSE Exchange.

3. THE SCHEME

3.1 If the conditions precedent are fulfilled (or, if applicable waived), and the scheme accordingly becomes operative:

3.1.1 **Disposal and transfer**

3.1.1.1 each scheme participant shall be deemed to have irrevocably:

3.1.1.1.1 disposed, on the operative date, of its scheme shares to Northam, which shall, on that date, be deemed to have acquired ownership of those scheme shares; and

3.1.1.1.2 authorised Mvela Resources (and/or the transfer secretaries acting on behalf of Mvela Resources) to procure the transfer to Northam of the scheme shares;

3.1.1.2 the transfer of the scheme shares will be effected exclusively by Mvela Resources or the transfer secretaries (acting on behalf of Mvela Resources); and

3.1.1.3 with effect from the operative date, each Mvela Resources director and the transfer secretaries on behalf of Mvela Resources shall irrevocably be deemed to be the attorney and agent in rem suam of each scheme participant to implement the transfer referred to in this paragraph 3.1.1 and to sign any instrument of transfer in respect thereof or any other documents required to implement the scheme;

3.1.2 **Surrender**

3.1.2.1 each certificated scheme participant shall be obliged, to the extent that it has not already done so, to surrender its documents of title in respect of its scheme shares to the transfer secretaries (acting on behalf of Mvela Resources), under cover of the form of surrender and transfer (*white*) attached to the circular in order to become entitled to receive the share certificate for the scheme consideration;

3.1.2.2 the documents of title received by the transfer secretaries (acting on behalf of Mvela Resources), pursuant to paragraph 3.1.2.1 shall be surrendered to Northam by Mvela Resources or the transfer secretaries (acting on behalf of Mvela Resources) exclusively; and

3.1.2.3 dematerialised scheme participants will not need to take any action regarding the surrender of documents of title;

3.1.3 **Scheme consideration**

3.1.3.1 Northam shall, subject to the adjustment for rounding as set out in paragraph 4.3 below, be obliged to allot and issue to each scheme participant 0.09598 Northam shares for every 1 Mvela Resources ordinary share held by such scheme participant on the scheme consideration record date. Each scheme participant and Northam will be deemed to have irrevocably instructed Mvela Resources (and/or the transfer secretaries acting on behalf of Mvela Resources) to collect from Northam and deliver the scheme consideration to scheme participants, this right being exclusively granted to Mvela Resources.

3.1.3.2 Northam shall deliver to Mvela Resources (or the transfer secretaries acting on behalf of Mvela Resources), and each scheme participant shall be deemed to have irrevocably authorised Mvela Resources (or the transfer secretaries on behalf of Mvela Resources) to collect, in respect of the certificated scheme participants, the share certificates in respect of the scheme consideration; and

3.1.3.3 Mvela Resources, or the transfer secretaries acting on behalf of Mvela Resources, shall post, to the certificated scheme participants (at the risk of the scheme participants), the share certificates in respect of the scheme consideration, in accordance with paragraph 5.2 below.

- 3.2 Mvela Resources shall be acting at all times as principal.
- 3.3 Compliance by Northam with its obligations in terms of paragraph 3.1.3.1 will be the sole and exclusive manner of discharge by Northam of its obligations in respect of the scheme consideration.
- 3.4 The rights of the scheme participants to receive the scheme consideration, and any share certificate for the scheme consideration, will be rights enforceable by the scheme participants against Mvela Resources only (and Mvela Resources undertakes to enforce its rights in terms of the scheme against Northam).

4. **THE SCHEME CONSIDERATION**

- 4.1 Subject to the fulfilment (or, if applicable waiver) of the conditions precedent:
 - 4.1.1 each scheme participant shall, in consideration of the disposal of all the scheme participant's scheme shares to Northam, be entitled to receive the scheme consideration; and
 - 4.1.2 subject to adjustment for rounding as set out in paragraph 4.3, the aggregate scheme consideration shall consist of 20 912 228 new Northam shares. Subject to adjustment for rounding as set out in paragraph 4.3, each scheme participant shall be allotted and issued, on the operative date, 0.09598 new Northam shares for every 1 Mvela Resources ordinary share held by it on the scheme consideration record date, credited as fully paid.
- 4.2 The aggregate scheme consideration has an implied Rand value of R982.8 million assuming a Northam share price of R47 per share. Changes in the Northam or Mvela Resources share price from time to time shall not affect the scheme consideration.
- 4.3 If, but for this paragraph 4.3, a scheme participant would receive a fraction of a Northam share, the fraction will be rounded as follows:
 - 4.3.1 if the fraction is less than 0.5, the scheme participant will have its entitlement to a Northam share rounded down to the nearest whole number; or
 - 4.3.2 if the fraction is equal to or greater than 0.5, the scheme participant will have its entitlement to a Northam share rounded up to the nearest whole number.
- 4.4 Mvela Resources ordinary shareholders are referred to the table of entitlements in Annexure 12 for further details.
- 4.5 The JSE has approved the listing of the aggregate scheme consideration.

5. **SETTLEMENT OF THE SCHEME CONSIDERATION**

5.1 **Scheme consideration**

Subject to the fulfilment (or, where applicable, waiver) of the conditions precedent:

- 5.1.1 Northam shall be obliged, on the operative date, to allot and issue the scheme consideration to each scheme participant;
- 5.1.2 scheme participants are referred to paragraph 12 of the explanatory statement section regarding the treatment of their scheme consideration in terms of the Exchange Control Regulations;
- 5.1.3 the scheme consideration due to a dematerialised scheme participant will be transferred to the dematerialised scheme participant on the operative date, by crediting its account with its participant or broker; and
- 5.1.4 beneficial owners of dematerialised shares not held in "own name" form should receive from their participant or broker (in accordance with their custody agreement) the scheme consideration attributable to the dematerialised scheme shares held by the participant or broker on behalf of that beneficial owner. This should take place in accordance with the custody agreement and none of Northam, Mvela Resources or the transfer secretaries shall be liable for any failure on the part of the participant or broker to comply with the custody agreement.

5.2 Documents of title in respect of scheme consideration (for certificated scheme participants)

5.2.1 Subject to the fulfilment (or, if applicable, waiver) of the conditions precedent:

5.2.1.1 Northam shall deliver on the operative date, in respect of certificated scheme participants, the share certificates in respect of their scheme consideration to Mvela Resources, or the transfer secretaries, acting on behalf of Mvela Resources;

5.2.1.2 the share certificate in respect of the scheme consideration shall be posted by Mvela Resources (or the transfer secretaries acting on behalf of Mvela Resources), to each scheme participant, at its risk, to its postal address reflected in the Mvela Resources register;

5.2.1.3 delivery of the share certificate in respect of the scheme consideration to a scheme participant shall be effected on the operative date, if its documents of title together with the form of surrender and transfer have been surrendered by that scheme participant to the transfer secretaries at or before 12:00 on the date on which the scheme consideration record date falls, or within 5 business days of the receipt of its documents of title together with the form of surrender and transfer, if they are surrendered by that scheme participant to the transfer secretaries after 12:00 on the date on which the scheme consideration record date falls.

5.2.2 Where:

5.2.2.1 a person who was not a registered holder of a scheme share at the scheme consideration record date tenders, on or subsequent to the operative date, to the transfer secretaries documents of title together with a form of surrender and transfer (purported to have been executed on behalf of the registered holder) in respect of Mvela Resources ordinary shares; and

5.2.2.2 the scheme consideration has not already been posted or delivered to the registered holder of that scheme share,

such transfer may, subject to proof satisfactory to Northam and Mvela Resources as to the payment of any securities transfer tax or other tax payable and provided that Mvela Resources and/or Northam is, if so required by either or both of them, given an indemnity on terms acceptable to Mvela Resources and Northam in respect of such consideration, be accepted by Northam and Mvela Resources as if there had been a valid transfer to such person of the Mvela Resources ordinary shares concerned. The share certificate in respect of the scheme consideration will be posted to such person, at the risk of such person, to the address specified by such person on tendering the documents of title and form of surrender and transfer.

5.2.3 If the share certificates in respect of the scheme consideration are:

5.2.3.1 not sent to certificated scheme participants entitled thereto because the relevant documents of title have not been surrendered together with the form of surrender and transfer; or

5.2.3.2 returned undelivered to the transfer secretaries,

the share certificates in respect of the scheme consideration shall be held by Northam or the transfer secretaries, on behalf of the scheme participant concerned, until claimed.

5.3 No set-off

The settlement of the scheme consideration to which any scheme participant becomes entitled in terms of the Mvela Resources scheme shall be effected in full in accordance with the terms thereof without regard to any lien, right of set-off, counterclaim or any other analogous right to which Mvela Resources or Northam may be entitled.

6. TRANSFER OF SCHEME SHARES

Subject to the fulfilment (or, if applicable waiver) of the conditions precedent, each scheme participant shall be deemed to have disposed on the operative date of its scheme shares to Northam which shall be deemed to have acquired ownership of the scheme shares on that date, for the scheme consideration as set out in paragraph 4, to be settled in accordance with the provisions of paragraph 5.

7. SURRENDER OF DOCUMENTS OF TITLE IN RESPECT OF SCHEME SHARES

7.1 Dematerialised scheme participants

Dematerialised scheme participants need not take any action regarding the surrender of documents of title as the transfer process will be handled by the relevant participant or broker in terms of the custody agreement entered into between the dematerialised scheme participant and its participant or broker.

7.2 Certificated scheme participants

7.2.1 **Surrender**

7.2.1.1 A certificated scheme participant must complete the form of surrender and transfer (*white*) (attached to the circular) and return it together with its documents of title in respect of all its scheme shares to the transfer secretaries (acting on behalf of Mvela Resources) to become entitled to receive the share certificate for the scheme consideration.

7.2.1.2 Mvela Resources and Northam (acting together) may in their discretion dispense with the requirement for the surrender of documents of title in respect of certain scheme shares on production of evidence satisfactory to Mvela Resources and Northam that the documents of title to those scheme shares have been lost or destroyed and on provision of a suitable indemnity. Indemnity forms are obtainable from the transfer secretaries on request and will be regarded as the only suitable form for submission in such case.

7.2.1.3 If a certificated scheme participant does not return the form of surrender and transfer together with its documents of title in respect of its holding of scheme shares, then the share certificate for the scheme consideration in respect of those scheme shares will be held by Northam or the transfer secretaries on behalf of the scheme participant until the required documents are delivered.

7.2.1.4 Upon the fulfilment (or, if applicable, waiver) of the conditions precedent, documents of title relating to scheme shares shall cease to be of any value, other than for the purposes of surrender in terms of the scheme, and no certificates, deeds or documents will be issued by Mvela Resources in place thereof

7.2.2 **No receipts**

No receipts will be issued for documents of title surrendered unless specifically requested. A scheme participant who requires a receipt is requested to prepare a special transaction receipt and deliver it to the transfer secretaries.

7.2.3 **Early surrender**

7.2.3.1 A holder of certificated shares who wishes to surrender its documents of title in anticipation of the Mvela Resources scheme becoming operative must (as stated in paragraph 7.2.1.1) complete the form of surrender and transfer (*white*) attached to this circular and return it together with the documents of title in respect of all such holder's Mvela Resources ordinary shares to the transfer secretaries (acting on behalf of Mvela Resources).

7.2.3.2 Documents of title surrendered prior to the operative date in anticipation of the Mvela Resources scheme becoming operative will be held in trust by the transfer secretaries pending the Mvela Resources scheme becoming operative. If the Mvela Resources scheme does not become operative for any reason whatsoever, the transfer secretaries shall, within 5 business days of the date on which it becomes known that the Mvela Resources scheme will not become operative, return the documents of title, at the risk of the holder of the certificated share concerned, by registered post, to the holder, to such holder's postal address reflected in the Mvela Resources register.

- 7.2.3.3 If a holder of certificated shares surrenders its documents of title in advance of the operative date, it will between the date of surrender and the scheme LDT not be in a position to arrange to have its certificated shares dematerialised so as to enable it to deal in those Mvela Resources ordinary shares on the JSE Exchange.

8. GOVERNING LAW AND JURISDICTIONS

- 8.1 The scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.
- 8.2 If Mvela Resources is advised by a foreign ordinary shareholder that because of the laws of the jurisdiction of that foreign ordinary shareholder, the foreign ordinary shareholder is unable to receive the scheme consideration to be issued to it, or Mvela Resources is advised or becomes aware that it is not entitled to distribute the scheme consideration to a foreign ordinary shareholder on account of the laws of the jurisdiction of that foreign ordinary shareholder, then Mvela Resources may instruct its transfer secretaries in South Africa to dispose of the relevant scheme consideration on behalf of the relevant foreign ordinary shareholder as expeditiously as is reasonably possible after the operative date. As soon as reasonably possible after such disposal, Mvela Resources shall pay the proceeds derived from such disposal to the foreign ordinary shareholder in cash in Rand (net of costs and duties).

9. CONDITIONS PRECEDENT

- 9.1 The Mvela Resources scheme is subject to the fulfilment (or, if applicable, waiver in writing by Northam in respect of the condition precedent in paragraph 9.1.8, by Mvela Resources in respect of the condition precedent in paragraph 9.1.9 and by agreement between Northam and Mvela Resources, in respect of those of the other conditions precedent which are capable of waiver) of the following conditions precedent by no later than the following dates or such later dates as Mvela Resources and Northam may agree:
- 9.1.1 special resolution number 1 set out in the notice of general meeting forming part of this circular is passed by the shareholders of Mvela Resources in general meeting by no later than 31 March 2011, the resolution is lodged for registration with the relevant authority (if registration is required) by no later than 31 March 2011, and (if registration is required) the resolution is thereafter registered by the relevant authority by no later than 31 May 2011;
- 9.1.2 the scheme is approved by no later than 31 March 2011 by a majority representing not less than three-fourths of the votes exercisable by Mvela Resources ordinary shareholders present and voting, either in person or by proxy, at the scheme meeting;
- 9.1.3 the scheme is sanctioned by the Court by no later than 31 May 2011;
- 9.1.4 the order of Court sanctioning the scheme is registered with the relevant authority by no later than 31 May 2011;
- 9.1.5 all regulatory approvals, to the extent required by law, from all applicable regulators in South Africa, including without limitation, the JSE, the SRP and the Competition Authorities are received by no later than 31 May 2011;
- 9.1.6 Northam ordinary shareholders in general meeting approve (by the required majority) by no later than 31 March 2011 the proposal of the scheme and the issue of Northam ordinary shares to directors of Northam who hold Mvela Resources ordinary shares;
- 9.1.7 the Northam distribution is implemented by no later than 31 May 2011;
- 9.1.8 Mvela Resources confirms in writing on the date it files the application to sanction the scheme with the Court ("confirmation date") that:
- 9.1.8.1 it has 217 881 101 Mvela Resources ordinary shares in issue;
- 9.1.8.2 it has not sold, alienated, ceded, transferred, donated or disposed of any of its assets remaining after the Northam distribution in the period between 7 February 2011 and the confirmation date ("restriction period") other than as contemplated in the proposed transactions;

- 9.1.8.3 it has net cash of not less than R650 million;
 - 9.1.8.4 no distribution will have been made to its shareholders in their capacity as such during the restriction period;
 - 9.1.8.5 in the restriction period, the business of the Mvela Resources group will have been substantially conducted in the normal, ordinary and regular course other than the implementation of the proposed transactions and the steps necessary to implement the proposed transactions; and
- 9.1.9 Northam confirms in writing on the confirmation date that:
- 9.1.9.1 it has in issue no more than 361 258 500 ordinary shares, save for additional ordinary shares issued in the ordinary course of business during the restriction period to the employees or directors of Northam pursuant to its share incentive schemes;
 - 9.1.9.2 it has not during the restriction period made any distribution to its shareholders (other than for dividend distributions in the ordinary course of business);
 - 9.1.9.3 during the restriction period, Northam and its subsidiaries have not sold, alienated, ceded, transferred, donated or disposed (in one or more transactions) of the whole of the greater part of the assets or undertaking of Northam and its subsidiaries other than in the ordinary course of business.
- 9.2 If any of the conditions precedent are not fulfilled or, if applicable, waived by the above dates or such later dates as Mvela Resources and Northam may agree, the Mvela Resources scheme will fail to become operative and shall be of no force and effect.

10. JSE EXCHANGE LISTING

Subject to the fulfilment (or, if applicable, waiver) of the conditions precedent, the JSE has granted approval for the:

- 10.1 suspension of trading in Mvela Resources ordinary shares, which is expected to be from the commencement of business on Monday, 9 May 2011;
- 10.2 listing of the aggregate scheme consideration, which is expected to be from the commencement of business on Monday, 9 May 2011;
- 10.3 termination of the listing of Mvela Resources ordinary shares, which is expected to be from the commencement of business on Monday, 16 May 2011.

11. INSTRUCTIONS AND AUTHORITIES

- 11.1 Mvela Resources shall be entitled to accept and act on all documents recorded with Mvela Resources relating to the status and capacity of any scheme participant.
- 11.2 Each mandate, instruction or authority with regard to scheme shares recorded with Mvela Resources on or before the scheme consideration record date shall be deemed, unless and until revoked, to be a mandate, instruction or authority to Northam in respect of any right accruing in respect of the scheme consideration.

12. GENERAL

- 12.1 Subject to the fulfilment (or, if applicable, waiver) of the conditions precedent, documents of title relating to scheme shares shall cease to be of any value, other than for the purposes of surrender in terms of the scheme, and no certificates, deeds or documents will be issued by Mvela Resources in place thereof.
- 12.2 On the operative date, each Mvela Resources director and the transfer secretaries, shall irrevocably be deemed to be the attorney and agent *in rem suam* of each scheme participant to implement the transfer referred to in paragraph 3.1.1 above and to sign any instrument of transfer in respect thereof or any other documents required to implement the Mvela Resources scheme.

12.3 Northam and Mvela Resources may agree in writing:

12.3.1 either before the date of the scheme meeting or at any time prior to the voting in respect of the scheme at the scheme meeting, to any amendment, variation or modification of the Mvela Resources scheme; or

12.3.2 after the voting in respect of the scheme at the scheme meeting, to any amendment, variation or modification of the Mvela Resources scheme which the Court may think fit to approve or impose; provided that no amendment, variation or modification made after voting at the scheme meeting may have the effect of diminishing the rights which will accrue to a scheme participant in terms of the scheme.

12.4 A certificate signed by any director of Mvela Resources and a director of Northam stating that all the conditions precedent to the Mvela Resources scheme have been fulfilled (or, if applicable, waived) shall be binding on Mvela Resources and the scheme participants.

12.5 All dates and times referred to in the Mvela Resources scheme are subject to amendment. Details of any such amendments shall be released on SENS and published in the South African press.

12.6 Each of Mvela Resources and Northam shall bear its own costs of preparing and signing the scheme and carrying the scheme into effect and all matters incidental thereto.

For and on behalf of

MVELAPHANDA RESOURCES LIMITED

18 February 2011
Johannesburg

NORTHAM PLATINUM LIMITED

18 February 2011
Johannesburg



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL ISIN: ZAE000050266

("Mvela Resources")

VALUATION STATEMENT IN TERMS OF SECTION 312(1)(a)(ii) OF THE COMPANIES ACT

Directors of Mvela Resources

P L Zim (*Chairman*)*

B R van Rooyen (*Deputy Chairman*)

M E Beckett (British)**

P M Buthelezi*

C K Chabedi**

Y Z Cuba*

S W Mofokeng

R Moonsamy*

M J Willcox*

M S M M Xayiya*

* Non-executive director

**Independent non-executive director

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this valuation statement.

1. INTRODUCTION

The background and object of the scheme are set out in paragraphs 1 and 2 of the explanatory statement.

2. INTENTION REGARDING THE BUSINESS OF MVELA RESOURCES AND ITS DIRECTORS

After implementation of the scheme, Mvela Resources will become a subsidiary of Northam and will continue to operate as a going concern. The current Mvela Resources directors will resign as directors of Mvela Resources on the operative date.

3. UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE SCHEME

3.1 The unaudited *pro forma* financial effects set out below have been prepared to assist Mvela Resources members in assessing the impact of the scheme on the EPS, HEPS, NAV and NTAV as of and for the financial year ended 30 June 2010 and have been prepared to illustrate the effect of the scheme (after the adjusted Northam distribution and Afripalm repurchase), as if this transaction had occurred on 1 July 2009 for purposes of the *pro forma* income statement, and on 30 June 2010, for purposes of the *pro forma* statement of financial position. The unaudited *pro forma* financial information is presented for illustrative purposes only and because of its nature, may not fairly present Mvela Resources' financial position, changes in equity, results of operations or cash flows.

3.2 The unaudited *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information of Mvela Resources has been prepared.

- 3.3 The Mvela Resources directors are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information and for the financial information from which it has been prepared. Their responsibility includes determining that the unaudited *pro forma* financial information has been properly compiled on the basis as stated; that the basis is consistent with the accounting policies of Mvela Resources for previous financial years and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements. The detailed assumptions are set out in the notes below and in Annexure 3. The unaudited *pro forma* financial effects set out below were reported on by PricewaterhouseCoopers Inc., whose report is included as Annexure 2 to this circular.

Unaudited *pro forma* financial effects for Mvela Resources ordinary shareholders:

	AFTER the Northam distribution and the Afripalm repurchase (1)	Adjusted AFTER the Northam distribution and the Afripalm repurchase (2)	Attributable results per Mvela Resources share AFTER the scheme (3)	Effect of the scheme (Change from (2) to (3))
Basic EPS per Mvela Resources ordinary share (cents)	1 065.1	(143.6)	8.1	151.7
Basic HEPS per Mvela Resources ordinary share (cents)	(146.6)	(146.6)	7.9	154.5
NAV per Mvela Resources ordinary share (cents)	327.5	327.5	246.7	(80.7)
NTAV per Mvela Resources ordinary share (cents)	327.5	275	94.0	(233.5)
Weighted average number of Mvela Resources ordinary shares in issue	217 324 169	217 324 169		
Number of Mvela Resources ordinary shares in issue	217 881 101	217 881 101		
Weighted average number of Northam ordinary shares in issue after the scheme			381 204 113	
Number of Northam ordinary shares in issue after the scheme			381 554 228	

NOTES APPLICABLE TO THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS

The **AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* **AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column and is explained in note 3 on page 27 of this circular.

1. The **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* results **AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:
 - **EPS and HEPS**
 - 1.1 for purposes of the computation of EPS and HEPS the fair value gain on the Northam distribution and the fair value loss on the disposal/distribution of the Gold Fields shares are reversed (a net surplus of R2.6 billion) and the related tax expense (R22.4 million). This adjustment is done for comparative purposes because these gains/losses do not relate to the on-going business of Mvela Resources.
 - **NAV and NTAV**
 - 1.2 no impact.
2. The **Attributable Northam results per Mvela Resources share AFTER the scheme** column is based on the unaudited *pro forma* results **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:
 - **EPS and HEPS**
 - 2.1 the scheme was effective on 1 July 2009.
 - 2.2 inclusion of the Northam audited financial results for the year ended 30 June 2010 (amounting to a net profit of R641.0 million after tax) in order to reflect the *pro forma* consolidated Northam results for the year ended 30 June 2010.

- 2.3 estimated costs for Northam relating to the scheme of R7.7 million and the estimated interest foregone of R242 000 based on the interest actually earned by Northam during the year ended 30 June 2010 and the related estimated tax saving of R68 000. These are once-off in nature.
- 2.4 the unaudited *pro forma* results per Northam share after the scheme equates to:
- EPS per Northam share – 84.2 cents
 - HEPS per Northam share – 82.3 cents
- The scheme consideration is 0.09598 Northam shares for every 1 Mvela Resources ordinary share held. Accordingly attributable Northam EPS and HEPS per Mvela Resources ordinary share is a factor of the Northam EPS and HEPS after the scheme multiplied by the scheme consideration.
- **NAV and NTAV**
- 2.5 the scheme was effective on 30 June 2010.
- 2.6 it is assumed that the liabilities and recoverable assets of Mvela Resources were settled on 30 June 2010 (amounting to a net reduction in cash of R387.7 million).
- 2.7 it is assumed that Northam issued 20 912 228 new ordinary shares in exchange for the Mvela Resources ordinary shares under the scheme. The cost for Northam equates to R982.8 million based on the price per Northam share of R47.00 on 28 January 2011, being the last practicable date. The fair value of the net Mvela Resources assets acquired by Northam under the scheme is accounted for in the *pro forma* consolidated balance sheet of Northam, resulting in an increase in the value of the mineral resources of R349.3 million, being the fair value for the Dwaalkop and Kokerboom joint venture assets, the inclusion of the Trans Hex shares at R50.5 million, assumed liabilities of R67.1 million and an increase in cash of R650 million. After the elimination of the Mvela Resources equity and pre acquisition profits, this resulted in an increase in Northam's shareholders equity of R982.8 million.
- 2.8 accounted for estimated costs applicable to Northam for the scheme of R7.7 million.
- 2.9 the unaudited *pro forma* effect per Northam share after the scheme equates to:
- NAV per Northam share – 2 570.6 cents
 - NTAV per Northam share – 979.2 cents
- The scheme consideration is 0.09598 Northam shares for every Mvela Resources ordinary share held. Accordingly, the attributable Northam NAV and NTAV per Mvela Resources ordinary share is a factor of the Northam NAV and NTAV after the scheme multiplied by the scheme consideration.

4. SHARE CAPITAL

4.1 Mvela Resources

The authorised and issued share capital of Mvela Resources at the last practicable date, is set out below:

	R'000
Authorised share capital	
300 million ordinary shares of R0.02 each	6 000
50 million 'A' ordinary shares of R0.02 each	1 000
Total authorised share capital	7 000
Issued share capital	
217 881 101 ordinary shares of R0.02 each	4 358
35 million 'A' ordinary shares of R0.02 each	700
Share premium (net of share issue costs)**	4 853 044
Total issued share capital	4 858 102

* As at the last practicable date there were no treasury shares in issue.

** Since the last practicable date, the share premium was reduced by R2 484 416 760 as a result of the distribution of 22 218 000 Gold Fields shares out of share premium.

4.2 Northam

The authorised and issued share capital of Northam, at the last practicable date, is set out below:

	R'000
Authorised share capital	
545 million ordinary shares of R0.01 each	5 450
Total authorised share capital	5 450
Issued share capital	
361 258 500 ordinary shares of R0.01 each	3 613
Total issued share capital	3 613

5. AUTHOR

The author of this section is the Mvela Resources board.

For and on behalf of

MVELAPHANDA RESOURCES LIMITED

18 February 2011
Johannesburg



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL ISIN: ZAE000050266

("Mvela Resources")

STATEMENT OF DIRECTORS' INTERESTS IN TERMS OF SECTION 312(1)(a)(iii) OF THE COMPANIES ACT

Directors of Mvela Resources

P L Zim (*Chairman*)*

B R van Rooyen (*Deputy Chairman*)

M E Beckett (British)**

P M Buthelezi*

C K Chabedi**

Y Z Cuba*

S W Mofokeng

R Moonsamy*

M J Willcox*

M S M M Xayiya*

* Non-executive director

**Independent non-executive director

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this statement.

1. INTERESTS OF MVELA RESOURCES AND ITS DIRECTORS

1.1 Mvela Resources directors' interests in Mvela Resources

1.1.1 As at the last practicable date, insofar as it is known to the Mvela Resources board, the Mvela Resources directors held the following interests in Mvela Resources ordinary shares.

Director	Beneficial			2010 Total	Percentage holding
	Direct	Indirect	Associates		
R Moonsamy			5 298 533	5 298 533	2.4
B R van Rooyen		420 232		420 232	0.2
M J Willcox	364 283		14 144 162	14 508 455	6.7
M S M M Xayiya	660 000		4 742 174	5 402 174	2.5
P L Zim			14 484 095	14 484 095	6.7
Total	1 024 283	420 232	38 668 964	40 113 489	18.2

- 1.1.2 On the last practicable date insofar as is known to the Mvela Resources board, the Mvela Resources directors held the following interests in Mvela Resources 'A' shares.

Director	Beneficial		Associates	2010 Total	Percentage holding of Mvela Resources 'A' shares
	Direct	Indirect			
R Moonsamy			4 255 459	4 255 459	12.2
P L Zim			11 632 743	11 632 743	33.2
Total			15 888 203	15 888 203	45.4

- 1.1.3 No share options were awarded or exercised during the 2010 financial year. As at 30 June 2010, the following share options were outstanding:

Director	Date Granted	Strike Price	Number of share options
T M G Sexwale*	06 May 2002	16.50	430 000
	04 January 2006	23.00	800 000
M J Willcox**	06 May 2002	16.50	430 000
	04 January 2006	23.00	600 000
Total			2 260 000

* Mr T M G Sexwale resigned as director during 2009. Mr T M G Sexwale exercised all of his options subsequent to the 2010 financial year end.

** Mr M J Willcox exercised all of his options subsequent to the 2010 financial year end.

- 1.1.4 Mr M J Willcox sold 669 087 Mvela Resources ordinary shares at R50.04 per share on 23 December 2010. Insofar as it is known to the Mvela Resources board, there have been no other dealings in Mvela Resources shares by Mvela Resources directors during the restricted period.

- 1.1.5 Save as disclosed above, insofar as it is known to the Mvela Resources board, Mvela Resources directors have no direct or indirect, beneficial or non-beneficial, interests in Mvela Resources shares as at the last practicable date.

1.2 Mvela Resources' interests in Northam

- 1.2.1 As at the last practicable date, the Mvela Resources group held 181 980 981 Northam shares.

- 1.2.2 As at the last practicable date, save as disclosed in paragraph 1.2.1 above, no person acting in concert with any Mvela Resources group company directly or indirectly held any Northam shares.

- 1.2.3 Save for certain internal restructurings within the Mvela Resources group, the Mvela Resources group has not, directly or indirectly, dealt in Northam shares during the restricted period.

- 1.2.4 No person acting in concert with a Mvela Resources group company has, directly or indirectly, dealt for value in Mvela Resources ordinary shares during the restricted period.

1.3 Mvela Resources directors' interests in Northam

As at the last practicable date, insofar as it is known to the Mvela Resources board, the following directors of Mvela Resources held the following interests in the share capital of Northam:

Director	Beneficial			Total
	Direct	Indirect	Associates	
M E Beckett	30 000			30 000
R Moonsamy			2 670 461	2 670 461
B R van Rooyen		37 462	211 881	249 343
M J Willcox			7 133 185	7 133 185
M S M M Xayiya			2 723 776	2 723 776
P L Zim			7 302 881	7 302 881
Total	30 000	37 462	20 042 184	20 109 646

1.4 Mvela Resources directors' interests in transactions

Insofar as it is known to the Mvela Resources board, none of the Mvela Resources directors has or had (other than as direct or indirect shareholder) any material beneficial interest, whether directly or indirectly, in any transaction which was effected by Mvela Resources during:

1.4.1 the current or immediately preceding financial year; or

1.4.2 an earlier financial year and which remains in any respect outstanding or unperformed,

other than the Afripalm relationship agreements and Afripalm cancellation transactions, all of which were entered into with Afripalm Resources and/or its subsidiaries.

2. INTERESTS OF NORTHAM AND THE DIRECTORS OF NORTHAM

2.1 Northam directors' interests in Mvela Resources

2.1.1 Insofar as it is known to the Mvela Resources board, set out below are those directors of Northam who, as at the last practicable date, held interests in the share capital of Mvela Resources:

Director	Beneficial			Total
	Direct	Indirect	Associates	
A K Gupta			13 251 267	13 251 267
M J Willcox	364 283		14 144 162	14 508 445
B R van Rooyen		420 232		420 232
M S M M Xayiya	660 000		4 742 174	5 402 174
P L Zim			14 484 095	14 484 095
Total	1 024 283	420 232	46 621 698	48 066 213

2.1.2 Insofar as it is known to the Mvela Resources board, no director of Northam has, directly or indirectly, dealt in Mvela Resources ordinary shares during the restricted period.

2.2 Northam directors' interests in Northam

2.2.1 Insofar as it is known to the Mvela Resources board, as at the last practicable date, the following directors of Northam (including those who were directors within a period of eighteen months prior to the date of this circular) held the following interests in the share capital of Northam:

Director	Beneficial			Total
	Direct	Indirect	Associates	
M E Beckett	30 000			30 000
B R van Rooyen		37 462	211 881	249 343
A K Gupta			6 678 639	6 678 639
M J Willcox			7 133 185	7 133 185
M S M M Xayiya			2 723 776	2 723 776
P L Zim			7 302 881	7 302 881
D R Wolstenholme*		95 000		95 000
Total	30 000	132 462	24 225 372	24 387 834

*Resigned as a director of Northam on 1 July 2010.

2.2.2 Insofar as it is known to the Mvela Resources board, no director of Northam has, directly or indirectly, dealt in Northam shares during the restricted period.

2.3 Northam's interest in Mvela Resources

2.3.1 Insofar as it is known to the Mvela Resources board, as at the last practicable date, neither Northam nor any person acting in concert with Northam directly or indirectly held any shares in the share capital of Mvela Resources.

2.3.2 Insofar as it is known to the Mvela Resources board, neither Northam nor any person acting in concert with Northam has, directly or indirectly, dealt in Mvela Resources ordinary shares during the restricted period.

3. MANAGEMENT

All the directors of Mvela Resources will resign from Mvela Resources with effect from the operative date.

4. DIRECTORS' EMOLUMENTS AND SERVICE CONTRACTS

4.1 In terms of the rules of the cash-settled appreciation rights scheme, a change in control of Mvela Resources results in the acceleration of the vesting date of 466 778 cash settled appreciation rights, at a strike price of R20.50. Accordingly, the vesting date will be the operative date of the scheme, rather than 27 November 2011 (the estimated aggregate cost of which to Mvela Resources is R16.1 million) if the scheme is implemented. Furthermore, Mr S W Mofokeng and Mr B R van Rooyen will be entitled to be compensated in terms of their service agreements for the cancellation of their services (the estimated aggregate cost of which to Mvela Resources is R5 million) once the scheme is implemented.

4.2 Save as outlined in paragraph 4.1:

4.2.1 the effect of the scheme on the interests of the directors of Mvela Resources is no different from the effect of the scheme on the interests of other Mvela Resources ordinary shareholders, as set out in paragraph 3 of the valuation statement section;

4.2.2 it is not anticipated that the emoluments of the Mvela Resources directors will be materially affected by the scheme.

4.3 The emoluments of the Mvela Resources directors for the financial year ended 30 June 2010 were as follows:

Director	Remuneration package R'000	Long-term retention scheme bonus R'000	Benefits R'000	Long-term retention scheme accelerated R'000	Fees R'000	Gain on exercise of options R'000	Total R'000
Executive							
S W Mofokeng	1 951	4 125					6 076
N S Ntsaluba*	705	4 811	1 483	3 068			10 067
B R van Rooyen	1 695	135					1 830
Non-executive							
M E Beckett					164		164
P M Buthelezi					83		83
C K Chabedi					134		134
Y Z Cuba					83		83
R Moonsamy					83		83
M J Willcox					73		73
M S M M Xayiya					32	19 200	19 232
P L Zim					2 180		2 180
Paid by company	4 351	9 071	1 483	3 068	2 832		20 805
Fringe benefits						19 200	19 200
Total	4 351	9 071	1 483	3 068	2 832	19 200	40 005

* Resigned effective 31 December 2009.

During the financial year ended 30 June 2010, other than the benefits mentioned above:

- Mvela Resources directors received no other material benefits from Mvela Resources;
- no sums were paid to Mvela Resources directors by way of expense allowances;
- no contributions were paid by Mvela Resources directors under a pension scheme;
- no other fees have been paid to Mvela Resources directors;
- no commissions have been paid to Mvela Resources directors;
- no shares allotted and issued in terms of a share purchase/option scheme for employees have been held as a pledge against an outstanding loan.

4.4 Mvela Resources directors' remuneration from subsidiaries and associates

	2010 R'000
Northam** – year ended 30 June	
M E Beckett	248
C K Chabedi	242
B R van Rooyen	350
M S M M Xayiya	127
P L Zim	226
Trans Hex** – year ended 31 March	
B R van Rooyen	159
P L Zim*	42

* Mr Zim resigned from the board of Trans Hex with effect from 22 September 2009.

** Northam is a 50.4% owned subsidiary and Trans Hex is a 20.3% owned investment.

4.5 Service contracts

Mvela Resources has entered into service agreements with Mr B R van Rooyen and Mr S W Mofokeng. Other than as disclosed herein, the Mvela Resources group is not party to any material service, management or restraint of trade agreements or to any agreement in terms of which any royalty is payable or any agreement relating to payment of secretarial or technical fees and entered into during the 2 years preceding the date of issue of this circular. These service agreements have not been amended during the restricted period.

Name	Details of service agreement
B R van Rooyen	Appointed: 21 February 2002 Termination arrangements: 12 calendar months notice period required
S W Mofokeng	Appointed: 29 January 2007 Termination arrangements: 12 calendar months notice period required

5. AUTHOR

The author of this section is the Mvela Resources board.

For and on behalf of

MVELAPHANDA RESOURCES LIMITED

18 February 2011
Johannesburg



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL ISIN: ZAE000050266

("Mvela Resources")

ADDITIONAL INFORMATION REQUIRED BY THE JSE AND THE SRP

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this statement.

1. **SUSPENSION AND TERMINATION OF THE LISTING OF MVELA RESOURCES ORDINARY SHARES ON THE JSE EXCHANGE AND LISTING OF THE SCHEME CONSIDERATION**

Subject to the fulfilment (or, if applicable, waiver) of the scheme conditions precedent, the JSE has approved the:

- 1.1 suspension of the listing of Mvela Resources ordinary shares and has approved the listing of the aggregate scheme consideration on the JSE Exchange, with effect from the commencement of trading on the JSE Exchange on the first business day following the scheme LDT; and
- 1.2 termination of the listing of the Mvela Resources ordinary shares on the JSE Exchange from the commencement of trading on the first business day following the operative date.

2. **CONFIRMATION OF FINANCIAL RESOURCES**

Northam will settle the aggregate scheme consideration by issuing Northam shares.

3. **CONTROLLING AND MAJOR MVELA RESOURCES MEMBERS**

3.1 **Mvela Resources ordinary shares**

Insofar as it is known to the Mvela Resources board the following Mvela Resources members are directly and indirectly beneficially interested in 5% or more of the Mvela Resources issued ordinary shares, as at the last practicable date:

SHAREHOLDERS BENEFICIALLY HOLDING 5% OR MORE	Number of Mvela Resources ordinary shares	Percentage
Mvela Holdings (held directly)	47 147 209	21.64
Afripalm 1 and Afripalm 3 (held directly)	43 579 000	20.00

3.2 **Mvela Resources 'A' shares**

On 10 April 2007, Mvela Resources issued 35 million Mvela Resources 'A' shares (in addition to 40 million Mvela Resources ordinary shares) to Afripalm 1. These are the only Mvela Resources 'A' shares in issue.

3.3 **Aggregated**

The following table is based on the Afripalm group's holdings of both Mvela Resources ordinary shares and Mvela Resources 'A' shares and on Mvela Holdings' interest in Mvela Resources ordinary shares:

Name	For participation in distributions of capital and profit (Mvela Resources ordinary shares)		For voting participation (Mvela Resources 'A' shares and Mvela Resources ordinary shares)	
	Number of shares	Percentage	Number of shares	Percentage
Mvela Holdings (held directly)	47 147 209	21.64	47 147 209	18.64
Afripalm 1 and Afripalm 3 (held directly)	43 579 000	20.00	78 579 000	31.07

3.4 Save for the changes as set out in paragraph 3.2 above, there have been no changes in controlling shareholder(s) or the trading objects of the Mvela Resources group during the previous 5 years.

3.5 There are no treasury shares held within the Mvela Resources group.

4. OPINIONS AND RECOMMENDATIONS

4.1 The SRP has granted the Mvela Resources board a dispensation from the requirement to obtain an independent opinion advising on the fairness of the Northam distribution to Mvela Resources ordinary shareholders.

4.2 One Capital has advised the Mvela Resources board that it is of the opinion that the terms and conditions of the Mvela Resources scheme are fair to Mvela Resources ordinary shareholders. The text of the letter from One Capital is included in Annexure 1 to this circular. The letter has not been withdrawn prior to the publication of this circular.

4.3 Having considered the independent advice of One Capital referred to in paragraph 4.2 above and other relevant factors, the Mvela Resources board is of the opinion that the terms and conditions of the Northam distribution, the Afripalm cancellation transactions and Mvela Resources scheme are fair to Mvela Resources ordinary shareholders. Accordingly, the Mvela Resources board recommends that the scheme members vote in favour of the Mvela Resources scheme at the scheme meeting, and that the Mvela Resources members entitled to vote, vote in favour of the resolutions proposed at the general meeting. Please read the notice of general meeting forming part of this circular for information relating to voting eligibility.

4.4 Those of the directors of Mvela Resources who hold Mvela Resources ordinary shares intend to vote:

4.4.1 all their Mvela Resources ordinary shares in favour of the scheme; and

4.4.2 all their Mvela Resources shares in favour of the resolutions proposed at the general meeting on which they are eligible to vote.

4.5 The votes of those Mvela Resources ordinary shareholders who are also directors of Northam will be recorded separately at the scheme meeting.

5. TAX IMPLICATIONS FOR SCHEME PARTICIPANTS

5.1 This is a summary of the taxation implications of the disposal by the Mvela Resources ordinary shareholders of their Mvela Resources ordinary shares to Northam under the scheme. It serves as a general guide and is not intended to constitute a complete analysis of the tax consequences of the disposal under South African tax law. It is not intended to be, nor should it be considered to be, legal or tax advice. Mvela Resources ordinary shareholders should, therefore, consult their own tax advisors regarding the tax consequences of the disposal under South African law, the law of the jurisdiction of their residence, and any tax treaty between South Africa and their country of residence.

5.2 The disposal by Mvela Resources ordinary shareholders of the Mvela Resources ordinary shares to Northam will:

5.2.1 be regarded as a "disposal" as defined in paragraph 11 of the Eighth Schedule to the Income Tax Act, for South African CGT and Income Tax purposes;

- 5.2.2 constitute an “asset-for-share transaction” as contemplated in section 42 of the Income Tax Act. Section 42 has the following effect:
- 5.2.2.1 if the Mvela Resources ordinary shares were held by a Mvela Resources ordinary shareholder as capital assets, the Mvela Resources ordinary shareholder concerned will be deemed to have disposed of its Mvela Resources ordinary shares at their base cost and will further be deemed to have acquired the Northam shares on the date that the Mvela Resources ordinary shares were originally acquired and at a cost equal to the base cost of the Mvela Resources ordinary shares. The effect of section 42 of the Income Tax Act for a Mvela Resources ordinary shareholder holding Mvela Resources ordinary shares as capital assets is thus to defer any capital gain on the disposal of the Mvela Resources ordinary shares until the disposal of the Northam shares;
 - 5.2.2.2 if the Mvela Resources ordinary shares are held by a Mvela Resources ordinary shareholder as trading stock, the Mvela Resources ordinary shareholder concerned will be deemed to have disposed of its Mvela Resources ordinary shares at the amount taken into account in respect of those shares in terms of section 11(a), section 22(1), or section 22(2) of the Income Tax Act (“tax cost”) and will further be deemed to have acquired the Northam shares on the date that the Mvela Resources ordinary shares were originally acquired and at a tax cost equal to the tax cost of the Mvela Resources ordinary shares. The effect of section 42 of the Income Tax Act for a Mvela Resources ordinary shareholder holding Mvela Resources ordinary shares as trading stock is thus to defer any revenue gain on the disposal of the Mvela Resources ordinary shares until the disposal of the Northam shares;
 - 5.2.2.3 the transfer of the Mvela Resources ordinary shares to Northam and the issue of the Northam shares to the Mvela Resources ordinary shareholders will not be subject to securities transfer tax in terms of the Securities Transfer Act No. 25 of 2007.
- 5.3 Certain potentially adverse tax consequences may be triggered if the Northam shares are disposed of prior to a period of 18 months after they were acquired as consideration for the disposal of the Mvela Resources ordinary shares. Mvela Resources ordinary shareholders should obtain their own tax and legal advice in this regard.
- 5.4 Section 42 of the Income Tax Act provides that if a person disposes of an asset to a company in terms of a section 42 transaction and becomes entitled to any consideration, in addition to equity shares issued by that company, certain rules will apply. On this basis, only to the extent that equity shares are received as consideration, will the tax relief rules of section 42 apply.

6. OTHER ARRANGEMENTS

- 6.1 No arrangements, undertakings or agreements have been made between Northam and Mvela Resources and persons acting in concert with either of them in relation to Mvela Resources ordinary shares.
- 6.2 No arrangements, undertakings or agreements (including any compensation arrangement) which have any connection with or dependence on the scheme exist between Northam or any person acting in concert with it on the one hand, and any Mvela Resources director or any person who was a Mvela Resources director within the period commencing 12 months prior to the date on which the intention to propose the scheme was published in the South African press, or any person who is or was a Mvela Resources member within the abovementioned period.

7. HISTORICAL FINANCIAL INFORMATION RELATING TO MVELA RESOURCES AND NORTHAM

- 7.1 Historical financial information relating to Mvela Resources is contained in Annexure 6 to this circular.
- 7.2 There have been no material variations in the accounting policies of Mvela Resources since the last audited financial statements were published.
- 7.3 The price and trading history of Mvela Resources ordinary shares on the JSE Exchange are set out in Annexure 8 to this circular.

- 7.4 Historical financial information relating to Northam is contained in Annexure 7 to this circular.
- 7.5 Northam has informed Mvela Resources that there are no known material changes to the financial or trading position of Northam and its subsidiaries since the last audited financial statements were published.
- 7.6 Northam has informed Mvela Resources that there have been no material variations in the accounting policies of Northam since the last audited financial statements were published.
- 7.7 The price and trading history of Northam shares on the JSE Exchange are set out in Annexure 9 to this circular.

8. CONSENTS

Each of the advisors referred to in the Mvela Resources corporate information and advisors section on page 2 and in the Northam corporate information and advisors section on page 3 has consented in writing to the inclusion of its name and report in this circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this circular.

9. MATERIAL CONTRACTS

9.1 The Afripalm agreements

9.1.1 **Afripalm 1's shareholding in Mvela Resources and the undertaking by Afripalm Resources to refer mining opportunities to Mvela Resources**

9.1.1.1 In 2007, Afripalm 1 subscribed for 40 million Mvela Resources ordinary shares and 35 million Mvela Resources 'A' shares.

9.1.1.2 Mr P L Zim and members of the Afripalm group have undertaken, in terms of an agreement dated 19 January 2007, that any opportunity to participate in a mining investment which is offered to any member of the Afripalm group, or of which any member of the Afripalm group otherwise becomes aware up to 1 May 2014, will be offered to Mvela Resources to pursue and that, save as stated below, the Afripalm group will not purchase or pursue such a mining investment opportunity. After referral of a mining investment opportunity by any member of the Afripalm group, the Mvela Resources board will meet to determine whether or not such opportunity should be investigated or pursued. Afripalm Resources' representatives on the Mvela Resources board will not be entitled to vote on any resolution relating to whether such an opportunity should be pursued or not. If the Mvela Resources board decides not to pursue such opportunity or if the Mvela Resources board fails to hold a meeting in respect of such opportunity within 180 days after the date on which such opportunity is referred to Mvela Resources, any member of the Afripalm group will be entitled to purchase or participate in such a mining investment opportunity.

9.1.1.3 Afripalm 1 has the right to subscribe for new Mvela Resources ordinary shares if Mvela Resources acquires a mining investment opportunity referred to it by the Afripalm group. The number of new Mvela Resources ordinary shares which Afripalm 1 may subscribe for in this manner is limited to a maximum of 35 million Mvela Resources ordinary shares. Simultaneously, Mvela Resources will have the right to repurchase from Afripalm 1 an equal number of Mvela Resources 'A' shares at their par value.

9.1.1.4 Mvela Resources and Afripalm Resources have now agreed to cancel the Afripalm referrals arrangement if, *inter alia*, required third parties approvals are obtained and the Northam distribution conditions precedent are fulfilled or, if applicable, waived.

9.1.2 **Option granted to Afripalm 2 to subscribe for Mvela Resources ordinary shares**

9.1.2.1 On 19 January 2007, Mvela Resources entered into an option agreement, with, *inter alia*, Afripalm 2, in terms of which Mvela Resources granted Afripalm 2 an option to subscribe, in cash, for 10 million Mvela Resources ordinary shares at a price per share of R34.35 escalated at a rate equal to 75% of ABSA Bank Limited's prime overdraft lending rate.

9.1.2.2 The Afripalm 2 option was exercisable between 1 May 2010 and 30 April 2014.

- 9.1.2.3 Afripalm 2 paid an upfront fee of R10 million to Mvela Resources in consideration for the grant of the Afripalm 2 option to it.
- 9.1.2.4 The Afripalm 2 option was granted by Mvela Resources to Afripalm 2 to further the participation of black women in the capital of Mvela Resources. 10% of the shares in Afripalm 2 are held by Afripalm Resources, and 90% are held by the trustees of the Liyema Trust, a trust established to, *inter alia*, achieve broad-based socio-economic development and empowerment of black women.
- 9.1.2.5 As announced on 28 January 2011, agreement has been reached between, *inter alia*, Mvela Resources and Afripalm 2 to cancel the Afripalm 2 option agreement (and accordingly the Afripalm 2 option), against payment by Mvela Resources to Afripalm 2 of an amount of R150 million.

9.2 **Sale to ENRC**

It was announced on 26 April 2010 that Mvela Resources sold 44 million Northam shares to ENRC, in terms of a letter agreement dated 26 April 2010, for a net amount of R2.2 billion.

9.3 **Sale of Gold Fields shares**

It was announced on 4 November 2010 that Mvela Resources sold 10 million Gold Fields shares into the open market through a structured disposal programme, arranged by Macquarie Securities Group, South Africa. The average price per Gold Fields share which Mvela Resources received is R106.63 (the 30 day VWAP was R106.93 per share), resulting in proceeds of approximately R1.1 billion. This sale has been implemented.

9.4 **Gold Fields distribution**

In a circular dated 15 December 2010, Mvela Resources announced the proposed distribution of 22 218 000 Gold Fields shares to the Mvela Resources ordinary shareholders. This distribution was approved at a general meeting of Mvela Resources on 12 January 2011 and implemented on 31 January 2011.

9.5 Save for the transactions referred to in this document, the Mvela Resources group has not:

- 9.5.1 entered into any agreements within the previous 2 years which are or may be material, and which have been entered into other than in the ordinary course of business and which remain in force and unfulfilled;
- 9.5.2 at any time, entered into an agreement which contains an obligation or settlement that is material to the Mvela Resources group and which is still outstanding.

10. **MATERIAL CHANGES AND LITIGATION**

- 10.1 The Mvela Resources directors confirm that, save as discussed in the circular, there were no material changes in the financial or trading position of the Mvela Resources group since the last financial period for which reviewed interim reports were published up to the last practicable date.
- 10.2 There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Mvela Resources board is aware), which may have or have during the 12 months preceding the last practicable date had a material effect on the financial position of the Mvela Resources group. An award in respect of the arbitration between Mvela Resources and the former shareholders of Khumama Platinum (Proprietary) Limited ("Khumama claimants") was issued on 26 November 2010. The arbitrator decided against the Khumama claimants and awarded costs to Mvela Resources.

11. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of Mvela Resources, insofar as any information in this circular relates to Mvela Resources, and the directors of Northam, insofar as any information in this circular relates to Northam:

- 11.1 collectively and individually, accept full responsibility for the accuracy of the information given in this circular;

- 11.2 certify that, to the best of their knowledge and belief, there are no other facts the omission of which would render any statement false or misleading and confirm that they have made all reasonable enquiries in this regard; and
- 11.3 confirm that this circular contains all of the information required by law, the SRP and the Listings Requirements.

12. WORKING CAPITAL

The Mvela Resources directors are of the opinion that, subsequent to the Northam distribution and the repurchase of the Mvela Resources 'A' shares, the working capital available to the Mvela Resources group will be sufficient for its present requirements and will remain sufficient for the 12 months following the date of issue of this circular, and, specifically:

- 12.1 each of Mvela Resources and the Mvela Resources group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of issue of this circular;
- 12.2 the assets of each of Mvela Resources and the Mvela Resources group will exceed its liabilities for a period of 12 months after the date of issue of this circular;
- 12.3 the share capital and reserves of Mvela Resources and the Mvela Resources group will be adequate for the ordinary business purposes of Mvela Resources and the Mvela Resources group for a period of 12 months after the date of issue of this circular; and
- 12.4 the working capital of Mvela Resources and the Mvela Resources group will be adequate for the ordinary business purposes of Mvela Resources and the Mvela Resources group for a period of 12 months after the date of issue of this circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of Mvela Resources, Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg, 2196, from Friday, 18 February 2011 up to and including the date of the general meeting:

- 13.1 the consolidated audited financial statements of Mvela Resources for the 4 financial years ended 30 June 2007, 2008, 2009 and 2010;
- 13.2 the consolidated audited financial statements of Northam for the 4 financial years ended 30 June 2007, 2008, 2009 and 2010;
- 13.3 the memorandum and articles of association of Mvela Resources and its subsidiaries;
- 13.4 the memorandum and articles of association of Northam and its subsidiaries;
- 13.5 this circular;
- 13.6 the Order of Court and notice convening the scheme meeting;
- 13.7 the independent opinion letter from One Capital;
- 13.8 a resources and reserves statement for Northam;
- 13.9 the written consents referred to in paragraph 8;
- 13.10 the material contracts referred to in paragraph 9;
- 13.11 the Mvela Resources directors' service contracts;
- 13.12 the accountants' report on the unaudited *pro forma* financial effects; and
- 13.13 the firm intention letter from Northam to Mvela Resources, dated 7 February 2011.

For and on behalf of

MVELAPHANDA RESOURCES LIMITED

18 February 2011
Johannesburg



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL ISIN: ZAE000050266

("Mvela Resources")

NORTHAM DISTRIBUTION, AFRIPALM CANCELLATION TRANSACTIONS AND NOTICE OF GENERAL MEETING

Insofar as information required in respect of the transactions covered in this section is contained elsewhere in this circular, it may not necessarily be repeated in this section, but may be cross referenced.

The definitions and interpretations set out on pages 13 to 20 of this circular apply to this section.

1. INTRODUCTION

- 1.1 The purpose of this section is to provide Mvela Resources members with information on the terms, conditions and effects of the:
 - 1.1.1 proposed distribution by Mvela Resources to the Mvela Resources ordinary shareholders of the Northam shares which Mvela Resources holds, as at the Northam distribution participation record date;
 - 1.1.2 proposed repurchase at par value by Mvela Resources of all the issued Mvela Resources 'A' shares from Afripalm 1; and
 - 1.1.3 cancellation of the referral of opportunity provisions in the Afripalm relationship agreements.
- 1.2 This circular also gives notice to Mvela Resources members of a general meeting of the Mvela Resources members to consider and, if deemed fit, pass, with or without modification, the resolutions required to implement the Northam distribution and the Afripalm repurchase.

2. CONDITIONS PRECEDENT

2.1 Northam distribution

The Northam distribution is subject to the fulfilment or, if applicable, waiver, of the Northam distribution conditions precedent. The scheme conditions precedent are set out in paragraph 9 of the scheme of arrangement section.

2.2 Afripalm cancellation transactions

The Afripalm cancellation transactions are subject, *inter alia*, to the obtaining by Afripalm Resources of required third party consents and to the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent. The scheme conditions precedent are set out in paragraph 9 of the scheme of arrangement section.

3. NORTHAM DISTRIBUTION

3.1 Rationale

- 3.1.1 Mvela Resources controls over 50% of the voting rights attaching to the share capital of Northam, derives over 75% of its attributable income before tax from its shareholding in Northam and its shareholding in Northam represents over 50% of its gross assets.

It is accordingly classified as a “pyramid company” by the JSE. The JSE prohibits the listing of pyramid companies and has accordingly instructed Mvela Resources to remove the pyramid company structure, or face delisting.

- 3.1.2 Mvela Resources has traded at a discount to its NAV for most of its history as a listed company, primarily due to its pyramid structure and limited influence on strategic and capital decisions in respect of most of its investments.
- 3.1.3 In February 2009, the Mvela Resources board decided that a strategy involving the distribution by Mvela Resources of its remaining shares in Northam and Gold Fields was the most appropriate means to satisfy the requirements of the JSE. The distribution of Gold Fields shares was implemented on 31 January 2011.
- 3.1.4 The Northam distribution will simply convert Mvela Resources ordinary shareholders’ interest in Northam from an indirect to a direct holding. Mvela Resources ordinary shareholders will accordingly still retain their exposure to the underlying assets of (and will have direct access to dividends and other distributions from) Northam after the Northam distribution.

3.2 Particulars of the Northam distribution

3.2.1 Northam shares held by Mvela Resources

As at the last practicable date, Mvela Resources, indirectly or directly, held 181 980 981 Northam shares, constituting approximately 50.4% of the issued share capital of Northam. Mvela Resources will directly hold the same number of Northam shares, referred to above, on the Northam distribution participation record date.

3.2.2 Northam distribution

On the Northam distribution implementation date, after, and subject to, the fulfilment (or, if applicable, waiver) of the Northam distribution conditions precedent, all of the Northam distribution shares will be distributed by Mvela Resources to persons recorded as Mvela Resources ordinary shareholders in the Mvela Resources register on the Northam distribution participation record date. The Northam distribution will be undertaken in accordance with section 46 of the Income Tax Act.

3.2.3 Northam distribution ratio

3.2.3.1 Subject to the fulfilment (or, if applicable, waiver) of the Northam distribution conditions precedent and subject to any adjustment under paragraph 3.2.4, each participating Mvela Resources ordinary shareholder will receive that number of Northam shares calculated by applying the Northam distribution ratio to the number of Mvela Resources ordinary shares held by it on the Northam distribution participation record date.

3.2.3.2 Annexure 12 contains a table setting out the number of Northam shares to which participating Mvela Resources ordinary shareholders will be entitled in terms of the Northam distribution, taking account of the treatment of fractions under paragraph 3.2.4.

3.2.4 Treatment of fractions

3.2.4.1 If the application of the Northam distribution ratio will, but for this paragraph 3.2.4.1, result in a participating Mvela Resources ordinary shareholder receiving a number of Northam distribution shares which is not a whole number, the fraction will be rounded:

3.2.4.1.1 up to the nearest whole number if the fraction is equal to or greater than 0.5 of a Northam share; or

3.2.4.1.2 down to the nearest whole number if the fraction is less than 0.5 of a Northam share.

3.2.4.2 If additional Northam shares are required to be distributed by reason of the treatment of fractions, Mvela Resources will utilise Northam shares purchased on the market.

3.2.5 **General meeting**

- 3.2.5.1 A general meeting of Mvela Resources will be held on Monday, 14 March 2011 in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg, at the later of 10:15, or 10 minutes after the conclusion, termination or adjournment of Northam's general meeting convened to be held at the same venue and on the same date, to consider and, if deemed fit, pass, with or without modification, the resolutions required to implement the Northam distribution and the Afripalm repurchase contained in the notice of general meeting attached to and forming part of this circular.
- 3.2.5.2 A person must be the registered holder of Mvela Resources shares on the Northam distribution voting record date to be entitled to vote at the general meeting.

3.2.6 **Transfer of Northam distribution shares**

Subject to the fulfilment (or, if applicable, waiver) of the Northam distribution conditions precedent:

- 3.2.6.1 participating Mvela Resources ordinary shareholders holding certificated shares will be issued their respective Northam distribution shares in certificated form. Their respective Northam distribution shares will be transferred to them on the Northam distribution implementation date. Participating Mvela Resources ordinary shareholders holding certificated shares are advised that they will have to dematerialise the Northam distribution shares received by them in certificated form, prior to trading in such shares on the JSE Exchange; and
- 3.2.6.2 participating Mvela Resources ordinary shareholders holding dematerialised shares (or the beneficial owners if the shares are not held in "own name" form) should have their respective Northam distribution shares credited to their accounts maintained by their participant or broker, as the case may be, on the Northam distribution implementation date.

3.2.7 **Documents of title in respect of Northam distribution shares (for participating Mvela Resources ordinary shareholders holding certificated shares)**

The share certificates in respect of the Northam distribution shares will be posted to participating Mvela Resources ordinary shareholders holding certificated shares, at their risk, on the Northam distribution implementation date, by registered post.

3.2.8 **Northam distribution participation record date and Northam distribution implementation date**

- 3.2.8.1 If the Northam distribution conditions precedent are fulfilled (or, if applicable, waived) on or before Friday, 15 April 2011:
- 3.2.8.1.1 the Northam distribution participation record date is expected to be Friday, 6 May 2011;
 - 3.2.8.1.2 all the Northam distribution shares are expected to be distributed on Monday, 9 May 2011 to the participating Mvela Resources ordinary shareholders.
- 3.2.8.2 If the Northam distribution conditions precedent are fulfilled or, if applicable, waived after Friday, 15 April 2011, the dates referred to in paragraph 3.2.8.1 will change. Any such change will be announced on SENS and published in the South African press.

3.2.9 **SRP dispensation**

The SRP has exempted Mvela Resources from having to comply with Rules 3.1 and 22.1 of the SRP Code, which, in brief, means that the Mvela Resources board is not required to obtain a fairness opinion in respect of the Northam distribution.

3.2.10 **JSE dispensation**

The JSE has exempted Mvela Resources from having to comply with Section 12.8 of the Listings Requirements, which, in brief, means that the Mvela Resources board is not required to obtain a "Competent Person's Report" in respect of the Northam distribution.

3.2.11 Foreign ordinary shareholders

- 3.2.11.1 The Northam distribution may be affected by the laws of the relevant jurisdiction of a foreign ordinary shareholder. Foreign ordinary shareholders should acquaint themselves with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this circular that may affect them. It is the responsibility of each foreign ordinary shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Northam distribution, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.
- 3.2.11.2 The Northam distribution is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.
- 3.2.11.3 Any member who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.
- 3.2.11.4 If Mvela Resources is advised by a foreign ordinary shareholder that the laws of the jurisdiction of that foreign ordinary shareholder, preclude the foreign ordinary shareholder from receiving any of the Northam distribution shares to be distributed to it or if Mvela Resources is advised or becomes aware that it is not entitled to distribute any of the Northam distribution shares to a foreign ordinary shareholder on account of, the laws of the jurisdiction of that foreign ordinary shareholder, then Mvela Resources may instruct its transfer secretaries in South Africa to dispose of the relevant Northam distribution shares on behalf of the relevant foreign ordinary shareholder as expeditiously as is reasonably possible after the Northam distribution implementation date. As soon as reasonably possible after such disposal, Mvela Resources shall pay the proceeds derived from such disposal to the foreign ordinary shareholder in cash in Rands (net of costs and duties).

3.2.12 South African taxation considerations regarding the Northam distribution

- 3.2.12.1 This summary of the South African taxation implications of the Northam distribution serves as a general guide and is not intended to constitute a complete analysis of the tax consequences of the Northam distribution to Mvela Resources ordinary shareholders under South African tax law. It is not intended to be, nor should it be considered to be, legal or tax advice.
- 3.2.12.2 Mvela Resources ordinary shareholders should, therefore consult their own tax advisors regarding the tax consequences of the Northam distribution for Mvela Resources ordinary shareholders under South African law, the law of the jurisdiction of their residence and any tax treaty between South Africa and their country of residence.
- 3.2.12.3 The Northam distribution will, for South African tax purposes, be subject to section 46 of the Income Tax Act. The South African tax implications for Mvela Resources and Mvela Resources ordinary shareholders have been summarised below.
- 3.2.12.4 In terms of section 46 of the Income Tax Act, the Northam distribution will have the following tax implications for Mvela Resources:
 - 3.2.12.4.1 the distribution of the Northam distribution shares will be deemed, in terms of section 46(5) of the Income Tax Act, not to be a dividend for STC purposes except to the extent that shares are distributed to a non-qualifying member. To the extent that the distribution is made to Mvela Resources ordinary shareholders other than non-qualifying members, Mvela Resources will not be liable for STC as a result of the Northam distribution; and

- 3.2.12.4.2 Mvela Resources must disregard the distribution of the Northam distribution shares for purposes of determining its taxable income or assessed loss, except to the extent that shares are distributed to non-qualifying members. To the extent that the distribution is made to Mvela Resources ordinary shareholders other than the non-qualifying members, Mvela Resources will not be liable for CGT or income tax as a result of the Northam distribution.
- 3.2.12.5 In terms of section 46 of the Income Tax Act, the Northam distribution will have the following South African tax implications for Mvela Resources ordinary shareholders:
- 3.2.12.5.1 any Northam distribution shares acquired in terms of the Northam distribution by a Mvela Resources ordinary shareholder that is a company is deemed not to be a dividend accrued to such company for the purposes of section 64B(3) of the Income Tax Act. Consequently, no STC credits will be allowable to Mvela Resources ordinary shareholders as a result of the Northam distribution;
- 3.2.12.5.2 the Northam distribution will be exempt from the payment of securities transfer tax on the registration of the transfer of those Northam distribution shares into the names of the Mvela Resources ordinary shareholders in terms of section 8 (1)(a)(iv) of the Securities Transfer Act No. 25 of 2007;
- 3.2.12.5.3 a Mvela Resources ordinary shareholder acquiring Northam distribution shares in terms of the Northam distribution is deemed to have acquired the Mvela Resources ordinary shares for expenditure incurred equal to:
- 3.2.12.5.3.1 where the Mvela Resources ordinary shares were held by that member as trading stock, the amount taken into account by the Mvela Resources ordinary shareholder in respect of those Mvela Resources ordinary shares, as contemplated in section 11(a), section 22(1), or section 22(2) of the Income Tax Act; or
- 3.2.12.5.3.2 where the Mvela Resources ordinary shares were held by that member as capital assets, the expenditure in respect of those shares allowable in terms of the Eighth Schedule to the Income Tax Act.
- 3.2.12.6 Mvela Resources ordinary shareholders will be advised of the extent to which the Northam distribution will be funded by Mvela Resources out of share premium and the extent to which it will be funded out of retained earnings by way of an announcement on SENS.
- 3.2.12.7 To the extent that a Mvela Resources ordinary shareholder receives a distribution of Northam shares which is funded out of share premium, that Mvela Resources ordinary shareholder must determine the portion of the expenditure incurred in respect of the Mvela Resources ordinary shares, as contemplated above, that must be attributed to the Northam distribution shares as follows:
- $$A = B \times [C/(C + D)]$$
- where:
- A = the expenditure determined and to be allocated to the Northam distribution shares;
- B = the expenditure incurred in relation to the Mvela Resources ordinary shares;
- C = the market value of the Northam distribution shares determined at the close of business the day after the Northam distribution implementation date;
- D = the market value of Mvela Resources ordinary shares, determined at the close of business the day after the Northam distribution implementation date.
- 3.2.12.8 Mvela Resources will advise Mvela Resources ordinary shareholders of the amount of the ratio $[C/(C + D)]$ by way of an announcement to be released on SENS.

- 3.2.12.9 The apportioned expenditure, as contemplated above, must be treated by that member as:
- 3.2.12.9.1 an amount to be taken into account by that member in respect of those Northam distribution shares for the purposes of section 11(a), section 22(1), or section 22(2) of the Income Tax Act, where such member held the Mvela Resources ordinary shares as trading stock and acquired those Northam distribution shares as trading stock; or
 - 3.2.12.9.2 expenditure actually incurred by that member in respect of those Northam distribution shares for the purposes of paragraph 20 of the Eighth Schedule to the Income Tax Act where such member held the Mvela Resources ordinary shares as capital assets and therefore acquired those Northam distribution shares as capital assets;
- 3.2.12.10 A Mvela Resources ordinary shareholder must determine the portion of the expenditure, as contemplated above, attributable to the Mvela Resources ordinary shares by reducing that expenditure, by the amount attributable to the Northam distribution shares as determined in paragraph 3.2.12.7 above.
- 3.2.12.11 A Mvela Resources ordinary shareholder's shares and those Northam distribution shares acquired pursuant to the Northam distribution must be deemed to be the same shares in respect of the date of acquisition of such Mvela Resources ordinary shares and the date of incurring of any expenditure in respect of such Mvela Resources ordinary shares.
- 3.2.12.12 Special rules apply to Mvela Resources ordinary shareholders who hold Mvela Resources ordinary shares as a result of the exercise by that shareholder of a right contemplated in section 8A of the Income Tax Act. Such shareholders should consult their tax advisors.

4. AFRIPALM CANCELLATION TRANSACTIONS

4.1 Introduction

- 4.1.1 Northam does not propose to enter into an arrangement with Afripalm 1 similar to the referral of opportunities provisions detailed in paragraph 4.2 below following the implementation of the scheme. Northam has therefore proposed that the referral of opportunities provisions be cancelled and both Mvela Resources and Afripalm Resources have agreed to this, subject *inter alia*, to third party consents and to the fulfilment or, where applicable, waiver of the Northam distribution conditions precedent.
- 4.1.2 Further, as Northam wishes to acquire 100% of the share capital of Mvela Resources, it has proposed that the Mvela Resources 'A' shares be repurchased by Mvela Resources, and both Mvela Resources and Afripalm 1 have agreed to this, subject, *inter alia*, to third party consents and to the fulfilment or, where applicable, waiver of the Northam distribution conditions precedent.

4.2 Afripalm referrals cancellation

- 4.2.1 In 2007, Afripalm 1 subscribed for 40 million Mvela Resources ordinary shares and 35 million Mvela Resources 'A' shares.
- 4.2.2 Mr P L Zim and members of the Afripalm group have undertaken, in terms of the Afripalm relationship agreements, that any opportunity to participate in a mining investment which is offered to any member of the Afripalm group, or of which any member of the Afripalm group otherwise becomes aware up to 1 May 2014, will be offered to Mvela Resources to pursue and that, save as stated below, the Afripalm group will not purchase or pursue such a mining investment opportunity. After referral of a mining investment opportunity by any member of the Afripalm group, the Mvela Resources board will meet to determine whether or not such opportunity should be investigated or pursued. Afripalm Resources' representatives on the Mvela Resources board will not be entitled to vote on any resolution

relating to whether such an opportunity should be pursued or not. If the Mvela Resources board decides not to pursue such opportunity or if the Mvela Resources board fails to hold a meeting in respect of such opportunity within 180 days after the date on which such opportunity is referred to Mvela Resources, any member of the Afripalm group will be entitled to purchase or participate in such a mining investment opportunity.

4.2.3 Afripalm 1 has the right to subscribe for new Mvela Resources ordinary shares if Mvela Resources acquires a mining investment opportunity referred to it by the Afripalm group. The number of new Mvela Resources ordinary shares which Afripalm 1 may subscribe for in this manner is limited to a maximum of 35 million Mvela Resources ordinary shares. Simultaneously, Mvela Resources will have the right to repurchase from Afripalm 1 an equal number of Mvela Resources 'A' shares at their par value.

4.2.4 Afripalm 1 and Mvela Resources have agreed, subject to, *inter alia*, required third party consents and the fulfilment or, if applicable, waiver of the Northam distribution conditions precedent, to cancel the Afripalm referrals arrangement.

4.3 Afripalm repurchase

4.3.1 Mvela Resources will repurchase Afripalm 1's Mvela Resources 'A' shares at a price per Mvela Resources 'A' share equal to the par value of R0.02 (and for a total aggregate price of R700 000) in cash. This is subject, *inter alia*, to required third party consents and to the fulfilment (or, if applicable, waiver) of all the Northam distribution conditions precedent.

4.3.2 For purposes of the Listings Requirements, the votes exercised by the Mvela Resources members participating in the Afripalm repurchase and the votes exercised by their associates must be disregarded. Accordingly, Afripalm 1 and Afripalm 3 will be entitled to vote on the resolution in respect of the Afripalm repurchase, but their votes will be disregarded for purposes of determining whether the threshold required by the Listings Requirements is met.

5. ANGLO PLATINUM RELATIONSHIP AGREEMENT

5.1 In the Anglo Platinum relationship agreement:

5.1.1 Mvela Holdings and Afripalm Resources furnished black economic empowerment-related warranties to Anglo Platinum;

5.1.2 Mvela Resources, Mvela Holdings and Afripalm Resources' rights to dispose of their shares in Northam or Mvela Resources, as the case may be, were restricted. Mvela Resources undertook that there would be no reduction in its percentage shareholding in Northam, and Afripalm Resources and Mvela Holdings undertook that there would be no change in their percentage voting rights in Mvela Resources, except in the specific instances allowed in the Anglo Platinum relationship agreement. One of these instances is a reduction or change with the consent of the Minister of Mineral Resources; and

5.1.3 the disposal of the whole or substantially the whole of Northam's undertaking, or all or the greater part of its assets is only allowed in certain circumstances, one of which is with the consent of the Minister of Mineral Resources.

5.2 Mvela Resources accordingly requires, and has sought, the approval of the Minister of Mineral Resources to implement the proposed transactions. The Minister of Mineral Resources has furnished this approval.

5.3 The Anglo Platinum relationship agreement will continue to apply after the implementation of the proposed transactions, although the disposal restrictions on Northam shares will then apply to Afripalm Resources' and Mvela Holdings' resultant shareholdings in Northam. The abovementioned restrictions on disposals by Northam will continue to apply.

6. DIRECTORS' INTERESTS IN SECURITIES

- 6.1 On 30 June 2010, to the best of the Mvela Resources directors' knowledge, the Mvela Resources directors held the following interests in Mvela Resources ordinary shares:

Director	Beneficial		Associates	2010	Percentage holding of Mvela Resources ordinary shares
	Direct	Indirect		Total	
R Moonsamy			5 298 533	5 298 533	2.4
B R van Rooyen		420 232		420 232	0.2
M J Willcox	364 283		14 144 162	14 508 455	6.7
M S M M Xayiya	660 000		4 742 174	5 402 174	2.5
P L Zim			14 484 095	14 484 095	6.6
Total	1 024 283	420 232	38 668 964	40 113 489	

- 6.2 On 30 June 2010, to the best of the Mvela Resources directors' knowledge, the Mvela Resources directors held the following interests in Mvela Resources 'A' ordinary shares:

Director	Beneficial		Associates	2010	Percentage holding of Mvela Resources A shares
	Direct	Indirect		Total	
R Moonsamy			4 255 459	4 255 459	12.2
P L Zim			11 632 743	11 632 743	33.2
Total			15 888 203	15 888 203	

- 6.3 No share options were awarded or exercised during the 2010 financial year. As at 30 June 2010, the following share options were outstanding:

Director	Date Granted	Strike Price	Number of share options
T M G Sexwale*	06 May 2002	16.50	430 000
	04 January 2006	23.00	800 000
M J Willcox**	06 May 2002	16.50	430 000
	04 January 2006	23.00	600 000
Total			2 260 000

* Mr T M G Sexwale resigned as director during 2009. Mr. T M G Sexwale exercised all of his options subsequent to the 2010 financial year end.

** Mr M J Willcox exercised all of his options subsequent to the 2010 financial year end.

- 6.4 Mr M J Willcox sold 669 087 Mvela Resources ordinary shares at R50.04 per share on 23 December 2010. Insofar as it is known to the Mvela Resources board, there have been no other dealings in Mvela Resources shares by Mvela Resources directors during the restricted period.
- 6.5 Save as disclosed above, insofar as it is known to the Mvela Resources board, Mvela Resources directors have no direct or indirect, beneficial or non-beneficial, interests in Mvela Resources ordinary shares as at the last practicable date.

7. NATURE OF BUSINESS

7.1 Nature of business of Mvela Resources prior to the Northam distribution

Mvela Resources is a black controlled, broad based black economic empowerment mining investment holding company.

It has a 50.4% shareholding in Northam. Other investments include a 50% joint venture interest in the Dwaalkop joint venture, an approximate 20.3% shareholding in Trans Hex, a diamond producing and marketing company, and an initial participatory interest of 51% in the Kokerboom joint venture.

7.2 Nature of business of Northam

Northam's current assets comprise the long-life Zondereinde platinum mine near Thabazimbi, which produces some 300 000 ounces of PGE(4) per annum and 100% of the 103Moz-resource PGE(4) Booyendal project on the eastern limb of the Bushveld complex.

Northam has a combined resource base of 131 million ounces PGE(4) (10.6 million ounces PGE(4) in the reserve category). As an independent, fully integrated PGM producer, Northam has full control over the entire beneficiation stream of its metals and is well placed for growth and industry consolidation in the future.

Northam has commenced an early works programme and infrastructural development work at the Booyendal project. The project estimates an output of 160 000 ounces (PGE(4) annually, thereby lifting Northam's total PGE(4) production by almost 40% to 460 000 ounces per annum.

Northam currently conducts underground mining operations at its Zondereinde mine, exploiting two reefs – the Merensky and UG2 Reefs – via a twin shaft system at depths varying between 1 294 and 2 215 metres below surface. Mining activities are driven by hydropowered equipment, a technological innovation which was pioneered by Northam, and which has now become common practice in deep-level mines. Over the years Northam has refined this technology, the use of which holds significant environmental benefits in the working areas where the water, pumped from surface and cooled to 5°C provides both positional cooling and powers the equipment.

Surface infrastructure comprises two concentrator plants (for both Merensky and UG2 ore), a smelter and base metals removal plant (BMR) where copper (Cu) and nickel (Ni) are extracted from the high grade PGM concentrate. Final PGM concentrate is transported to a precious metals refinery in Germany operated by WC Heraeus GmbH (Heraeus).

Northam markets its metals to an established customer base in the major economic centres of the world including North America, Europe and Japan. The company is known as a reliable and independent supplier of metals of London and Zurich 'good delivery' status.

7.3 Nature of business of Mvela Resources post the Northam distribution

7.3.1 Post implementation of the Northam distribution, Mvela Resources' assets will comprise of net cash of not less than R650 million, a 50% joint venture interest in the Dwaalkop project, a 51% initial participatory interest in the Kokerboom joint venture and its shares in Trans Hex.

7.3.2 The Mvela Resources ordinary shares will be delisted following implementation of the Northam distribution and the Mvela Resources scheme.

8. UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED NORTHAM DISTRIBUTION

8.1 The unaudited *pro forma* financial effects set out below have been prepared to assist Mvela Resources members in assessing the impact of the proposed transactions on the EPS, HEPS, NAV and NTAV as of and for the financial year ended 30 June 2010 and have been prepared to illustrate the effect of the Northam distribution and the Afripalm repurchase (after the Gold Fields distribution and the sale of 10 million Gold Fields shares, and after the recent exercise of 2.26 million share options under the Mvelaphanda Resources Limited Share Option Participation Scheme and after the Afripalm 2 option cancellation) as if these transactions had occurred on 1 July 2009 for purposes of

the *pro forma* income statement, and on 30 June 2010, for purposes of the *pro forma* statement of financial position. The unaudited *pro forma* financial information is presented for illustrative purposes only and because of its nature, may not fairly present Mvela Resources' financial position, changes in equity, results of operations or cash flows.

- 8.2 The unaudited *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information of Mvela Resources has been prepared.
- 8.3 The Mvela Resources directors are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information and for the financial information from which it has been prepared. Their responsibility includes determining that the unaudited *pro forma* financial information has been properly compiled on the basis as stated; that the basis is consistent with the accounting policies of Mvela Resources for previous financial years and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements. The detailed assumptions are set out in the notes below and in Annexure 3. The unaudited *pro forma* financial effects set out below were reported on by PricewaterhouseCoopers Inc., whose report is included as Annexure 2 to this circular.

Unaudited *pro forma* financial effects for Mvela Resources ordinary shareholders:

	AFTER the Gold Fields distribution⁽¹⁾	AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation⁽²⁾	AFTER the Northam distribution and the Afripalm repurchase⁽³⁾	Effect of the Northam distribution and the Afripalm repurchase (Change from ⁽²⁾ to ⁽³⁾)
Basic EPS per Mvela Resources ordinary share (cents)	(51.2)	(53.2)	1 065.1	1 118.3
Basic HEPS per Mvela Resources ordinary share (cents)	2.8	0.3	(146.6)	(146.9)
NAV per Mvela Resources ordinary share (cents)	2 757.0	2 680.8	327.5	(2 353.4)
NTAV per Mvela Resources ordinary share (cents)	2 757.0	2 680.8	327.5	(2 353.4)
Weighted average number of Mvela Resources ordinary shares in issue	215 064 169	217 324 169	217 324 169	
Number of Mvela Resources ordinary shares in issue at	215 621 101	217 881 101	217 881 101	

NOTES APPLICABLE TO THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS

- The **AFTER the Gold Fields distribution** column represents the unaudited *pro forma* financial effects extracted from the circular that was distributed to the shareholders of Mvela Resources and published on SENS on 15 December 2010 which was based on Mvela Resources' audited and published financial results for the year ended 30 June 2010, adjusted for the sale of 10 million Gold Fields shares and for the distribution of 22.2 million Gold Fields shares.
- The **After the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column is based on the unaudited *pro forma* **AFTER the Gold Fields distribution** column for the year ended 30 June 2010 and after adjusting for the following principal assumptions:

– **EPS and HEPS**

2.1 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in cash receipts of R46.4 million. For the purposes of these unaudited *pro forma* financial effects it was assumed that these options were exercised on 1 July 2009 resulting in an equivalent increase in the weighted average number of ordinary shares in issue during the period. Accordingly, a *pro forma* adjustment of interest earned of R2.2 million, based on the net receipts from the exercise of the share options at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax expense of R620 000 are included.

It was also assumed that the Afripalm 2 option cancellation was effective on 1 July 2009. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity. An adjustment to interest foregone of R9.8 million based on the net payment made at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax saving of R2.7 million are included. These EPS and HEPS adjustments are of a recurring nature.

– **NAV and NTAV**

2.2 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in total cash received of R46.4 million. For the purposes of these unaudited *pro forma* financial effects, it was assumed that these options were exercised on 30 June 2010, resulting in an equivalent *pro forma* increase in the number of shares in issue on that date. It was also assumed that the Afripalm 2 option cancellation was effective on 30 June 2010. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity.

3. The **AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* **AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column and after the following principal assumptions:

– **EPS and HEPS**

3.1 it was assumed that the Northam distribution and the Afripalm repurchase were effective on 1 July 2009.

3.2 the consolidated audited and published Northam financial results for the year ended 30 June 2010 is eliminated, resulting in a reduction of profit after tax for the year ended 30 June 2010 by R641.0 million of which R390.6 million accrued to the Mvela Resources' ordinary shareholders. This is of a recurring nature.

3.3 Furthermore, the net consolidation journals for the year ended 30 June 2010 are reversed as well as the dividend received from Northam and the related interest foregone impact of R5.4 million, because of dividends foregone, based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving impact of R1.5 million. These adjustments result in the total results of Northam for the year ended 30 June 2010 being eliminated from the Mvela Resources results for the year ended 30 June 2010. The effect of this is an increase in the profits for the year after tax of R153.7 million of which R93.2 million accrued to the Mvela Resources' ordinary shareholders.

3.4 a once off gain of R2.7 billion recognised upon the derecognition of the Northam distribution shares based on the market value of R43.17 per Northam share on 28 January 2011 (being the last practicable date). No tax is payable on this profit as it is an IFRS disclosure and the Northam distribution is effected in terms of the unbundling rules of Section 46 of the Income Tax Act.

3.5 a reduction in interest foregone relating to the Afripalm repurchase amounting to R46 000 based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the relating tax saving of R13 000. This is of a recurring nature.

3.6 estimated costs relating to the Northam distribution of R21.4 million and the related impact of interest foregone of R1.1 million based on the net payment made at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving of R309 000, which is once-off in nature.

– **NAV and NTAV**

3.7 the Northam distribution and the Afripalm repurchase was effective 30 June 2010;

3.8 a recurring elimination of the consolidated net assets of Northam as at 30 June 2010 and the elimination of the accumulated consolidated entries of Northam up to 30 June 2010 (together amounting to R5.1 billion).

3.9 the Afripalm repurchase for R700 000 resulted in a reduction of cash and the related long-term liability.

3.10 estimated costs relating to the Northam distribution of R21.4 million, which is once-off in nature.

9. MAJOR SHAREHOLDERS AND SHARE CAPITAL

9.1 Major shareholders

Details of the major shareholders of Mvela Resources, as at the last practicable date, are set out in paragraph 3 of the additional JSE and SRP information section.

9.2 Share capital and premium

Details of the share capital of Mvela Resources are set out in paragraph 4 of the valuation statement section.

10. INFORMATION REGARDING DIRECTORS, DIRECTORS' INTERESTS AND REMUNERATION

10.1 Directors' interests

Details of the Mvela Resources directors' interests in the share capital of Mvela Resources and Northam are set out in paragraphs 1.1 and 1.3 of the statement of directors' interests.

10.2 Directors' emoluments

10.2.1 Save as outlined in paragraph 4.1 of the statement of directors' interests, it is not anticipated that the emoluments of the Mvela Resources directors will be materially affected by the Northam distribution.

10.2.2 The emoluments of the Mvela Resources directors for the financial year ended 30 June 2010 were as follows:

Director	Remuneration package R'000	Long-term retention scheme bonus R'000	Benefits R'000	Long-term retention scheme accelerated R'000	Fees R'000	Gain on exercise of options R'000	Total R'000
Executive							
S W Mofokeng	1 951	4 125					6 076
N S Ntsaluba*	705	4 811	1 483	3 068			10 067
B R van Rooyen	1 695	135					1 830
Non-executive							
M E Beckett					164		164
P M Buthelezi					83		83
C K Chabedi					134		134
Y Z Cuba					83		83
R Moonsamy					83		83
M J Willcox					73		73
M S M M Xayiya					32	19 200	19 232
P L Zim					2 180		2 180
Paid by company	4 351	9 071	1 483	3 068		2 832	20 805
Fringe benefits						19 200	19 200
Total	4 351	9 071	1 483	3 068	2 832	19 200	40 005

* Resigned effective 31 December 2009.

During the financial year ended 30 June 2010, other than the benefits mentioned above:

- Mvela Resources' directors received no other material benefits from Mvela Resources;
- no sums were paid to Mvela Resources directors by way of expense allowances;
- no contributions were paid by Mvela Resources directors under a pension scheme;
- no other fees have been paid to Mvela Resources directors;
- no shares allotted and issued in terms of a share purchase/option scheme for employees have been held as a pledge against an outstanding loan.

10.3 Mvela Resources directors' remuneration from subsidiaries and associates

	2010 R'000
Northam** – year ended 30 June	
M E Beckett	248
C K Chabedi	242
B R van Rooyen	350
M S M M Xayiya	127
P L Zim	226
Trans Hex** – year ended 31 March	
B R van Rooyen	159
P L Zim*	42*

* Mr Zim resigned from the board of Trans Hex with effect from 22 September 2009.

** Northam is a 50.4% owned subsidiary and Trans Hex is a 20.3% owned investment.

10.4 **Service contracts**

For information on the service contracts please refer to paragraph 4.5 of the statement of directors' interests.

10.5 **Mvela Resources directors' interests in transactions**

Insofar as it is known to the Mvela Resources board, none of the Mvela Resources directors has or had (other than as direct or indirect shareholder) any material beneficial interest, whether directly or indirectly, in any transaction which was effected by Mvela Resources during:

10.5.1 the current or immediately preceding financial year; or

10.5.2 an earlier financial year and which remains in any respect outstanding or unperformed, other than the Afripalm relationship agreements and Afripalm cancellation transactions, all of which were entered into with Afripalm Resources and/or its subsidiaries.

11. **MATERIAL LOANS**

As at the last practicable date there are no material loans outstanding.

12. **EXCHANGE CONTROL REGULATIONS – NORTHAM DISTRIBUTION**

In the case of Mvela Resources ordinary shareholders whose registered addresses are outside the common monetary area and/or where the shareholder's share certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

12.1 **Non-residents who are emigrants from the common monetary area**

12.1.1 The Northam distribution entitlement is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

12.1.2 **Certificated members**

The Northam distribution shares due to a Mvela Resources ordinary shareholder who is an emigrant from South Africa, whose registered address is outside the common monetary area and whose documents of title have been restrictively endorsed "non-resident" under the exchange control regulations, will be deposited with the authorised dealer in foreign exchange in South Africa controlling the member's blocked assets and will be restrictively endorsed "non-resident".

12.1.3 **Dematerialised members**

The Northam distribution shares credited to a Mvela Resources ordinary shareholder's account with its broker or participant will be flagged "non-resident" and linked to the applicable emigrant blocked account in the books of the authorised dealer or authorised bank concerned. Mvela Resources ordinary shareholders should ensure that their participant or broker complies with all requirements of exchange control.

12.2 **All other non-residents of the common monetary area**

12.2.1 **Certificated members**

A Mvela Resources ordinary shareholder who is a non-resident of South Africa and who has never resided in South Africa, whose registered address is outside the common monetary area and whose documents of title have been restrictively endorsed "non-resident" under the exchange control regulations, will receive share certificates in respect of its distribution shares, similarly endorsed.

12.2.2 Dematerialised members

The Northam distribution shares credited to a Mvela Resources ordinary shareholder's account with his participant or broker will be flagged "non-resident" and linked to the applicable non-resident account in the books of the authorised dealer or authorised bank concerned. Mvela Resources ordinary shareholders should ensure that their participant or broker complies with all requirements of exchange control.

This paragraph 12 is not a comprehensive statement of the relevant exchange control provisions. Mvela Resources ordinary shareholders who have any doubt as to the action to take, should consult their professional advisors.

13. VENDORS

13.1 Save as stated in this circular, there have been no material assets purchased or acquired by Mvela Resources group during the three years preceding the publication of this circular.

13.2 Save as stated in this circular, there have been no material assets purchased or acquired by Northam or by any of its subsidiaries during the three years preceding the publication of this circular.

14. MVELA RESOURCES DIRECTORS' OPINIONS AND RECOMMENDATIONS

14.1 The SRP has granted the Mvela Resources board a dispensation from the requirement to obtain an independent opinion advising on the fairness of the Northam distribution to Mvela Resources ordinary shareholders.

14.2 The Mvela Resources directors are of the opinion that the Northam distribution and the Afriplam repurchase have a sound business rationale and will be to the benefit of members and recommend that members entitled to vote at the general meeting vote in favour of all the resolutions necessary to implement the Northam distribution and the Afriplam repurchase.

14.3 Those of the Mvela Resources directors who hold Mvela Resources shares and who are eligible to vote at the general meeting, intend to vote all of their Mvela Resources shares in favour of all the abovementioned resolutions.

14.4 The financial advisor, sponsor, the attorneys, the reporting accountants, tax advisors and independent auditors and the transfer secretaries have consented in writing to act in the capacities stated and to their names being included in this circular and have not withdrawn their consents prior to the publication of this circular.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Mvela Resources directors, insofar as any information in this circular relates to Mvela Resources, and the directors of Northam, insofar as any information in this circular relates to Northam:

15.1 collectively and individually, accept full responsibility for the accuracy of the information given in this circular;

15.2 certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading and confirm that they have made all reasonable enquiries in this regard; and

15.3 confirm that this circular contains all of the information required by law, the SRP and the Listings Requirements.

16. PRELIMINARY EXPENSES IN RELATION TO THE PROPOSED TRANSACTIONS

The costs of the Northam distribution and the scheme are estimated at approximately R21.4 million and consist of the following:

Expense	R'000 (including VAT)
Financial advisor (JPMorgan Chase Bank N.A., Johannesburg Branch) and sponsor (J.P. Morgan Equities Limited) fee	8 480
Attorneys fee (Bowman Gilfillan Inc. and others)	5 258
Independent reporting accountants fees (PricewaterhouseCoopers Inc and Ernst & Young Inc.)	931
Independent advisor opinion (One Capital)	750
Consultants	1 200
Public relations, printing and publication costs	1 500
JSE documentation inspection fees	408
Contingency (various)	2 864
Total	21 391

17. OTHER INFORMATION

17.1 Prospects for the Mvela Resources group

Pursuant to the implementation of the Northam distribution, the Mvela Resources group will continue as a going concern.

17.2 Prospects for the Northam group

Northam will continue as a going concern pursuant to the completion of the Northam distribution.

17.3 Litigation statement (Mvela Resources)

Please refer to paragraph 10.2 of the additional JSE and SRP information section.

17.4 Litigation statement (Northam)

As far as the Mvela Resources directors are aware, there are no legal or arbitration proceedings against Northam and its subsidiaries nor, are there any legal or arbitration proceedings pending or threatened against Northam and its subsidiaries which may have, or have had, in the 12 months preceding the date of this circular, a material effect on Northam's financial position.

17.5 Material changes (Mvela Resources)

Please refer to paragraph 10.1 of the additional JSE and SRP information section.

17.6 Material changes (Northam)

Save for what has previously been disclosed to Northam's shareholders, there have been no material changes in the financial or trading position of Northam or its subsidiaries since the announcement of its annual results for the twelve months ended 30 June 2010, released on SENS on 20 August 2010.

17.7 Material contracts (Mvela Resources)

Please refer to paragraph 9 of the additional JSE and SRP information section of this circular.

17.8 Material contracts (Northam)

17.8.1 In 2008 through an agreement with representative unions at Northam's Zondereinde mine, Northam established the Toro Trust, an employee empowerment fund, in terms of which Northam contributes 4% of its after tax profits to the trust, providing the mine's unskilled and semi-skilled employees with an opportunity to participate in the profits of Northam. Eligible employees will receive payment at the end of each 5-year cycle, starting with effect from 2013.

17.8.2 Other than as set out above, Northam and its subsidiaries have not, as far as the Mvela Resources directors are aware, entered into, verbally or in writing, any material contract, either:

17.8.2.1 during the current or immediately preceding financial years; or

17.8.2.2 at any time which contains an obligation or settlement that is material to Northam and its subsidiaries at the date of this circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents referred to in paragraph 13 of the additional JSE and SRP information section will be available for inspection, during normal business hours, at the office of Mvela Resources, Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg, 2196 from the date of issue of this circular up to and including the date of the general meeting.

19. NOTICE OF GENERAL MEETING

19.1 A general meeting of Mvela Resources will be held in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg at the later of 10:15 or 10 minutes after the conclusion, postponement or adjournment of the Northam general meeting (which has been convened to be held at 10:00 on the same date and at the same place as the Mvela Resources general meeting) on Monday, 14 March 2011 to consider and, if deemed fit, pass, with or without modification, the resolutions required for the Northam distribution and the Afripalm repurchase. These resolutions are contained in the notice of general meeting attached to and forming part of this circular.

19.2 A form of proxy (*pink*) for use by holders of Mvela Resources ordinary shares and Mvela Resources 'A' shares in certificated form or in dematerialised form with "own-name" registration who are unable to attend the general meeting is attached to and forms part of this circular. A duly completed form of proxy (*pink*) must be received by the transfer secretaries by no later than 10:15 on Friday, 11 March 2011. Beneficial owners are referred to page 7 of this circular concerning actions required by Mvela Resources ordinary shareholders.

By order of the board

Bernard van Rooyen

On behalf of

MVELAPHANDA RESOURCES LIMITED

18 February 2011
Johannesburg

INDEPENDENT FAIRNESS OPINION FROM ONE CAPITAL ON THE TERMS AND CONDITIONS OF THE SCHEME

OPINION IN CONNECTION WITH A SCHEME OF ARRANGEMENT IN TERMS OF SECTION 311 OF THE COMPANIES ACT, NO. 61 OF 1973 ("THE ACT") ("THE SCHEME") PROPOSED BY NORTHAM PLATINUM LIMITED ("NORTHAM") BETWEEN MVELAPHANDA RESOURCES LIMITED ("MVELA RESOURCES" OR "THE COMPANY") AND ITS SHAREHOLDERS ("MVELA RESOURCES SHAREHOLDERS")

1. INTRODUCTION

On 8 February 2011 Mvela Resources Shareholders and Northam ordinary shareholders ("**Northam Shareholders**") were advised that Northam had submitted a firm intention to make an offer to the board of directors of Mvela Resources ("**Board**") to acquire all the issued ordinary shares in Mvela Resources. Northam would acquire all the issued ordinary shares in Mvela Resources from the Mvela Resources Shareholders by way of the Scheme ("**Proposed Transaction**").

Before the implementation of the Scheme, Mvela Resources will distribute its entire shareholding in the issued ordinary share capital of Northam, representing approximately 50.37% of Northam's currently issued ordinary share capital, to Mvela Resources Shareholders ("**Northam Distribution**").

The implementation of the Scheme is subject to, *inter alia*:

- all resolutions set out in the notice of general meeting forming part of the circular regarding the Scheme ("**Scheme Circular**") in which the text of this opinion has been included, being passed by Mvela Resources Shareholders in general meeting;
- the requisite majority of Mvela Resources Shareholders agreeing to the terms and conditions of the Scheme;
- the Scheme being sanctioned by the South Gauteng High Court, Johannesburg;
- the Northam Distribution being implemented in accordance with its terms and conditions; and
- the requisite majority of Northam Shareholders passing all the resolutions necessary to implement the acquisition of the entire issued ordinary share capital of Mvela Resources by way of the Scheme as more fully described in the circular to Northam Shareholders ("**Circular**").

Subsequent to the Northam Distribution and subject to the fulfilment of the conditions precedent to the Scheme, the Scheme will result in Northam acquiring all the issued Mvela Resources ordinary shares. The Scheme participants will receive the Scheme consideration consisting of 0.09598 new Northam ordinary shares for every Mvela Resources ordinary share held ("**Scheme Consideration**") payable by Northam. Upon implementation of the Scheme, 100% of the Mvela Resources ordinary shares in issue will be acquired by Northam pursuant to the Scheme in terms of the Act and this will result in the delisting of the entire issued share capital of Mvela Resources from the exchange operated by the JSE Limited ("**JSE**").

2. SCOPE

The Securities Regulation Code on Take-overs and Mergers and the Rules of the Securities Regulation Panel ("**SRP Code**") requires that the board of directors of an offeree company obtain appropriate external advice on any offer as to how it affects all holders of securities, including specifically, where applicable, minority holders of securities. Therefore, the Board has requested One Capital Advisory (Proprietary) Limited ("**One Capital**") to act as independent advisor in terms of the SRP Code and to provide an opinion as to whether the terms and conditions of the Proposed Transaction are fair as far as Mvela Resources Shareholders are concerned.

3. DEFINITION OF THE TERM “FAIR”

The term “fairness” is primarily based on quantitative issues. Therefore, the Proposed Transaction would be considered fair to Mvela Resources Shareholders if the value gained from the Proposed Transaction, measured in terms of quantifiable benefits, were to be greater than or equal to the cost of the Proposed Transaction to Mvela Resources Shareholders represented by the value attributed to Mvela Resources ordinary shares, or unfair if the opposite would hold true.

4. RESPONSIBILITY

The Scheme Circular and compliance with the SRP Code are the responsibility of the Board. Our responsibility is to report on the fairness of the terms and conditions of the Proposed Transaction to Mvela Resources Shareholders.

5. INFORMATION CONSIDERED

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Mvela Resources and Northam (collectively, “**Companies**”) management and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our valuation include:

- information on the Companies, including their history, nature of business, industry and competitors;
- publicly available information relating to the mining and exploration industry obtained from the Companies’ management and public sources;
- the formal offer letter from Northam addressed to the Board, dated 7 February 2011;
- draft copies of the Scheme Circular and the Circular (“**Circulars**”);
- annual reports of the Companies for the years ended 30 June 2008, 2009 and 2010, including technical information regarding the resources and reserves of Northam;
- annual reports of Trans Hex Group Limited (“**Trans Hex**”) for the years ended 31 March 2008, 2009 and 2010 incorporating technical information regarding its resources and reserves;
- the mineral resource and mineral reserve statement of Lonmin Plc as at 30 September 2010;
- unaudited management accounts for Northam as at 31 December 2010;
- discussions with management of Mvela Resources and Northam, including discussions regarding the rationale for and the perceived benefits for Mvela Resources to be obtained from the Proposed Transaction;
- discussions with management of the Companies regarding the effects of the Northam Distribution on the continuing operations of Mvela Resources;
- a schedule prepared by Mvela Resources’ management providing the expected net cash position of Mvela Resources as at the effective date of the Proposed Transaction;
- a legal due diligence report prepared by Werksmans Attorneys in respect of Mvela Resources, commissioned by Northam (“**Legal Due Diligence Report**”);
- a financial due diligence report in respect of Mvela Resources prepared by Ernst & Young Advisory Services Limited, commissioned by Northam (“**Financial Due Diligence Report**”);
- a report regarding the resources and reserves of the Dwaalkop Joint Venture with Lonmin Plc (“**Dwaalkop**”) prepared by The Mineral Corporation, commissioned by Northam;
- an opinion from senior counsel regarding certain potential risks identified in the Legal Due Diligence Report and Financial Due Diligence Report;
- analyst reports on Northam and the Platinum Group Metals (“**PGM**”) industry obtained from the Companies;
- comparable company information;
- the historical market prices and trading volumes for each of the Companies;
- forecast PGM prices and Rand/US\$ exchange rates prepared by various South African and international investment banks obtained from the Companies;
- a discounted cash flow valuation of Northam, prepared by One Capital; and

- a sum-of-parts valuation model on Mvela Resources, prepared by One Capital, comprising:
 - the projected net cash position of Mvela Resources as at the effective date of the Proposed Transaction as calculated by Mvela Resources management;
 - a market approach valuation of Mvela Resources' shareholding in the ordinary shares of Trans Hex; and
 - a market approach valuation of Mvela Resources' 50% interest in Dwaalkop.

Where practicable, we have corroborated the reasonableness of the information provided to us for the purpose of supporting our opinion, whether in writing or obtained through discussions with management of Mvela Resources.

Our procedures and enquiries did not constitute an audit in terms of the International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

6. PROCEDURES

In arriving at our opinion, we have, *inter alia*:

- considered the rationale for the Proposed Transaction as represented by the directors and management of the Companies;
- considered the relevant information included in the terms and conditions of the Proposed Transaction and the Scheme, as described in the Circulars;
- considered the prevailing economic and market conditions in the sectors in which the Companies operate;
- reviewed the Circulars;
- reviewed the formal offer letter from Northam to the Board;
- reviewed the Legal Due Diligence Report, the Financial Due Diligence Report and senior counsel opinion relating to certain potential risks identified therein;
- assessed the fair value of the Scheme Consideration;
- assessed the fair value of the issued ordinary share capital of Mvela Resources;
- held discussions with the management of the Companies in respect of information and assumptions pertaining to the Companies that were made available by management of the Companies;
- reviewed the Companies' operating and financial results covering three years up to the date of our valuation;
- considered financial and operating projections including revenues, operating margins (e.g. earnings before interest and taxes) and working capital investments, based on Northam's historical operating results, expectations and management representations, which projections formed the basis of our income approach (discounted cash flow) valuation in respect of Northam;
- obtained and considered financial data for publicly traded companies engaged in the same or similar lines of business to develop appropriate valuation multiples and operating comparisons to apply to the Companies; and
- considered and applied appropriate valuation discounts/premiums to the results of our valuation analyses as deemed applicable.

7. ASSUMPTIONS

Our opinion is based on the following key assumptions:

- current economic, regulatory and market conditions will not change materially;
- the Companies are not involved in any material undisclosed (i.e. not disclosed in either the Legal Due Diligence Report or the Financial Due Diligence Report or Northam's latest published annual financial statements) legal proceedings;
- the Companies have no material outstanding disputes with the South African Revenue Service;
- there are no undisclosed (i.e. not disclosed in either the Legal Due Diligence Report or the Financial Due Diligence Report or Northam's latest published annual financial statements) actual or contingent liabilities that could affect the value of the Companies;

- Mvela Resources will hold at least R650 million in net cash as at the effective date of the Proposed Transaction;
- the Northam Distribution, the Scheme and the Proposed Transaction will not give rise to any tax liabilities or invalidate any existing legal agreements of either Northam or Mvela Resources other than as described in the Circulars;
- for the purposes of this engagement, we assumed Northam's existing business to be on-going under current business plans and management;
- the Northam Distribution, the Scheme and the Proposed Transaction will have the legal and taxation consequences as described in the Circulars and in discussions with and materials furnished to us by the Companies management and their respective advisors;
- reliance can be placed on the audited and unaudited financial information of the Companies provided to us; and
- representations made by the Companies' management and their advisors during the course of forming this opinion are complete and accurate.

8. **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- reliance on audit reports in the financial information of Mvela Resources and Northam; and
- assessing the extent to which representations from the management of Mvela Resources and Northam were confirmed by documentary and audited evidence and our understanding of the operations of Mvela Resources, Northam and the industries in which they operate.

9. **VALUATION**

In considering the fairness of the Proposed Transaction to Mvela Resources Shareholders, One Capital performed independent valuations of both Mvela Resources and Northam in order to determine whether the Scheme Consideration represents fair value to Mvela Resources Shareholders.

To determine the value of Mvela Resources, a sum-of-parts valuation was prepared by valuing the underlying assets of Mvela Resources and subtracting from these values any costs or liabilities which are expected to arise through the implementation of the Scheme and the Proposed Transaction or thereafter, in the foreseeable future. In valuing the underlying assets of Mvela Resources, the following approaches were applied:

- a market approach valuation of Mvela Resources' shareholding in the ordinary shares of Trans Hex, primarily based on enterprise value per carat valuation multiples of comparable companies and Trans Hex, which was corroborated using the asset approach; and
- a market approach valuation of Dwaalkop based on US\$/PGM ounce valuation metrics obtained from historical comparable transactions in the PGM industry which was corroborated utilising an analysis of US\$/PGM ounce valuation metrics obtained from comparable companies.

The key drivers of the market valuation model prepared to value Dwaalkop include:

- *in situ* PGM ounces; and
- US\$/PGM ounce valuation metrics applied.

Kokerboom is a greenfields Iron Oxide Copper Gold and massive sulphide exploration joint venture located in the north-western part of South Africa's Northern Cape Province in which Mvela Resources has an initial participation interest of 51%. As a result of the early stages of this project its value was determined as being equal to those costs incurred by Mvela Resources that are directly attributable to Kokerboom.

The income approach (discounted cash flow) was the primary methodology employed in respect of valuing Northam. The value obtained was tested for reasonableness by applying the capitalisation of maintainable earnings methodology based on earnings before interest, taxation, depreciation and amortisation (EBITDA) multiples.

The key drivers of the discounted cash flow model prepared to value Northam include:

- forecast US\$/ounce PGM prices;
- forecast PGM ounces produced;
- forecast Rand/US\$ exchange rates;
- forecast cash working costs; and
- discount rates.

10. **OPINION**

In undertaking our valuation of Mvela Resources, we determined a fair valuation range for Mvela Resources of R997 million to R1 096 million in respect of the Proposed Transaction. Our valuation of Northam was applied to the number of Northam shares to be issued in terms of the Scheme Consideration for which the fair valuation range determined was R1 003 million to R1 108 million.

Based on the information considered and our indicative valuation range results, we are of the opinion that the terms and conditions of the Proposed Transaction, based on quantitative considerations, are fair to Mvela Resources Shareholders.

11. **LIMITING CONDITIONS**

We have relied upon the accuracy and completeness of information provided to us or otherwise reviewed by us, for the purpose of this opinion, whether in writing or obtained in discussions with the management of Mvela Resources and Northam. We express no opinion on this information.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Each individual Mvela Resources Shareholder's decision may be influenced by its particular circumstances. We recommend that Mvela Resources Shareholders should consult an independent advisor if they are in any doubt as to the merits of the Proposed Transaction considering their personal circumstances.

12. **INDEPENDENCE**

We confirm that we have no direct or indirect interest in the Proposed Transaction or in the securities of Mvela Resources or Northam. Furthermore, we confirm that our professional fees are not contingent upon the success of the Proposed Transaction.

On 12 January 2011, One Capital was appointed by the board of directors of Northam to act as independent expert advisor to provide an opinion, in accordance with the JSE Listings Requirements, to Northam Shareholders as to whether the terms and conditions of the Proposed Transaction are fair as far as Northam Shareholders are concerned. The text of such opinion has been published by Northam in the Circular ("**Northam Opinion**"). Our professional fees for the Northam Opinion are not contingent upon the success of the Proposed Transaction.

13. **CONSENT**

We hereby consent to the inclusion of this letter and references thereto in the Scheme Circular in the form and context in which they appear.

Yours faithfully

J N Human

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL EFFECTS (MVELA RESOURCES)

Strictly private and confidential

"The Board of Directors
Mvelaphanda Resources Limited
1 A Albury Park
Magalieszicht Avenue
Dunkeld West
Johannesburg 2196

7 February 2011

Dear Sirs

Independent reporting accountants' report on the unaudited *pro forma* financial information of Mvelaphanda Resources Limited ("Mvela Resources" or "the company")**Introduction**

Mvela Resources is issuing a circular to its shareholders ("the Circular") regarding the following proposed transactions (hereafter referred to as "the transactions"):

- the proposed distribution by Mvela Resources of all the shares held by it in Northam to the holders of Mvela Resources ordinary shares in the Northam distribution ratio;
- the proposed specific repurchase by Mvela Resources of 35 million 'A' ordinary shares in the issued capital of Mvela Resources from a subsidiary of Afripalm Resources (Proprietary) Limited, for a total price of R700 000; and
- a scheme of arrangement in terms of section 311 of the Companies Act, proposed by Northam between Mvela Resources and the Mvela Resources ordinary shareholders which, if approved by the Mvela Resources ordinary shareholders and sanctioned by the Court, will result in Northam acquiring (after the fulfilment of the scheme conditions precedent) all of the ordinary shares in the issued capital of Mvela Resources for the scheme consideration, with the result that Mvela Resources will become a subsidiary of Northam.

At your request and for the purposes of the Circular to be dated on or about 18 February 2011, we present our report on the unaudited *pro forma* statement of financial position, statement of comprehensive income and financial effects ("the unaudited *pro forma* financial information") of Mvela Resources presented in paragraph 6 and Annexure 3 to the Circular.

The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the transactions might have affected the reported historical financial information presented, had the transactions been undertaken at the commencement of the period or date of the unaudited *pro forma* statement of financial position being reported on.

Directors' responsibility

The Mvela Resources directors are responsible for the compilation, contents and presentation of the unaudited *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 unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Mvela Resources; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our assurance engagement in accordance with ISAE 3000 (Revised): *International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Guide on *Pro forma Financial Information* issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information of Mvela Resources with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Mvela Resources, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of Mvela Resources in respect of the transactions that are the subject of the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Mvela Resources and other information from various public, financial and industry sources.

While our work performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information conducted in accordance with the *International Standards on Auditing* or the *International Standards on Review Engagements* and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Mvela Resources; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

PricewaterhouseCoopers Inc

J P VAN STADEN
Accredited Auditor"

UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION OF MVELA RESOURCES

The unaudited *pro forma* financial effects set out below have been prepared to assist Mvela Resources members in assessing the impact of the proposed transactions on the EPS, HEPS, NAV and NTAV as of and for the financial year ended 30 June 2010 and have been prepared to illustrate:

(i) the effect of the Northam distribution and the Afripalm repurchase (after the Gold Fields distribution and the sale of 10 million Gold Fields shares, and after the recent exercise of 2.26 million share options under the Mvelaphanda Resources Limited Share Option Participation Scheme and after the Afripalm 2 option cancellation); and

(ii) the effect of the scheme (after the adjusted Northam distribution and Afripalm repurchase), as if these transactions had occurred on 1 July 2009 for purposes of the *pro forma* income statement, and on 30 June 2010, for purposes of the *pro forma* statement of financial position. The unaudited *pro forma* financial information is presented for illustrative purposes only and because of its nature, may not fairly present Mvela Resources' financial position, changes in equity, results of operations or cash flows.

The unaudited *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information of Mvela Resources has been prepared.

The Mvela Resources directors are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information and for the financial information from which it has been prepared. Their responsibility includes determining that the unaudited *pro forma* financial information has been properly compiled on the basis as stated; that the basis is consistent with the accounting policies of Mvela Resources for previous financial years and the unaudited *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements. The detailed assumptions are set out below. The unaudited *pro forma* financial effects set out below were reported on by PricewaterhouseCoopers Inc., whose report is included as Annexure 2 to this circular.

Unaudited *pro forma* financial effects for Mvela Resources ordinary shareholders:

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Impact on interest earned and related tax as a result of the 2.26 million share options exercised and the Afripalm 2 option cancellation R'000	AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation R'000	Reversal of the Northam financial results for the year ended 30 June 2010 from Mvela Resources results R'000	Reversal of the consolidation entries pertaining to Northam for the year ended 30 June 2010 R'000	Elimination of Northam dividend and related interest and tax R'000	Fair value surplus on the Northam distribution R'000	The interest and tax related effect of the Afripalm repurchase R'000	Unbundling costs and related interest and tax R'000	AFTER the Northam distribution and Afripalm repurchase R'000	Adjusted AFTER the Northam distribution and Afripalm repurchase R'000	Northam audited financial results for the year ended 30 June 2010 R'000	Northam transaction cost and related interest and tax R'000	Operating profit derived by Northam R'000	Other operating (expenses)/income R'000	Earnings from associates R'000	Exploration and project development costs R'000	Corporate expenses R'000	Share-based employee incentive expense R'000	Net other income R'000
	566 122	566 122	(784 975)	218 853							784 975		784 975	(127 861)					
	(127 861)	(127 861)	(21 997)					(21 391)	(171 249)	(171 249)	21 997	(7 747)	(156 999)						
	10 977	10 977	(9 840)						1 137	1 137	9 840		10 977						
	(14 008)	(14 008)							(14 008)	(14 008)			(14 008)						
	(36 153)	(36 153)							(36 153)	(36 153)			(36 153)						
	(73 997)	(73 997)	(12 157)						(73 997)	(73 997)	12 157		(73 997)						
	12 235	12 235							78	78			12 235						

	Impact on interest earned and related tax as a result of the 2.26 million share options exercised and the Afripalm 2 option cancellation R'000	Reversal of the Northam financial results for the year ended 30 June 2010 from Mvela Resources results R'000	Reversal of the consolidation entries pertaining to Northam for the year ended 30 June 2010 R'000	Elimination of Northam dividend and related interest and tax R'000	Fair value surplus on the Northam distribution R'000	The interest and tax related effect of the Afripalm repurchase R'000	Unbundling costs and related interest and tax R'000	AFTER the Northam distribution and Afripalm repurchase R'000	AFTER the Northam distribution and Afripalm repurchase R'000	Adjusted AFTER the Northam distribution and Afripalm repurchase R'000	Northam audited financial results for the year ended 30 June 2010 R'000	Northam transaction cost and related interest and tax R'000	Elimination of the fair value deficit on the sale of the Gold Fields shares and fair value surplus on the distribution of the Northam shares and the related tax effects R'000
	(26 915)	(26 915)					(21 391)	(48 306)	(48 306)	(48 306)		(7 747)	(56 053)
Investment income	246 504	238 899	135 589	(141 002)		(46)	(1 103)	64 682	64 682	64 682	167 655	(242)	232 095
Interest received	241 337	233 732	135 589	(5 413)		(46)	(1 103)	59 515	59 515	59 515	167 655	(242)	226 928
Dividends received	5 167	5 167	135 589	(135 589)				5 167	5 167	5 167			5 167
Finance costs	(198 728)	(198 728)						(198 728)	(198 728)	(198 728)			(198 728)
Other income/ (expenses)	(138 989)	(138 989)			2 749 960			2 610 971	(2 604 423)	6 548			6 548
Impairment write-back/ (write-down)	6 548	6 548						6 548	6 548	6 548			6 548
Fair value (loss)/profit on distribution of Northam shares					2 749 960			2 749 960	(2 749 960)				
Fair value (loss)/profit on disposal/distribution of the Gold Fields shares	(145 537)	(145 537)						(145 537)	145 537				

Costs incurred with the unbundling and in pursuing transaction opportunities

	Impact on interest earned and related tax as a result of the 2.26 million share options exercised and the Afripalm 2 option cancellation R'000	Reversal of the Northam financial results for the year ended 30 June 2010 from Mvela Resources results R'000	Reversal of the consolidation entries pertaining to Northam for the year ended 30 June 2010 R'000	Elimination of Northam dividend and related interest and tax R'000	Fair value surplus on the Northam distribution R'000	The interest and tax related effect of the Afripalm repurchase R'000	Unbundling costs and related interest and tax R'000	AFTER the Northam distribution and Afripalm repurchase R'000	AFTER the Northam distribution and Afripalm repurchase R'000	Adjusted AFTER the Northam distribution and Afripalm repurchase R'000	Northam audited financial results for the year ended 30 June 2010 R'000	Northam transaction cost and related interest and tax R'000	Elimination of the fair value deficit on the sale of the Gold Fields shares and fair value surplus on the distribution of the Northam shares and the related tax effects R'000
Profit/(Loss) before tax	(7 605)	339 443	(974 627)	354 442	(141 002)	2 749 960	(46)	(22 494)	2 305 676	(2 604 423)	974 627	(7 989)	667 891
Normal tax	2 129	(490 470)	293 595	1 516			13	309	(195 038)	179 423	(293 595)	68	(309 141)
Deferred tax		253 681	18 391	(61 278)					210 794	(201 833)	(18 391)		(9 430)
STC		(28 352)	21 615						(6 737)	(21 615)	(21 615)		(28 352)
Profit/(Loss) for the year	79 778	74 302	(641 026)	293 164	(139 486)	2 749 960	(33)	(22 185)	2 314 696	(2 626 833)	641 026	(7 921)	320 968
Profit/(Loss) attributable to:													
– Owners of Mvelaphanda Resources	(5 476)	(115 620)	(390 612)	232 672	(139 486)	2 749 960	(33)	(22 185)	2 314 696	(2 626 833)			(312 137)
– Minorities in Northam	189 922	189 922	(250 414)	60 492					(6 737)	(21 615)			(28 352)
Profit/(Loss) for the year	79 778	74 302	(641 026)	293 164	(139 486)	2 749 960	(33)	(22 185)	2 314 696	(2 626 833)	(312 137)		(312 137)

	Impact on interest earned and related tax as a result of the 2.26 million share options exercised and the Afripalm 2 option cancellation R'000	AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation R'000	Reversal of the Northam financial results for the year ended 30 June 2010 from Mvela Resources results R'000	Reversal of the consolidation entries pertaining to Northam for the year ended 30 June 2010 R'000	Elimination of Northam dividend and related interest R'000	Fair value surplus on the Northam distribution R'000	The interest and tax related effect of the Afripalm repurchase R'000	Unbundling costs and related interest and tax R'000	AFTER the Northam distribution and Afripalm repurchase R'000	Adjusted AFTER the Northam distribution and Afripalm repurchase R'000	Northam audited financial results for the year ended 30 June 2010 R'000	Northam transaction cost and related interest and tax R'000
(Loss)/Earnings per Ordinary Mvela Resources share (cents)									1 065.1 (146.6)	(143.6) (146.6)	8.1 7.9	
Basic EPS (cents)	(51.2)	(53.2)										
Basic HEPS (cents)	2.8	0.3										
Weighted average number of Ordinary shares in issue for Mvela Resources	215 064	217 324							217 324	217 324		
Attributable Northam (loss)/earnings per Ordinary Mvela Resources share (cents)												
Basic EPS (cents)												
Basic HEPS (cents)												
Scheme of arrangement consideration (number of Northam shares for each Mvela Resources share held)												0.09598

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	AFTER the distribution of 22.2 million Gold Fields shares R'000	Effect of 2.26 million share options exercised R'000	Afripalm 2 option cancellation R'000	Afripalm 2 option cancellation R'000	Reversal of the million share options and the 30 June 2010 from Mvela Resources Northam R'000	Reversal of the consolidation entries in Mvela Resources Northam pertaining the dividend in specie R'000	Afripalm repurchase R'000	Estimated transaction costs R'000	Afripalm repurchase R'000	Northam distribution and the Afripalm repurchase R'000	Settlement of the Mvela assets and liabilities R'000	Allocation of the Mvela assets acquired by Northam under the scheme R'000	Purchase price of the Mvela assets audited by Northam at 30 June 2010 R'000	Estimated Northam transaction cost R'000	Northam AFTER the scheme R'000
ASSETS															
Non-current assets	10 175 306		10 175 306		(7 971 618)	(2 121 734)				81 954		318 046	7 971 618		8 371 618
Investment in associates	211 556		211 556		(129 741)				81 815		(31 219)	129 741			180 337
Environmental and social investments	181 157		181 157		(181 157)							181 157			181 157
Property, plant and equipment	9 782 593		9 782 593		(7 660 720)	(2 121 734)			139		349 265	7 660 720			8 010 124
Current assets	3 243 693	46 390	3 140 083	(150 000)	(2 117 683)				1 021 700	(390 180)	18 480	2 117 683	(7 747)	2 759 936	
Pre-paid tax	2 104		2 104		(521 462)				2 104	(2 104)		521 462			521 462
Inventories	521 462		521 462		(521 462)										
Trade and other receivables	318 407		318 407		(318 054)				353	(353)		318 054			318 054
Investment in escrow	91 458		91 458		(91 458)							91 458			91 458
Cash and cash equivalents	2 310 262	46 390	2 206 652	(150 000)	(1 186 709)		(700)		1 019 243	(387 723)	18 480	1 186 709	(7 747)	1 828 962	
Non-current assets classified as held for sale	6		6		(6)	6 972 384									6
Listed shares in Gold Fields Limited						6 972 384									
Listed shares in Northam Platinum Limited															
Non-strategic unlisted investments	6		6		(6)										6
Total assets	13 419 005	46 390	13 315 395	(150 000)	(10 089 307)	4 850 650	(6 972 384)		1 103 654	(390 180)	336 526	10 089 307	(7 747)	11 131 560	

	AFTER the effect of 2.26 million shares exercised	AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancelation	Reversal of Northam's financial position at 30 June 2010 from Mvela Resources	Reversal of the consolidation entries in Mvela Resources pertaining the dividend <i>in specie</i>	Estimated transaction costs	Afripalm repurchase	Estimated transaction costs	AFTER the distribution and the Afripalm repurchase	Settlement of Mvela Resources and liabilities	Purchase price allocation of the Mvela Resources assets acquired by Northam under the scheme	Estimated Northam transaction cost
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
AFTER the distribution of 22.2 million Gold Fields shares	10 956 796	46 390	(150 000)	10 853 186	(8 833 154)	5 687 217	(6 972 384)	713 474	269 376	8 833 154	(7 747) 9 808 257
Total share capital and reserves	10 956 796	46 390	(150 000)	10 853 186	(8 833 154)	5 687 217	(6 972 384)	713 474	269 376	8 833 154	(7 747) 9 808 257
Share capital and reserves	5 944 634	46 390	(150 000)	5 841 024	(8 833 154)	10 699 379	(6 972 384)	(21 391)	269 376	8 833 154	(7 747) 9 808 257
Non-controlling interest in Northam Platinum Limited	5 012 162			5 012 162		(5 012 162)					
Non-current liabilities	1 389 332 700			1 389 332 700		(836 567)		(700)	29 425	581 490	581 490
'A' Ordinary shares	134 278			134 278	(134 278)				29 425	134 278	134 278
Long-term provisions	1 254 354			1 254 354	(447 212)	(836 567)			29 425	447 212	447 212
Deferred tax	1 072 877			1 072 877	(674 663)				(419 605)	67 150	674 663
Current liabilities											
Provision for employee long-term incentive costs	105 086			105 086					(105 086)		
Accounts payable	778 513			778 513	(640 777)		21 391		(159 127)	640 777	707 927
Tax	189 278			189 278	(33 886)				(155 392)	33 886	33 886
Total equity and liabilities	13 419 005	46 390	(150 000)	13 315 395	(10 089 307)	4 850 650	(6 972 384)	1 103 654	(390 180)	336 526	(7 747) 11 131 560
Mvela Resources											
NAV per share (cents)	2 757			2 680.8				327.5			
NTAV per share (cents)	2 757			2 680.8				327.5			

NOTES APPLICABLE TO THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS

1. The **AFTER the Gold Fields distribution** column represents the unaudited *pro forma* financial effects extracted from the circular that was distributed to the shareholders of Mvela Resources and published on SENS on 15 December 2010 which was based on Mvela Resources' audited and published financial results for the year ended 30 June 2010, adjusted for the sale of 10 million Gold Fields shares and for the distribution of 22.2 million Gold Fields shares.

2. The **After the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column is based on the unaudited *pro forma* **AFTER the Gold Fields distribution** column for the year ended 30 June 2010 and after adjusting for the following principal assumptions:

– EPS and HEPS

2.1 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in cash receipts of R46.4 million. For the purposes of these unaudited *pro forma* financial effects it was assumed that these options were exercised on 1 July 2009 resulting in an equivalent increase in the weighted average number of ordinary shares in issue during the period. Accordingly, a *pro forma* adjustment of interest earned of R2.2 million, based on the net receipts from the exercise of the share options at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax expense of R620 000 are included.

It was also assumed that the Afripalm 2 option cancellation was effective on 1 July 2009. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity. An adjustment to interest foregone of R9.8 million based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10), and the resultant tax saving of R2.7 million are included. These EPS and HEPS adjustments are of a recurring nature.

– NAV and NTAV

2.2 1 230 000 and 1 030 000 share options were exercised on 2 August 2010 and 22 December 2010 respectively resulting in total cash received of R46.4 million. For the purposes of these unaudited *pro forma* financial effects, it was assumed that these options were exercised on 30 June 2010, resulting in an equivalent *pro forma* increase in the number of shares in issue on that date. It was also assumed that the Afripalm 2 option cancellation was effective on 30 June 2010. For accounting purposes the Afripalm 2 option cancellation is treated as a buy-back of an equity instrument. Therefore, the R150 million payment is charged directly to equity.

3. The **AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* **AFTER the exercise of 2.26 million share options and the Afripalm 2 option cancellation** column and after the following principal assumptions:

– EPS and HEPS

3.1 it was assumed that the Northam distribution and the Afripalm repurchase were effective on 1 July 2009.

3.2 the consolidated audited and published Northam financial results for the year ended 30 June 2010 is eliminated, resulting in a reduction of profit after tax for the year ended 30 June 2010 by R641.0 million of which R390.6 million accrued to the Mvela Resources' ordinary shareholders. This is of a recurring nature.

3.3 Furthermore, the net consolidation journals for the year ended 30 June 2010 are reversed as well as the dividend received from Northam and the related interest foregone impact of R5.4 million, because of dividends foregone, based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving impact of R1.5 million. These adjustments result in the total results of Northam for the year ended 30 June 2010 being eliminated from the Mvela Resources results for the year ended 30 June 2010. The effect of this is an increase in the profits for the year after tax of R153.7 million of which R93.2 million accrued to the Mvela Resources' ordinary shareholders.

3.4 a once off gain of R2.7 billion recognised upon the derecognition of the Northam distribution shares based on the market value of R43.17 per Northam share on 28 January 2011 (being the last practicable date). No tax is payable on this profit as it is an IFRS disclosure and the Northam distribution is effected in terms of the unbundling rules of Section 46 of the Income Tax Act.

3.5 a reduction in interest foregone relating to the Afripalm repurchase amounting to R46 000 based on interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the relating tax saving of R13 000. This is of a recurring nature.

3.6 estimated costs relating to the Northam distribution of R21.4 million and the related impact of interest foregone of R1.1 million based on the net payment made at interest rates of between 6% p.a. and 6.5% p.a. (being the interest rates applicable for actual interest bearing deposits made by Mvela Resources during 2009/10) and the related tax saving of R309 000, which is once-off in nature.

– NAV and NTAV

3.7 the Northam distribution and the Afripalm repurchase was effective 30 June 2010;

3.8 a recurring elimination of the consolidated net assets of Northam as at 30 June 2010 and the elimination of the accumulated consolidated entries of Northam up to 30 June 2010 (together amounting to R5.1 billion).

3.9) the Afripalm repurchase for R700 000 resulted in a reduction of cash and the related long-term liability.

3.10 estimated costs relating to the Northam distribution of R21.4 million, which is once-off in nature.

4. The **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column is based on the unaudited *pro forma* results **AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:

– EPS and HEPS

4.1 for purposes of the computation of EPS and HEPS the fair value gain on the Northam distribution and the fair value loss on the disposal/distribution of the Gold Fields shares are reversed (a net surplus of R2.6 billion) and the related tax expense (R22.4 million). This adjustment is done for comparative purposes because these gains/losses do not relate to the on-going business of Mvela Resources.

– **NAV and NTAV**

4.2 no impact.

5. The **Attributable Northam results per Mvela Resources share AFTER the scheme** column is based on the unaudited *pro forma* results **Adjusted AFTER the Northam distribution and the Afripalm repurchase** column and after the following principal assumptions:

– **EPS and HEPS**

- 5.1 the scheme was effective on 1 July 2009,
- 5.2 inclusion of the Northam audited financial results for the year ended 30 June 2010 (amounting to a net profit of R641.0 million after tax) in order to reflect the *pro forma* consolidated Northam results for the year ended 30 June 2010.
- 5.3 estimated costs for Northam relating to the scheme of R7.7 million and the estimated interest foregone of R242 000 based on the interest actually earned by Northam during the year ended 30 June 2010 and the related tax estimated tax saving of R68 000. These are once off in nature.
- 5.4 the unaudited *pro forma* results per Northam share after the scheme equates to:
- EPS per Northam share – 84.2 cents
 - HEPS per Northam share – 82.3 cents

The scheme consideration is 0.09598 Northam shares for every Mvela Resources ordinary share held. Accordingly attributable Northam EPS and HEPS per Mvela Resources ordinary share is a factor of the Northam EPS and HEPS after the scheme multiplied by the scheme consideration.

– **NAV and NTAV**

- 5.5 the scheme as effective on 30 June 2010.
- 5.6 it is assumed that the liabilities and recoverable assets of Mvela Resources were settled on 30 June 2010 (amounting to a net reduction in cash of R387.7 million).
- 5.7 it is assumed that Northam issued 20 912 228 new ordinary shares in exchange for the Mvela Resources ordinary shares under the scheme. The cost for Northam equates to R982.8 million based on the price per Northam share of R47.00 on 28 January 2011, being the last practicable date. The fair value of the net Mvela Resources assets acquired by Northam under the scheme is accounted for in the *pro forma* consolidated balance sheet of Northam, resulting in an increase in the value of the mineral resources of R349.3 million, being the fair value for the Dwaalkop and Kokerboom joint venture assets, the inclusion of the Trans Hex shares at R50.5 million, assumed liabilities of R67.1 million and an increase in cash of R650 million. After the elimination of the Mvela Resources equity and pre acquisition profits, this resulted in an increase in Northam's shareholders equity of R982.8 million.
- 5.8 accounted for estimated costs applicable to Northam for the scheme of R7.7 million.
- 5.9 the unaudited *pro forma* effect per Northam share after the scheme equates to:
- NAV per Northam share – 2 570.6 cents
 - NTAV per Northam share – 979.2 cents

The scheme consideration is 0.09598 Northam shares for every Mvela Resources ordinary share held. Accordingly, the attributable Northam NAV and NTAV per Mvela Resources ordinary share is a factor of the Northam NAV and NTAV after the scheme multiplied by the scheme consideration.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL EFFECTS (NORTHAM)

"The Directors
Northam Platinum Limited
1st Floor
1A Albury Park
Magalieszicht Avenue
Dunkeld West, 2196

7 February 2011

Independent Reporting Accountant's limited assurance report on the unaudited *pro forma* financial information of Northam Platinum Limited

We have performed our limited assurance engagement in respect of the unaudited *pro forma* statement of comprehensive income and unaudited *pro forma* consolidated statement of financial position (collectively the "unaudited *pro forma* financial information") set out on pages 105 and 107 in annexure 5 of the Circular to be dated on or about Friday, 18 February 2011 issued in connection with the proposed related party acquisition by Northam Platinum Limited ("Northam") of all the issued shares in Mvelaphanda Resources Limited ("The Transaction") that is the subject of this Circular. The unaudited *pro forma* financial information of Northam has been prepared in accordance with the requirements of the JSE Limited's Listings Requirements ("Listings Requirements") for illustrative purposes only, to provide information about how the Transaction might have affected the reported historical financial information presented, had the Transaction been undertaken at the commencement of the period or at the date of the unaudited *pro forma* statement of financial position being reported on.

Directors' responsibility

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

Reporting accountant's responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information of Northam included in the Mvela Circular. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements other than Audits or Reviews of Historical Financial Information – ISAE 3000 and the Guide on *Pro forma* Financial Information issued by The South African Institute of Chartered Accountants.

The standard requires us to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information of Northam, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the unaudited *pro forma* adjustments in light of the accounting policies of Northam, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted

unaudited *pro forma* financial information of Northam with the Directors of Northam in respect of the Transaction which is the subject of the Mvela Circular. In arriving at our conclusion, we have relied upon financial information prepared by the Directors of Northam and other information from various public, financial and industry sources. While our work performed has involved an analysis of the audited financial information and other information provided to us, our limited assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that pursuant to Sections 8.17 and 8.30 of the Listings Requirements: the unaudited *pro forma* financial information of Northam has not been properly compiled on the basis stated, such basis is inconsistent with the accounting policies of Northam, and the *pro forma* adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information of Northam as disclosed, in terms of Section 8.17 and 8.30 of the Listings Requirements.

Ernst & Young Inc.

Director – Crispin Maongera

Reporting accountant specialist

Registered Auditor

Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo,
Johannesburg"

UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION OF NORTHAM

The unaudited *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position (“the unaudited *pro forma* financial information”) of Northam are set out below.

The unaudited *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position have been presented for illustrative purposes only and because of their nature may not fairly present Northam’s financial position and results of operations.

It has been assumed for purposes of the unaudited *pro forma* consolidated statement of comprehensive income and statement of financial position that the transaction took place with effect from 1 July 2009 for consolidated statement of comprehensive income purposes and at 30 June 2010 for consolidated statement of financial position purposes.

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

The unaudited *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position are presented in a manner consistent in all respects with IFRS and with the basis on which the historical financial information has been prepared in terms of accounting policies.

The unaudited *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position as set out below should be read in conjunction with the independent reporting accountants’ limited assurance report set out in Annexure 4 to this circular.

Unaudited *pro forma* consolidated statement of financial position

	BEFORE the scheme (Note 1) R'000	Mvela Resources results after the Northam distribution and the Afripalm repurchase (Note 2) R'000		Purchase price allocation of the Mvela Resources assets acquired by Northam under the scheme (Note 2) R'000		AFTER the scheme but before the settlement of the Mvela Resources assets and liabilities and the estimated Northam trans- action costs (Note 3) R'000	Settlement of the Mvela Resources assets and liabili- ties and accounting for estimated Northam trans- action costs (Note 4) R'000	Northam AFTER the scheme (Note 5) R'000
Non-current assets	7 971 624	111 379		318 046		8 401 049	(29 425)	8 371 624
Property, plant and equipment	1 938 061	139				1 938 200		1 938 200
Mineral properties and mineral resources	5 722 659			349 265	2.1.6	6 071 924		6 071 924
Interest in associate	129 741	81 815	2.1.1	(31 219)	2.2	180 337		180 337
Listed investments								
Unlisted investments	6					6		6
Township land and development	63 805					63 805		63 805
Investments held by Northam Platinum Restoration Trust Fund	27 259					27 259		27 259
Environmental Guarantee Investment	20 763					20 763		20 763
Deferred tax asset		29 425	2.1.2			29 425	(29 425)	4.1
Toro Employee Empowerment Trust	69 330						69 330	69 330
Current assets	2 117 683	1 021 700		18 480		3 157 863	(397 927)	2 759 938
Receiver of Revenue		2 104	2.1.3			2 104	(2 104)	4.2
Inventories	521 462					521 462		521 462
Trade and other receivables	318 054	353				318 407	(353)	318 054
Investment in escrow	91 458					91 458		91 458
Cash and cash equivalents	1 186 709	1 019 243	2.1.4	18 480		2 224 432	(395 470)	1 828 962
Total assets	10 089 307	1 133 079		336 526		11 558 912	(427 352)	11 131 560
Shareholders' equity	8 833 154	713 474	2.3	269 376	2.3	9 816 004	(7 747)	9 808 257
Non-current liabilities	581 490					581 490		581 490
Deferred tax	447 212					447 212		447 212
'A' ordinary shares								
Long-term provisions	134 278					134 278		134 278
Current liabilities	674 663	419 605		67 150		1 161 418	(419 605)	741 813
Receiver of Revenue	33 886	155 392	2.15			189 278	(155 392)	4.4
Trade and other payables	562 844	159 127	2.15			721 971	(159 127)	4.4
Short-term provisions	77 933	105 086	2.15	67 150	2.4	250 169	(105 086)	4.4
Total equity and liabilities	10 089 307	1 133 079		336 526		11 558 912	(427 352)	11 131 560
NAV per Northam share (cents)	2 449.3							2 570.6
NTAV per Northam share (cents)	862.5							979.2
Net Asset Value	8 833 154							9 808 257
Less: Mining properties and Mineral resources	5 722 659							6 071 924
Net tangible asset value	3 110 495							3 736 333
Number of shares issued at year end	360 642 000							381 554 228

The unaudited *pro forma* financial effects have been prepared to illustrate the impact of the scheme on the reported financial information of Northam for the year ended 30 June 2010 had the scheme occurred on 30 June 2010, for statement of financial position purposes.

The unaudited *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited results of Northam for the year ended 30 June 2010.

The unaudited *pro forma* financial information relating to the Mvela Resources scheme has been extracted from the scheme circular in order to provide Northam shareholders with an overview of the financial effect of the proposed transaction. This unaudited *pro forma* financial information is the responsibility of the Mvela Resources board, the directors of Northam accept no responsibility for the accuracy of the Mvela Resources *pro forma* financial information, the directors of Northam are only responsible for ensuring that the relevant information is accurately extracted from the Mvela Resources scheme circular.

Note 1 The **BEFORE the scheme** column has been extracted from the audited and published annual financial statements of Northam for the year ended 30 June 2010 and is based on the accounting policies adopted by Northam, which are in accordance with IFRS.

Note 2 The **Mvela Resources results after the Northam distribution and the Afripalm repurchase** column represents the unaudited *pro forma* financial effect of Mvela Resources after the Northam distribution and the Afripalm repurchase as per the Mvela Resources circular related to the scheme.

Northam intends to acquire the entire issued ordinary share capital of Mvela Resources through the issue of new Northam shares to Mvela Resources ordinary shareholders, pursuant to a scheme of arrangement in terms of Section 311 of the Companies Act, and Mvela Resources intends to delist its ordinary shares from the JSE Exchange.

Mvela Resources will distribute all the Northam shares it currently holds, as at the Northam distribution record date, to its ordinary shareholders *pro rata* to their holding of Mvela Resources ordinary shares

2.1 After the Northam distribution, Mvela Resources will be left with the remaining assets it currently holds (other than its Northam shares which will have been distributed pursuant to the Northam distribution), and its liabilities comprising the following;

2.1.1 20.3 % of Trans Hex Group Limited which is accounted for as an associate;

2.1.2 deferred tax asset calculated on the temporary differences resulting from the short-term provisions;

2.1.3 taxation paid in advance to the Receiver of Revenue;

2.1.4 the remaining cash balance acquired with the scheme;

2.1.5 various liabilities acquired with the scheme consisting, *inter alia*, of outstanding amounts to the Receiver of Revenue and various accounts payable balances consisting of exploration expenditure, trade payables and sundry accruals, as well as provision for employee long term incentive costs relating to the share appreciation rights that have been granted to all employees of Mvela Resources in terms of the employee long-term retention scheme; and

2.1.6 mineral reserves acquired from Mvela Resources, to which previously no value was attributed in their financial records, as all the exploration costs were expensed by Mvela Resources in line with its accounting policy.

2.2 Recognising the impairment of the listed investment in Trans Hex Limited to account for this investment at its fair value.

2.3 To take account of the scheme consideration payable by Northam being 20 912 228 shares at R47 per share. For purposes of these unaudited *pro forma* financial effects, it was assumed that these shares were issued on 30 June 2010 resulting in an equivalent *pro forma* increase in the number of shares in issue on that date;

2.4 Accounting for certain agreed liabilities for which Northam will take responsibility

Note 3 The **AFTER the scheme but before settlement of the Mvela Resources assets and liabilities and the estimated Northam transaction costs** column reflects the unaudited *pro forma* consolidated results after the acquisition of the Mvela Resources assets.

Note 4 It was assumed that the liabilities and recoverable assets of Mvela Resources were settled on 30 June 2010 resulting in a net reduction in Mvela Resources' cash of R387.7 million.

Estimated Northam transaction costs of roughly R7.7 million will also be settled through cash

4.1 To take account of the realisation of temporary differences;

4.2 To take account of the utilisation of the prepaid amounts paid to the Receiver of Revenue and settled against the balances due to SARS;

4.3 Net effect of the settlement of liabilities and receipt of outstanding receivable balances. Also including transaction costs of R7.7 million which represents the non-recurring impact ; and

4.4 Settlement of various liabilities acquired with the Mvela scheme consisting of amounts outstanding to the Receiver of Revenue, various accounts payable balances consisting of exploration expenditure, trade payables and sundry accruals, as well as provision for employee long-term incentive cost relating to the share appreciation rights that have been granted to all employees of Mvela Resources in terms of the employee long-term retention scheme.

Note 5 The **Northam AFTER the scheme** column reflects the unaudited *pro forma* financial effects of the acquisition of Mvela Resources.

Note 6 All the financial effects have an ongoing effect except for the transaction costs as set out in note 4 above.

Unaudited *pro forma* consolidated statement of comprehensive income

	BEFORE the scheme (Note 1) R'000	Mvela Resources results after the Northam distribution and the Afripalm repurchase (Note 2) R'000	AFTER the scheme but before settlement of Mvela Resources' assets and liabilities and the estimated Northam transaction costs (Note 3) R'000	Reversal of the fair value loss on the sale/ distribution of the Gold Fields shares and the fair value gain on the Northam distribution and the related tax effects (Note 4) R'000	Estimated Northam transaction costs (Note 5) R'000	Northam AFTER the scheme (Note 6) R'000
Sales revenue	3 945 083		3 945 083			3 945 083
Cost of sales	3 160 108		3 160 108			3 160 108
Operating profit	784 975		784 975			784 975
Share of earnings and distribution from associate	12 440	1 137	13 577			13 577
Investment income	167 655	64 682	232 337		(242)	232 095
Finance costs		(198 728)	(198 728)			(198 728)
Sundry income	9 557		9 557			9 557
Other operating expenses		(124 080)	(124 080)			(124 080)
Fair value adjustments		2 610 971	2 610 971	(2 604 423)		6 548
Transaction costs		(48 306)	(48 306)		(7 747)	(56 053)
Profit before tax	974 627	2 305 676	3 280 303	(2 604 423)	(7 989)	667 891
Taxation	333 601	(9 020)	324 581	22 410	(68)	346 923
Profit and comprehensive income for the year attributable to shareholders	641 026	2 314 696	2 955 722	(2 626 833)	(7 921)	320 968
EPS (cents)	177.9					84.2
HEPS (cents)	177.8					82.3
Diluted HEPS	177.7					82.3
HEPS are calculated as follows:						
Earnings attributable to shareholders	641 026					320 967
Profit on distribution of Northam shares						(6 548)
Profit on sale of property, plant and equipment	(822)					(822)
Tax effect	230					230
Headline earnings/(loss)	640 434					313 828
Average number of ordinary shares in issue during the year	360 291 885					381 204 113
Number of diluted shares	360 464 496					381 376 724

The unaudited *pro forma* financial effects have been prepared to illustrate the impact of the scheme on the audited and published financial information of Northam for the year ended 30 June 2010 had the scheme occurred on 1 July 2009 for statement of comprehensive income purposes.

The unaudited *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited results of Northam for the year ended 30 June 2010.

Note 1 The **BEFORE the scheme** column has been extracted from the published annual financial statements of Northam for the year ended 30 June 2010 and is based on the accounting policies adopted by Northam, which are in accordance with IFRS.

Note 2 The **Mvela Resources results after the Northam distribution and the Afripalm repurchase** column represents the unaudited *pro forma* financial effects of Mvela Resources after the Afripalm Resources repurchase as per the Mvela Resources circular relating to the scheme.

Northam intends to acquire the entire issued ordinary share capital of Mvela Resources through the issue of new Northam shares to Mvela Resources ordinary shareholders, pursuant to a scheme of arrangement of arrangement in terms of section 311 of the Companies act, and Mvela Resources intends to delist its ordinary shares from the JSE Exchange.

Mvela Resources will distribute all the Northam shares it currently holds, as at the Northam distribution record date, to its ordinary shareholders *pro rata* to their holding of Mvela Resources ordinary shares

- Note 3 The **AFTER the scheme but before settlement of Mvela Resources' assets and liabilities and the estimated Northam transaction costs** column reflects the consolidated effect of acquiring Mvela Resources' net assets for the scheme consideration of 20 912 228 new Northam ordinary shares. For the purposes of these unaudited *pro forma* financial effects, it was assumed that these shares were issued on 1 July 2009, resulting in an equivalent increase in the average number of ordinary shares in issue during the period.
- Note 4 The **Reversal of the fair value loss on the sale /distribution of the Gold Fields shares and the fair value gain on the Northam distribution and the related tax effects** column, reverses the fair value gain made on the distribution of the Northam distribution shares as well as the fair value loss on the sale/distribution of the Gold Fields shares. The adjustment is done for comparative purposes because these gains/losses do not relate to the ongoing business of Mvela Resources.
- Note 5 To take into account the non-recurring impact of the estimated Northam transaction costs of R7.7 million, and the related interest and tax impact, which is once-off in nature.
- Note 6 The **Northam AFTER the scheme** column reflects the unaudited *pro forma* financial effects after taking into account the scheme assuming the scheme took place on 1 July 2009.
- Note 7 All of the financial effects have an ongoing effect, with the exception of the transaction costs as referred to in note 5 above.

HISTORICAL FINANCIAL INFORMATION OF MVELA RESOURCES

FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008, 2009 and 2010

The salient financial information has been extracted without adjustment from the audited annual financial statements of Mvela Resources for the 4 years ended 30 June 2007, 2008, 2009 and 2010, as audited by PricewaterhouseCoopers Inc. PricewaterhouseCoopers Inc has provided unqualified audit reports for the financial years under consideration.

This financial information is the responsibility of the board of directors of Mvela Resources.

For the comprehensive set of financial information refer to the annual reports on the Mvela Resources website (www.mvelares.co.za)

INCOME STATEMENT

For the years ended last day 30 June

(R'000)	2010	2009	2008	2007
Income				
Operating mining income derived from Northam				
Sales revenue	3 945 083	2 514 294		
Comprises turnover of platinum, palladium, rhodium and gold, net of value added tax, trade discounts and intra group sales.				
Cost of sales	(3 378 961)	(2 192 034)		
Operating mining profit derived from Northam (2009: 10 months)	566 122	322 260		
Other operating (expenses)/income	(108 984)	(70 949)	154 724	(502 575)
Earnings from associates	10 977	(65 532)	303 948	272 275
Exploration and project development costs	(14 008)	(38 259)	(12 032)	(67 564)
Corporate expenses	(36 153)	(49 066)	(51 219)	(35 421)
Share-based employee incentive expense	(73 997)	76 893	(90 023)	(129 060)
Net other income	12 235	18 606	4 050	895
Costs incurred with the unbundling and in pursuing transaction opportunities	(8 038)	(13 591)		(543 700)
Investment income	225 373	498 676	620 259	480 798
Interest received	178 322	498 673	620 255	480 788
Dividends received	47 051	3	4	10
Finance costs	(198 728)	(514 136)	(331 850)	(330 346)
Other income/(expenses)	(85 117)	850 977	(265 033)	(2 041 960)
Net effect of the Booyendal Transaction		328		
Impairment write-back/(write-down)	6 548	23 446	(12 651)	17 312
Net gain on revaluation of financial instruments		865 000	(252 382)	(2 059 272)
Fair value loss on disposal of the Gold Fields shares	(91 665)	(37 797)		
Profit/(Loss) before tax	398 666	1 086 828	178 100	(2 394 083)
Tax	(257 168)	176 232	7 221	295 333
Profit/(Loss) for the year	141 498	1 263 060	185 321	(2 098 750)
Profit/(Loss) attributable to:				
Owners of Mvelaphanda Resources	(48 424)	1 591 421	185 321	(2 098 750)
Non-controlling shareholders of Northam	189 922	(328 361)		
Profit/(Loss) for the year	141 498	1 263 060	185 321	(2 098 750)
(Loss)/Earnings per ordinary share (cents)				
Basic	(23)	742	89	(1 193)
Diluted	(23)	738	86	(1 193)

STATEMENT OF FINANCIAL POSITION

At last day 30 June

(R'000)	2010	2009	2008	2007
Assets				
Non-current assets	10 175 306	10 148 157	6 288 139	6 455 404
Investment in associates	211 556	180 056	1 074 617	1 075 205
GFI-SA loan			5 080 000	5 273 000
Investment in subsidiary companies				
Inter-group loans receivable				
Goodwill			75 869	75 869
Deferred tax		20 465	57 170	30 473
Environmental and social investments	181 157	146 735		
Property, plant and equipment	9 782 593	9 800 901	483	857
Current assets	2 177 443	1 844 813	1 984 706	1 509 243
Accounts receivable			65 120	5 662
Pre-paid tax	2 104	5		
Inventories	521 462	468 254		255
Trade and other receivables	318 407	227 689		
Investment in escrow	91 458			
Cash and cash equivalents	1 244 012	1 148 865	1 919 586	1 503 326
Non-current assets classified as held for sale	3 350 746	3 732 701	322 939	316 272
Listed shares in Gold Fields	3 350 740	3 732 695		
Non-strategic listed investments			7 047	380
Non-strategic unlisted investments	6	6		
Booyesdal Platinum Project			315 892	315 892
Total assets	15 703 495	15 725 671	8 595 784	8 280 919
Equity and liabilities				
Total share capital and reserves	13 319 829	10 616 804	6 093 342	5 814 376
Share capital and reserves	8 307 667	6 980 175	6 093 342	5 814 376
Non-controlling interest in Northam	5 012 162	3 636 629		
Non-current liabilities	1 590 133	3 560 907	160 878	2 039 384
'A' Ordinary shares	700	700	700	700
Preference share funding		2 000 000		1 852 944
Inter-group loans payable				
Long-term provisions	134 278	100 440		
Provision for employee long-term incentive costs	105 086	73 088	23 733	29 620
Deferred tax	1 350 069	1 386 679	136 445	156 120
Current liabilities	793 533	1 547 960	2 341 564	427 159
Short-term portion of preference share funding		44 711		
Short-term portion of loans		904 171	2 070 213	301 688
Provision for employee long-term incentive costs			173 407	107 538
Accounts payable	759 636	598 084	80 777	17 283
Tax	33 897	994	17 167	650
Total equity and liabilities	15 703 495	15 725 671	8 595 784	8 280 919

CONSOLIDATED CASH FLOW STATEMENT

(R'000)	2010	2009	2008	2007
Cash flows from operating activities				
Cash generated by/(utilised to fund) operations	889 551	867 735	(85 548)	(67 868)
Interest received	178 322	498 673	620 255	480 788
Finance costs	(234 229)	(1 223 114)	(114 581)	(141 027)
Tax paid	(438 331)	(428 335)	(22 634)	(34 091)
Net cash generated by/(utilised to fund) operating activities	395 313	(285 041)	397 492	237 802
Cash flows from investing activities				
Dividends received	47 051	1 080		
Acquisition of property, plant and equipment to maintain operations	(231 506)	(296 997)	(181)	(271)
to expand operations	(145 510)	(36 177)		
Dividends received from associate companies			220 995	212 404
Northam			219 889	212 127
Trans Hex			1 106	277
Dividends received from non-strategic listed investments			4	10
Settlement of Booyensdal Liability				(20 000)
Acquisition of Booyensdal (Booyensdal Transaction)		(2 390 994)		
Acquisition of Northam shares		(1 596 864)		
GFI-SA loan repaid		4 139 000		
Acquisition of Gold Fields shares		(4 139 000)		
Net proceeds on disposal of Gold Fields shares	814 023	1 161 507		
Net proceeds from the disposal of Northam shares	2 188 938			
Cash distribution received from associate (Pandora)	10 205	7 500		
Additions to township development	(4 460)	(17 720)		
Increase in environmental and social investments	(29 962)	5 432		
Proceeds on disposal of fixed assets and non-strategic investments	5 518	5 336	14 768	3 187
Net cash generated by investing activities	2 654 297	(3 157 897)	235 586	195 330
Cash flows from financing activities				
Proceeds from the issue of 'A' Preference shares		2 500 000		
Bridging finance (refinance of Mezzanine loan)		2 023 600		
Capital repayments of loans:				
'A' Preference shares	(2 904 171)	(2 935 954)	(301 688)	(277 201)
Senior bank loan	(2 000 000)	(500 000)		(277 201)
Mezzanine finance		(230 736)	(301 688)	
Bridging finance	(904 171)	(1 085 788)		
Cancellation of management contract				(20 000)
Upfront consideration received – options issued to Afripalm 2				10 000
Net proceeds from shares issued	30 277	3 774	84 870	1 182 767
Dividends paid to Northam's non-controlling shareholders	(80 569)	(298 443)		
Net cash (utilised in)/generated by financing activities	(2 954 463)	1 292 977	(216 818)	895 566
Net increase/(decrease) in cash and cash equivalents	95 147	(2 149 961)	416 260	1 328 698
Take on cash balance from Northam		1 379 240		
Cash and cash equivalents at beginning of the year	1 148 865	1 919 586	1 503 326	174 628
Cash and cash equivalents at end of the year	1 244 012	1 148 865	1 919 586	1 503 326
Cash and cash equivalents comprises:				
held by Mvela Resources	57 303	227 962	1 919 586	1 503 326
held by Northam	1 186 709	920 903		
Cash and cash equivalents at end of the year	1 244 012	1 148 865	1 919 586	1 503 326

STATEMENT OF CHANGES IN EQUITY

For the years ended last day 30 June

	Share capital	Share premium	Share Accumulated profit	Share-based payment reserve	Acquisition equity adjustment	Other reserves	Mvela Resources' shareholders' equity	Non-controlling shareholders' equity	Total equity
(R'000)									
Balance at 30 June 2006	3 344	3 050 843	3 396 279	104 934	(421 947)	(3 917)	6 129 536		6 129 536
Attributable profit for the year			(2 098 750)				(2 098 750)		(2 098 750)
Equity compensation reserve			23 975				268 067		268 067
Net proceeds from shares issued	1 530	1 181 237		244 092			1 182 767		1 182 767
Share based discount to Afripalm 1 – Ordinary shares		328 000					328 000		328 000
Unrealised profit on revaluation of listed investments						359	359		359
Unclaimed dividends forfeited			1 376				1 376		1 376
Equity accounted portion of:									
share-based payments of associates				2 503			2 503		2 503
foreign currency translation reserve of associates					1 184		1 184		1 184
fair value adjustment on available-for-sale financial assets of associates					34		34		34
Less: 'A' ordinary shares re-classified as long term liabilities	(700)						(700)		(700)
Balance at 30 June 2007	4 174	4 560 080	1 322 880	351 529	(421 947)	(2 340)	5 814 376		5 814 376
Attributable profit for the year			185 321				185 321		185 321
Equity compensation reserve			128 442	(124 356)			4 086		4 086
Net proceeds from shares issued	53	84 817					84 870		84 870
Unrealised profit on revaluation of listed investments						(3 697)	(3 697)		(3 697)
Equity accounted portion of:									
share-based payments of associates				3 782			3 782		3 782
foreign currency translation reserve of associates					(748)		(748)		(748)
fair value adjustment on available-for-sale financial assets of associates					5 352		5 352		5 352
Balance at 30 June 2008	4 227	4 644 897	1 636 643	230 955	(421 947)	(1 433)	6 093 342		6 094 342
Comprehensive income for the year			1 591 421				718 784	(328 361)	390 423
Acquisition equity adjustment written off			(421 947)		421 947	(872 637)			
Northam purchase price allocation							4 255 727		4 255 727
Dividends paid to minorities							(298 443)		(298 443)
Net proceeds from shares issued	72	147 099					147 171		147 171
Purchase of Northam shares								(2 572)	(2 572)
Equity compensation reserve				3 563			3 563		3 563
Share-based payments of Northam				17 315			17 315	10 278	27 593
Balance at 30 June 2009	4 299	4 791 996	2 806 117	251 833		(874 070)	6 980 175	3 636 629	10 616 804
Comprehensive income for the year			(48 424)				434 087	189 922	624 009
Dividends paid to minorities						482 511		(80 569)	(80 569)
Net proceeds from shares issued	14	14 746					14 760		14 760
Dilution due to additional shares issued by Northam								15 518	15 518
Net gain on disposal of Northam shares (after tax)			843 671	(3 106)			840 565	1 227 161	2 067 726
Equity compensation reserve			5 598	(4 601)			997		997
Share-based payments of Northam			1 808	35 275			37 083	23 501	60 584
Balance at 30 June 2010	4 313	4 806 742	3 608 770	279 401		(391 559)	8 307 667	5 012 162	13 319 829

ACCOUNTING POLICIES

NOTES

1. **Basis of preparation**

These condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are fair valued, in accordance with the group's accounting policies which are consistent with those adopted in the financial year ended 30 June 2010 and which are compliant with International Financial Reporting Standards ("IFRS") and in accordance with IAS 34: "Interim Financial Reporting", the South African Companies Act, 1973, as amended, and the JSE Listings Requirements.

The group applied all the relevant new and revised standards and interpretations that were in issue and effective for the year ended 30 June 2010. This had no material impact on the financial statements of the group. The results as presented for the year ended 30 June 2010 are not directly comparable to those ended 30 June 2009 as a result of the Mvela Resources group ("the group") increasing its shareholding in Northam Platinum Limited ("Northam") from 22% to 63% during the 2009 financial year resulting in Northam being a subsidiary of the group and therefore being fully consolidated from the end of August 2008. In line with previous practice, Northam was equity accounted until the end of August 2008. During May 2010 the group disposed of 44 million Northam shares, whereby decreasing its shareholding from 63% to 50%. The financial results for the year ended 30 June 2009 therefore reflect equity accounting of 22% of Northam for the first two months of the period (resulting in Northam contributing R27 million to equity accounted "Earnings from associate companies") and full consolidation of Northam's financial results for 10 months for the period ended 30 June 2009 (resulting in fully consolidated "Operational mining profit derived from Northam" of R322 million for the period ended 30 June 2009 compared to the R566 million for the year ended 30 June 2010). As a result, like for like comparisons with the previous financial period is difficult.

2. **Going concern**

The underlying assets of the group primarily comprise mining assets. Mining assets have a finite life that depends on geological and technical factors as well as commodity prices and other economic factors. Taking into account the outlook for these factors as well as the group's present financial resources, the directors believe that the group is a going concern. The group's financial statements have accordingly been prepared on this basis.

3. **Investment in Gold Fields Limited**

During the year ended 30 June 2010, approximately 7.7 million Gold Fields shares were sold and the proceeds applied towards repaying the bridging finance raised in March 2009. The remaining 32.2 million Gold Fields shares were fair valued (using a closing share price of R104) at R3.4 billion at 30 June 2010.

The preference share funding, originally amounting to R2.5 billion, was advanced by Nedbank Limited pursuant to the Booyensdal Transaction that was concluded in August 2008. The preference shares were redeemable over a period of 5.5 years at a dividend rate of 73.3% nacs of the South African Prime Overdraft lending rate. By 30 June 2010 the preference shares and dividends were redeemed in full from the proceeds of the 44 million Northam shares sold.

5. **Deferred tax**

The deferred tax provision on the balance sheet mainly relates to the deferred tax raised on the fair value adjustment on the Northam assets acquired pursuant to the Booyensdal Transaction as well as the fair value adjustment on the Gold Fields shares.

6. **Bridging finance**

The mezzanine funding that was raised pursuant to the GFI-SA transaction had rolled up to approximately R2 billion as at 17 March 2009 and was fully refinanced with a short-term bridging facility that was repayable at Jibar plus 250 basis points. By 30 June 2010 the loan and interest was repaid in full primarily from the proceeds from the disposal of 7.7 million Gold Fields shares.

7. **Bridging loan – cost of options**

In terms of the funding agreement certain call options were granted to the financial institution over some of the Gold Fields shares as part of their compensation. During the year under review 1.5 million of these options were exercised and the cost, being the difference between the option exercise price and the market value on the day when the options were exercised, amounted to R9.2 million. The balance of the options expired on 7 May 2010.

8. **Fair value loss on the disposal of the Gold Fields investment**

Fair value adjustments on the Gold Fields investment have been taken to the income statement until 17 March 2009, the date on which the GFI-SA loan converted into Gold Fields shares. A realised profit of R177 million (30 June 2009: realised profit of R326 million) (which represents the difference between the actual selling price realised and a cost price of R82.78 per share) was recognised on the disposal of some 7.7 million Gold Fields shares during the year. From an IFRS perspective, however, a fair value loss of R91.7 million (30 June 2009: fair value loss of R37.8 million) on the sold shares has been recognised, being the difference between the recorded fair value of the shares on 17 March 2009 (at R118.90 per share) and the actual price realised on disposal.

HISTORICAL FINANCIAL INFORMATION OF NORTHAM

FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED 30 JUNE 2007, 2008, 2009 and 2010

The salient financial information has been extracted without adjustment from the audited annual financial statements of Northam for the 4 years ended 30 June 2007, 2008, 2009 and 2010, as audited by Ernst & Young Inc. Ernst & Young Inc has provided unqualified audit reports for the financial years under consideration.

This financial information is the responsibility of the board of directors of Northam.

For the comprehensive set of financial information refer to the annual reports on the Northam website www.northam.co.za

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended last day 30 June

R'000	2010	2009	2008	2007
Total revenue	4 133 998	3 336 223	3 995 514	3 831 925
Sales revenue	3 945 083	3 186 042	3 886 137	3 739 805
Cost of sales	3 160 108	2 368 129	1 608 648	1 727 945
operating costs	2 230 369	1 905 889	1 626 610	1 360 818
concentrates purchased	735 090	140 192	–	106 447
refining and other costs	92 972	120 917	75 540	91 816
depreciation and impairments	167 346	160 907	149 325	129 040
change in metal inventories	(65 669)	40 224	(242 827)	39 824
Operating profit	784 975	817 913	2 277 489	2 011 860
Share of earnings and distributions from associate	12 440	72 606	–	–
Investment revenue	167 655	130 417	97 507	83 643
Sundry income/(expenditure)	9 557	(6 430)	1 824	5 303
Expenditure incurred on the Booyseval Project	–	–	(17 969)	–
Profit before tax	974 627	1 014 506	2 358 851	2 100 806
Taxation	333 601	384 024	866 040	774 562
Profit and comprehensive income for the year attributable to shareholders	641 026	630 482	1 492 811	1 326 244
	Cents	Cents	Cents	Cents
Earnings per share	177.9	183.7	627.2	560.2
Fully diluted earnings per share	177.8	183.5	620.7	553.1
Headlines earnings per share	177.8	172.2	627.2	560.1
Fully diluted headline earnings per share	177.7	171.9	620.7	553.0
Dividend per share	40.0	78.0	425.0	410.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At last day 30 June

(R'000)	2010	2009	2008	2007
Assets				
Non-current assets	7 971 624	7 732 343	1 755 534	1 600 724
Property, plant and equipment	1 938 061	1 737 109	1 523 093	1 364 052
Mining properties and mineral resources	5 722 659	5 718 387	160 808	172 237
Interest in associate	129 741	130 106	–	
Unlisted investment	6	6	8	6
Township land and development	63 805	59 345	36 905	35 198
Trust Fund	27 259	24 893	21 820	18 920
Environmental Guarantee Investment	20 763	15 895	12 900	10 311
Toro Employee Empowerment Trust	69 330	46 602		
Current assets	2 117 683	1 616 007	2 363 992	1 733 264
Inventories	521 462	468 254	504 980	254 490
Trade and other receivables	318 054	226 850	359 264	268 862
Investments in escrow	91 458	–		
Cash and cash equivalents	1 186 709	920 903	1 499 748	1 209 912
Total assets	10 089 307	9 348 350	4 119 526	3 333 988
Equity and liabilities				
Share capital and share premium	7 638 486	7 622 968	2 053 194	2 030 914
Retained earnings	1 081 862	654 041	823 093	320 755
Equity compensation reserve	112 806	55 177	27 584	29 777
Shareholders' equity	8 833 154	8 332 186	2 903 871	2 381 446
Non-current liabilities	581 490	529 261	443 913	397 912
Deferred tax liability	447 212	428 821	388 055	376 163
Long-term provisions	134 278	100 440	55 858	21 749
Current liabilities	674 663	486 903	771 742	554 630
Receiver of revenue	33 886	432	449 110	343 191
Trade and other payables	562 844	417 649	229 449	153 561
Short-term provisions	77 933	68 822	93 183	57 878
Total equity and liabilities	10 089 307	9 348 350	4 119 526	3 333 988

CONSOLIDATED CASH FLOW STATEMENT

For the years ended last day 30 June

R'000	2010	2009	2008	2007
Cash flows from operating activities	862 411	717 838	1 546 908	1 555 025
Cash generated from operations	970 648	1 049 056	2 429 382	2 156 896
Interest income	163 625	127 739	95 454	80 936
Change in working capital	783	357 340	(265 004)	(106 316)
Change in provisions	9 111	(24 361)	35 305	7 810
Taxation	(281 756)	(791 936)	(748 229)	(584 301)
Cash flows utilised in investing activities	(395 965)	(498 335)	(269 284)	(218 195)
Property plant and equipment additions to maintain operations	(231 481)	(331 267)	(264 976)	(187 562)
additions to expand operations	(145 510)	(36 177)	–	–
disposals proceeds	5 243	1 717	2 890	4 522
Additions to township development	(4 460)	(22 440)	(1 707)	(28 596)
Investment in associate acquisition of participation interest	–	(65 000)	–	–
cash distribution received	10 205	7 500	–	–
Increase in subsidiary loans	–	–	–	–
Increase in available for sale investment	–	2	(2)	–
Increase in investments held by Northam Platinum Restoration Trust Fund	(2 366)	(3 073)	(2 900)	(2 527)
Increase in investments held by Environmental Contingency Fund	(4 868)	(2 995)	(2 589)	(4 032)
Increase in investments held by Toro Employee Empowerment Trust	(22 728)	(46 602)	–	–
Cash flows utilised in financing activities	(200 640)	(798 348)	(987 788)	(958 204)
Proceeds from issue of shares	15 518	3 774	22 280	12 128
Dividends paid	(216 158)	(802 122)	(1 010 068)	(970 332)
Increase/(Decrease) in cash and cash equivalents	265 806	(578 845)	289 836	378 626
Cash and cash equivalents at beginning of year	920 903	1 499 748	1 209 912	831 286
Cash and cash equivalents at end of year	1 186 709	920 903	1499748	1 209 912

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended last day 30 June

R'000	Share capital	Share premium	Equity compen- sation reserve	Retained earnings	Total
Balance at 1 July 2006	2 360	2 016 426	22 788	(39 942)	2 001 632
Credit in respect of share based payments			11 774		11 774
Profit attributable to shareholders				1 326 224	1 326 224
Adjustment in respect of equity compensation reserve			(4 785)	4 785	
Dividends				(970 332)	(970 332)
Issue of new shares	12	12 116			12 128
Balance at 1 July 2007	2 372	2 028 542	29 777	320 755	2 381 446
Credit in respect of share based payments	–	–	17 402	–	17 402
Profit attributable to shareholders	–	–	–	1 492 811	1 492 811
Dividends	–	–	–	(1 010 068)	(1 010 068)
Transfer of equity compensation reserve to retained earnings	–	–	(19 595)	19 595	
– Issue of new shares	15	22 265	–	–	22 280
Balance at 30 June 2008	2 387	2 050 807	27 584	823 093	2 903 871
Shares based payments expense	–	–	30 181	–	30 181
Profit and comprehensive income for the year attributable to shareholders	–	–	–	630 482	630 482
Dividends distributed	–	–	–	(802 122)	(802 122)
Transfer of equity compensation reserve to retained earnings	–	–	(2 588)	2 588	
– Issue of new shares	1 212	5 568 562	–	–	5 569 774
Balance at 30 June 2009	3 599	7 619 369	55 177	654 041	8 332 186
Shares based payments expense	–	–	60 582	–	60 582
Profit and comprehensive income for the year attributable to shareholders	–	–	–	641 026	641 026
Dividends distributed	–	–	–	(216 158)	(216 158)
Transfer of equity compensation reserve to retained earnings	–	–	(2 953)	2 953	
– Issue of new shares	7	15 511	–	–	15 518
Balance at 30 June 2010	3 606	7 634 880	112 806	1 081 862	8 833 154

ACCOUNTING POLICIES

NOTES

1. **Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are fairly valued, in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and the South African Companies Act, 1973.

2. **Key accounting estimates, assumptions and judgments**

The preparation of the company and group’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future.

These estimates and assumptions are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

2.1 **Impairment of assets**

The group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

2.2 **Provisions**

The group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management’s best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the carrying value, that portion of the increase is charged directly to expense.

2.3 **Useful lives and residual values of property, plant and equipment**

The group estimates the useful life of its assets by taking into account the age of the asset, its physical condition and technical obsolescence as well as the life of the mine.

As residual values are the expected values at the end of an asset’s useful life, a process of estimation is required to determine the residual values at year end.

2.4 **Life of mine and estimation of reserves**

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its ore reserves and mineral resources, based on information compiled by appropriately qualified persons, relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resources estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, depreciation and amortisation charges.

PRICE AND TRADING HISTORY OF MVELA RESOURCES ORDINARY SHARES ON THE JSE EXCHANGE

Mvela Resources

The highest and lowest prices as well as the volumes at which the Mvela Resources ordinary shares traded on the JSE Exchange for each quarter commencing on 31 March 2008 and ending on 31 December 2010, for each month from 1 January 2010 to 31 December 2010 and for each day from 17 December 2010 to the last practicable date, are set out below:

	High (Cents)	Low (Cents)	Close (Cents)	Volume (shares)	Value (R)
Quarterly					
Mar-08	5 245	3 168	4 806	24 447 277	1 302 638 465
Jun-08	5 112	4 524	4 955	22 339 230	1 408 526 847
Sep-08	4 922	2 861	3 128	85 924 896	3 926 062 170
Dec-08	3 387	1 228	1 755	76 643 500	2 271 894 030
Mar-09	2 479	1 327	2 211	56 368 957	1 392 552 393
Jun-09	2 689	2 118	2 328	51 122 974	1 662 155 390
Sep-09	3 357	2 311	2 898	37 061 789	1 417 872 588
Dec-09	3 738	2 582	3 738	31 111 184	1 310 347 322
Mar-10	4 284	3 265	3 471	45 776 101	2 302 054 526
Jun-10	4 043	3 204	3 442	42 486 132	2 066 796 834
Sep-10	3 491	2 898	3 395	34 532 273	1 449 089 205
Dec-10	3 891	3 390	3 813	45 942 506	2 174 129 566
Monthly					
Jan-10	4 284	3 693	3 872	16 168 349	837 457 833
Feb-10	3 956	3 586	3 624	16 602 462	837 074 073
Mar-10	3 799	3 265	3 471	13 005 290	627 522 620
Apr-10	4 043	3 448	3 914	17 377 714	906 573 955
May-10	3 842	3 353	3 586	16 379 304	768 115 903
Jun-10	3 613	3 204	3 442	8 729 114	392 106 976
Jul-10	3 491	3 295	3 335	7 398 938	321 946 273
Aug-10	3 320	2 898	2 937	15 219 723	623 537 392
Sep-10	3 432	3 014	3 395	11 913 612	503 605 540
Oct-10	3 586	3 432	3 494	10 239 360	470 187 069
Nov-10	3 681	3 390	3 624	26 422 533	1 242 505 626
Dec-10	3 891	3 654	3 813	9 280 613	461 436 871
Daily					
17-Dec-10	3 852	3 773	3 773	289 672	14 453 360
20-Dec-10	3 834	3 767	3 820	217 929	10 902 220
21-Dec-10	3 849	3 795	3 825	351 005	17 569 310
22-Dec-10	3 837	3 742	3 830	126 823	6 359 421
23-Dec-10	3 834	3 741	3 754	55 924	2 775 487
24-Dec-10	3 803	3 738	3 776	17 231	852 531
28-Dec-10	3 773	3 699	3 700	447 772	21 819 370
29-Dec-10	3 738	3 699	3 723	244 731	11 896 560
30-Dec-10	3 751	3 723	3 723	129 201	6 330 308
31-Dec-10	3 813	3 738	3 813	954 570	47 489 430
03-Jan-11	3 813	3 723	3 776	34 891	1 709 505
04-Jan-11	3 815	3 743	3 773	239 917	11 936 250
05-Jan-11	3 784	3 723	3 738	337 743	16 542 420
06-Jan-11	3 731	3 701	3 712	253 881	12 377 180

	High (Cents)	Low (Cents)	Close (Cents)	Volume (shares)	Value (R)
Daily					
07-Jan-11	3 703	3 662	3 700	217 647	10 475 820
10-Jan-11	3 731	3 678	3 715	89 610	4 346 474
11-Jan-11	3 795	3 699	3 795	512 217	25 126 810
12-Jan-11	3 840	3 776	3 815	336 846	16 857 430
13-Jan-11	3 870	3 777	3 853	685 074	34 316 380
14-Jan-11	3 930	3 780	3 869	621 107	31 571 980
17-Jan-11	3 891	3 853	3 860	482 520	24 421 830
18-Jan-11	3 889	3 815	3 844	252 928	12 740 810
19-Jan-11	3 886	3 821	3 862	334 679	16 910 640
20-Jan-11	3 868	3 723	3 784	656 505	32 646 260
21-Jan-11	3 837	3 761	3 815	840 268	41 784 980
24-Jan-11	3 903	3 805	3 840	423 975	16 344 830
25-Jan-11	3 850	3 765	3 789	272 080	10 346 060
26-Jan-11	3 845	3 765	3 798	261 998	9 937 330
27-Jan-11	3 783	3 715	3 765	117 300	4 421 048
28-Jan-11	3 799	3 657	3 709	1 069 706	39 987 700

PRICE AND TRADING HISTORY OF NORTHAM SHARES ON THE JSE EXCHANGE

Northam

The highest and lowest prices as well as the volumes at which Northam shares traded on the JSE Exchange for each quarter commencing on 31 March 2008 and ending on 31 December 2010, for each month from 1 January 2010 to 31 December 2010 and for each day from 17 December 2010 to the last practicable date, are set out below:

	High (Cents)	Low (Cents)	Close (Cents)	Volume (shares)	Value (R)
Quarterly					
Mar-08	7 900	4 000	7 111	50 376 896	2 891 355 490
Jun-08	7 650	6 305	6 760	27 647 007	1 929 763 273
Sep-08	6 582	3 900	4 500	49 515 796	2 491 346 203
Dec-08	4 525	1 825	2 060	46 618 943	1 336 625 266
Mar-09	2 903	1 680	2 570	34 077 771	770 041 347
Jun-09	3 600	2 461	3 000	37 405 543	1 150 225 731
Sep-09	4 110	2 760	3 300	46 036 014	1 675 079 959
Dec-09	4 839	3 050	4 804	52 815 403	2 036 750 649
Mar-10	5 560	4 454	4 800	52 479 224	2 569 574 893
Jun-10	5 400	4 275	4 550	73 233 071	3 553 694 206
Sep-10	4 640	4 025	4 599	44 095 949	1 940 293 620
Dec-10	5 100	4 450	4 530	25 389 791	1 207 252 776
Monthly					
Jan-10	5 560	4 795	4 975	22 937 287	1 175 633 870
Feb-10	4 975	4 454	4 454	12 998 587	625 346 179
Mar-10	4 845	4 470	4 800	16 543 350	768 594 844
Apr-10	5 400	4 868	5 275	24 292 408	1 265 840 970
May-10	5 300	4 312	4 730	29 822 094	1 380 952 680
Jun-10	4 785	4 275	4 550	19 118 569	906 900 556
Jul-10	4 640	4 360	4 400	16 707 378	740 498 970
Aug-10	4 510	4 025	4 025	10 327 865	437 942 670
Sep-10	4 632	4 102	4 599	17 060 706	761 851 980
Oct-10	4 890	4 650	4 845	7 219 022	343 200 068
Nov-10	5 100	4 450	4 450	9 767 867	473 889 723
Dec-10	4 850	4 486	4 530	8 402 902	390 162 985
Daily					
17-Dec-10	4 650	4 550	4 580	566 455	25 921 270
20-Dec-10	4 610	4 546	4 600	108 018	4 962 528
21-Dec-10	4 648	4 528	4 565	445 773	20 434 150
22-Dec-10	4 630	4 510	4 582	179 181	8 213 925
23-Dec-10	4 600	4 505	4 509	98 180	4 470 764
24-Dec-10	4 599	4 500	4 599	39 177	1 767 713
28-Dec-10	4 647	4 510	4 510	75 713	3 443 977
29-Dec-10	4 560	4 481	4 500	418 257	18 933 180
30-Dec-10	4 546	4 478	4 486	174 280	7 857 095
31-Dec-10	4 530	4 480	4 530	68 879	3 108 435
03-Jan-11	4 530	4 500	4 520	69 494	3 141 073
04-Jan-11	4 530	4 482	4 530	796 968	35 973 450
05-Jan-11	4 529	4 427	4 450	928 483	41 417 460
06-Jan-11	4 520	4 421	4 450	3 802 667	169 219 200
07-Jan-11	4 499	4 421	4 480	219 203	9 780 990

	High (Cents)	Low (Cents)	Close (Cents)	Volume (shares)	Value (R)
Daily					
10-Jan-11	4 512	4 452	4 500	645 021	28 959 320
11-Jan-11	4 780	4 421	4 780	1 770 687	80 096 070
12-Jan-11	4 770	4 665	4 720	495 984	23 417 070
13-Jan-11	4 777	4 665	4 719	608 662	28 608 140
14-Jan-11	4 730	4 610	4 699	488 381	22 935 740
17-Jan-11	4 697	4 600	4 600	199 637	9 229 412
18-Jan-11	4 675	4 576	4 640	187 918	8 736 522
19-Jan-11	4 748	4 624	4 624	490 616	22 834 480
20-Jan-11	4 670	4 476	4 550	836 106	38 164 490
21-Jan-11	4 551	4 480	4 506	531 671	24 063 510
24-Jan-11	4 605	4 421	4 443	448 329	20 048 590
25-Jan-11	4 550	4 342	4 342	414 858	18 340 120
26-Jan-11	4 540	4 360	4 423	496 280	21 835 020
27-Jan-11	4 425	4 341	4 422	561 955	24 634 390
28-Jan-11	4 422	4 250	4 317	291 671	12 619 700

INFORMATION ON THE MVELA RESOURCES DIRECTORS

The following persons are the directors of Mvela Resources:

- Mr P Lazarus Zim** (50) *Chairman* (South African)
 BCom (Hons), MCom
 Mr Zim is executive chairman of Afripalm Resources and a director of various other entities in the Afripalm group. He is also Chairman of Northam and a director of, *inter alia*, Sanlam Limited, and Sahara Computers (Proprietary) Limited.
 He was previously an executive director of the MTN Group Limited and Chief Executive of Anglo American South Africa Limited. He is a past President of the South African Chamber of Mines, a former director of Anglo Gold Ashanti Limited, Anglo Platinum Limited, Mondi Limited and Telkom SA Limited and sits on a number of Government advisory boards.
 Mr Zim's business address is 2nd Floor, 135 West Street, Sandton.
- Mr Bernard R van Rooyen** (77) Deputy chairman, company secretary and financial director (South African)
 BA, LLB (Wits)
 Mr van Rooyen is chairman of Trans Hex, and a director of Northam and the Banro Corporation.
 Mr van Rooyen's business address is Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Sandton, Johannesburg.
- Mr Michael E Beckett** (74) Independent non-executive director (British)
 BSc (Geology), FIMM
 Mr Beckett is the chairman of Thomas Cook Group Plc and Endeavour Financial Corporation. He is a director of International Hotels Investments Limited, Orica Limited, Petroamerica Oil Corporation, Crew Gold Corporation and Northam.
 He was chairman of Ashanti Gold Fields Plc until 2004 and was managing director of Consolidated Gold Fields Plc prior to that.
 Mr Beckett's business address is c/o Thomas Cook Group Plc, 6th Floor South, Brettenham House, Lanchester Place, London, WC2E 7EN.
- Ms Philisiwe M Buthelezi** (46) Non-executive director (South African)
 BA Econ (Univ. of the North, SA), MSc Econ (Sorbonne, France), MBA (Univ. of Sheffield, UK)
 Ms Buthelezi is currently chief executive officer of the National Empowerment Fund (NEF) and chairperson of Group Five Limited. She previously worked at the Department of Trade and Industry as Chief Director: Black Economic Empowerment.
 Ms Buthelezi's business address is West Block, 187 Rivonia Road, Morningside, Johannesburg.
- Mr C Kelello Chabedi** (42) Independent non-executive director (South African)
 BSc (Mining Engineering), IMDP, MDP, MSAIMM
 Mr Chabedi is a mining engineer with significant operational experience in various management positions at Anglo Coal South Africa Limited. He has completed a number of post-graduate development programmes and is currently a coal mining lecturer and consultant.

Mr Chabedi's business address is University of the Witwatersrand, School of Mining Engineering, Chamber of Mines Building, 2nd Floor, 1 Jan Smuts Avenue, Braamfontein, Johannesburg.

Ms Yolanda Z Cuba (33)

Non-executive director (South African)

BCom (Statistics) (UCT), BCom Hons (Accounting) (Natal), CA (SA)

Ms Cuba was the chief executive officer of Mvelaphanda Group Limited ("Mvela Group"), one of South Africa's leading listed black-owned investment companies. Miss Cuba stepped down as CEO on 31 December 2010.

Prior to that she worked in a wide range of companies including Robertsons Foods (now part of Unilever South Africa (Proprietary) Limited) and Fisher Hoffman PKF (now known as PKF Accountants Inc). In early 2003, before joining Mvela Group, she worked for Mvela Holdings in its Corporate Finance Division and was appointed Deputy CEO later that year.

Ms Cuba's business address is 1st Floor, 30 Melrose Boulevard, Melrose Arch, Johannesburg.

Mr Sipho W Mofokeng (38)

Executive director – exploration and project development (South African)

MSc (UCT), Sc.Pr.Nat

Mr Mofokeng previously served as the executive technical manager of Mvela Resources. He is also a director of Ndwana Exploration (Proprietary) Limited and Mvelaphanda Exploration (Proprietary) Limited.

Before joining Mvela Resources he was De Beers' Regional Exploration Manager (Southern Africa) and a director of De Beers Prospecting Botswana.

Mr Mofokeng's business address is Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Sandton, Johannesburg.

Mr Ragavan Moonsamy (46)

Non-executive director (South African)

Mr Moonsamy is currently managing director of Unipalm Investments Holdings Limited, a broad-based group with a 15% shareholding in Afripalm Resources.

He was a founding member of Kascara Financial Investment Brokers in 1987. Since 1994, he has played a leading role in various empowerment initiatives. He serves on a number of boards including Growthpoint Properties Limited, Afripalm Resources and Sahara Computers (Proprietary) Limited.

Mr Moonsamy's business address is Unipalm House, No 1 Sohland Avenue, Constantia, Cape Town.

Mr Mark J Willcox (40)

Non-executive director (South African)

BA, LLB, Post-Grad Dip Tax

Mr Willcox is chief executive officer of Mvela Holdings.

Mr Willcox's business address is 1st Floor, North Wing, The Reserve, 54 Melville Road, Illovo, Johannesburg.

Mr Mikki S M M Xayiya (49)

Non-executive director (South African)

BA (UNISA), M.Phil (Stellenbosch)

Mr Xayiya is chairman of Mvela Holdings. He is a director on the board of Northam.

Before joining Mvela Holdings, he was managing director of Mawenzi Asset Managers and policy advisor in the Office of the Premier, Gauteng Province.

Mr Xayiya's business address is 1st Floor North Wing, The Reserve, 54 Melville Road, Illovo, Johannesburg.

INFORMATION ON THE DIRECTORS OF NORTHAM

- Mr P Lazarus Zim, (50)** Non-Executive Chairman (South African)
(for details refer to Annexure 10 of this circular)
- Mr Glyn T Lewis, (54)** Chief Executive Officer (British)
B Sc (Mining Engineering), MBA
Mr Lewis joined Northam in 2001 as mine manager, was appointed general manager in 2002 and chief executive officer in 2005. Prior to joining Northam, he was the manager of the Tarkwa gold mine in Ghana. He has extensive experience in the mining industry in both precious and base metal mines.
Mr Lewis' business address is: Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg.
- Mr C Kelello Chabedi, (42)** Non-Executive Director (South African)
(for details refer to Annexure 10 of this circular)
- Mr Michael E Beckett, (74)** Non-Executive Director (British)
(for details refer to Annexure 10 of this circular)
- Dr Nobuhle J Dlamini, (51)** Independent Non-Executive Director (South African)
MBChB, DOH, MBA
Dr Dlamini is the chairperson of Mbekani Group. Before moving into the business sector she worked as a medical practitioner. Until 2003 she was a senior manager at HSBC, in the transport and energy corporate finance team. She was closely involved in advising and structuring Black Economic Empowerment transactions. She is a trustee of Mkhiwa Trust and chairs the board of Aspen Pharmacare Holdings Limited. Her other directorships include Gijima Group Limited, Eyomhlaba Holdings Limited and Imithi Investments (Proprietary) Limited.
Dr Dlamini's business address is: 130, 13th Avenue, Houghton.
- Mr Ralph Havenstein, (54)** Independent Non-Executive Director (South African)
MSc (Chemical Engineering), B Comm
Mr Havenstein is a former executive director of Sasol Limited responsible for Sasol Chemical Industries. In June 2003 he was appointed chief executive officer of Anglo Platinum Limited, a position he held until August 2007. He was appointed as Chief Executive of Norilsk Nickel International, based in Johannesburg, South Africa, effective 1st September 2008.
Mr Havenstein's business address is: 43 Boeing Street, Roodepoort.
- Ms Emily T Kgosi, (55)** Independent Non-Executive Director (South African)
B Comm (Hons)
Ms Kgosi is a commercial manager at Eskom Central Region. 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).
Ms Kgosi's business address is: ESKOM Centre 204 Smit Street, Braamfontein.

- Mr Ayanda Z Khumalo, (46)** Financial Director (South African)
B Comm, B Compt (Hons), CA (SA)
Mr Khumalo, a chartered accountant by profession, 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 – finance, of Aquarius Platinum South Africa (Proprietary) Limited.
Mr Khumalo's business address is: 1st Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg.
- Mr Alwyn R Martin, (72)** Independent Non-Executive Director (South African)
B Comm, CA (SA)
Mr Martin is a chartered accountant, and a founding partner of the country's first black-owned accounting firm Christian, Martin and Abrahamse. Over a period of time he has served as a partner at Ernst and Young, chairman of Vodacom Group and chief executive officer of Siemens Telecommunications (Proprietary) Limited. His board positions currently include Barnard Jacobs Mellet Holdings Limited, Medi-clinic Holdings Limited, Petmin Limited and Trans Hex.
- Mr Bernard R van Rooyen, (76)** Non-Executive Director (South African)
(for details refer to Annexure 10 of this circular)
- Mr Mikki SMM Xayiya, (49)** Non-Executive Director (South African)
(for details refer to Annexure 10 of this circular)
- Mr Mark J Willcox, (40)** Non-Executive Director (South African)
(for details refer to Annexure 10 of this circular)
- Mr Atul K Gupta, (42)** Non-Executive Director (Alternate to Mr PL Zim) (Indian)
Mr Gupta is chairman and managing director of Sahara Holdings (Proprietary) Limited and is a member of the Afripalm Resources board of directors.

TABLE OF ENTITLEMENTS

The number of Northam distribution shares to which a participating Mvela Resources ordinary shareholder will be entitled and the number of Northam shares to which a scheme participant will be entitled, are set out below. Mvela Resources ordinary shareholders' entitlements under the Northam distribution will be rounded up to the nearest whole number if the fraction is equal to or greater than 0.5 of a Northam share; or down to the nearest whole number if the fraction is less than 0.5 of a Northam share. The same rounding principles will apply to entitlements under the scheme. This table takes account of such rounding up and down.

Number of Mvela Resources ordinary shares held	Number of Northam distribution shares to which a Mvela Resources ordinary shareholder is entitled	Number of Northam shares to which a Mvela Resources ordinary shareholder is entitled under the scheme	Total number of Northam shares to which a Mvela Resources ordinary shareholder is entitled
1	1	0	1
2	2	0	2
3	3	0	3
4	3	0	3
5	4	0	4
6	5	1	6
7	6	1	7
8	7	1	8
9	8	1	9
10	8	1	9
11	9	1	10
12	10	1	11
13	11	1	12
14	12	1	13
15	13	1	14
16	13	2	15
17	14	2	16
18	15	2	17
19	16	2	18
20	17	2	19
21	18	2	20
22	18	2	20
23	19	2	21
24	20	2	22
25	21	2	23
26	22	2	24
27	23	3	26
28	23	3	26
29	24	3	27
30	25	3	28
31	26	3	29
32	27	3	30
33	28	3	31
34	28	3	31
35	29	3	32
36	30	3	33
37	31	4	35
38	32	4	36

Number of Mvela Resources ordinary shares held	Number of Northam distribution shares to which a Mvela Resources ordinary shareholder is entitled	Number of Northam shares to which a Mvela Resources ordinary shareholder is entitled under the scheme	Total number of Northam shares to which a Mvela Resources ordinary shareholder is entitled
39	33	4	37
40	33	4	37
41	34	4	38
42	35	4	39
43	36	4	40
44	37	4	41
45	38	4	42
46	38	4	42
47	39	5	44
48	40	5	45
49	41	5	46
50	42	5	47
51	43	5	48
52	43	5	48
53	44	5	49
54	45	5	50
55	46	5	51
56	47	5	52
57	48	5	53
58	48	6	54
59	49	6	55
60	50	6	56
61	51	6	57
62	52	6	58
63	53	6	59
64	53	6	59
65	54	6	60
66	55	6	61
67	56	6	62
68	57	7	64
69	58	7	65
70	58	7	65
71	59	7	66
72	60	7	67
73	61	7	68
74	62	7	69
75	63	7	70
76	63	7	70
77	64	7	71
78	65	7	72
79	66	8	74
80	67	8	75
81	68	8	76
82	68	8	76
83	69	8	77
84	70	8	78
85	71	8	79
86	72	8	80
87	73	8	81
88	74	8	82

Number of Mvela Resources ordinary shares held	Number of Northam distribution shares to which a Mvela Resources ordinary shareholder is entitled	Number of Northam shares to which a Mvela Resources ordinary shareholder is entitled under the scheme	Total number of Northam shares to which a Mvela Resources ordinary shareholder is entitled
89	74	9	83
90	75	9	84
91	76	9	85
92	77	9	86
93	78	9	87
94	79	9	88
95	79	9	88
96	80	9	89
97	81	9	90
98	82	9	91
99	83	10	93
100	84	10	94
101	84	10	94
102	85	10	95
103	86	10	96
104	87	10	97
105	88	10	98
106	89	10	99
107	89	10	99
108	90	10	100
1 074	897	103	1 000
10 738	8 969	1 031	10 000
107 387	89 693	10 307	100 000
1 073 871	896 930	103 070	1 000 000

Before the Honourable Judge Boruchowitz

In the ex parte application of:

Mvelaphanda Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)

Applicant

ORDER OF COURT

Upon the motion of Counsel for the Applicant and having read the notice of motion and the other documents filed on record:

IT IS ORDERED THAT:

- a meeting (“scheme meeting”), in terms of section 311 of the Companies Act No 61 of 1973, as amended (“Companies Act”), of the holders of ordinary shares in the capital of the Applicant (“ordinary shares”) recorded as such in the Applicant’s register of members on the scheme voting record date, which is expected to be the close of business on Thursday, 10 March 2011 (“scheme members”), be convened by the chairperson of the scheme meeting (“chairperson”) referred to in this Order of Court (“order”), to be held on Monday, 14 March 2011 at the later of:
 - (a) 10:30; or
 - (b) 10 (ten) minutes after the conclusion, postponement or adjournment of the general meeting of the Applicant’s shareholders (which has been convened to be held on the same date and at the same place as the scheme meeting),

in Room U2, Hackle Brooke, 110 Conrad Drive, corner Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg (or any adjourned or postponed date and time determined by the chairperson (“adjourned meeting”)), for the purpose of considering and, if deemed fit, agreeing, with or without modification, to the scheme of arrangement (“scheme”) proposed by Northam Platinum Limited (“Northam”) between the Applicant and the holders of its ordinary shares;
- Advocate Arnold Subel SC, or failing him, Leonard Neal Harris SC, be and is hereby appointed as chairperson of the scheme meeting;
- the chairperson is hereby authorised to:
 - (a) convene the scheme meeting and any adjourned meeting;
 - (b) adjourn the scheme meeting and any adjourned meeting from time to time if the chairperson considers it necessary or desirable to do so;
 - (c) determine the date and place of any adjourned meeting;
 - (d) appoint scrutineers for the purposes of the scheme meeting and any adjourned meeting;
 - (e) determine the validity and acceptability of any form of proxy submitted for use at the scheme meeting and any adjourned meeting;
 - (f) accept forms of proxy handed to the chairperson by no later than 10 (ten) minutes before the scheme meeting or any adjourned meeting is due to commence;
 - (g) determine the procedure to be followed at the scheme meeting and any adjourned meeting;
- the Applicant shall cause a notice convening the scheme meeting, substantially in the form of the draft notice contained in the papers before this Honourable Court, to be published by the chairperson once in each of the Government Gazette, Business Report, Beeld, Sunday Times and Rapport, at least 14 (fourteen) calendar days before the date of the scheme meeting. The notice shall state:
 - (a) the time, date and place of the scheme meeting;
 - (b) that the scheme meeting has been convened in terms of this order for the purpose of considering and, if deemed fit, agreeing, with or without modification, to the scheme;

- (c) that a copy of:
 - (i) the scheme and the explanatory statement in terms of section 312(1) of the Companies Act (“explanatory statement”) substantially in the form of the scheme and explanatory statement contained in the papers before this Honourable Court;
 - (ii) the notice convening the scheme meeting substantially in the form of the notice contained in the papers before this Honourable Court, stating the time, date and place of the scheme meeting;
 - (iii) the form of proxy (“proxy form”) to be used at the scheme meeting or an adjourned meeting substantially in the form of the form of proxy contained in the papers before this Honourable Court; and
 - (iv) this order,
 - (collectively, the “documents”) relating to the scheme, may, on request, be inspected, free of charge, by a holder of ordinary shares, or by a person named by a Central Securities Depository Participant (“participant”) administering sub-registers of the Applicant as being a beneficial owner of ordinary shares, at, or obtained by any such holder or beneficial owner, free of charge from, the office of the Applicant, Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg, 2196 (“Applicant’s office”), and at the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg 2196 during normal business hours for at least 14 (fourteen) calendar days before the date of the scheme meeting;
 - (d) the basic characteristic of the scheme; and
 - (e) that a copy of the chairperson’s report referred to in this order may, on request, be inspected free of charge by a holder of ordinary shares, or by a person named by a participant administering sub-registers of the Applicant as being a beneficial owner of ordinary shares, at the Applicant’s office or the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg 2196, during normal business hours for at least 7 (seven) calendar days before the date fixed by this Honourable Court for the chairperson to report back to it;
- copies of the documents shall be sent by the Applicant, by prepaid registered post, at least 14 (fourteen) calendar days before the date of the scheme meeting, to:
 - (a) the holders of ordinary shares in the capital of the Applicant at their respective addresses as reflected in the Applicant’s register of members; and
 - (b) those persons named, and at their addresses supplied, by participants administering sub-registers of the Applicant as being beneficial owners of shares in the Applicant as reflected in the records of the participants,
 - at the close of business on a date or dates not more than 7 (seven) calendar days before the date of such posting;
 - the date of posting of the documents shall be evidenced by an affidavit deposed to by a representative of the Applicant, duly supported by post office receipts;
 - a copy of the documents shall lie for inspection free of charge by holders of ordinary shares, and persons named by a participant administering sub-registers of the Applicant as being beneficial owners of ordinary shares, at, and copies of the documents may be obtained by them free of charge from, the Applicant’s office and at the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg 2196 during normal business hours for at least 14 (fourteen) calendar days before the date of the scheme meeting;
 - the chairperson shall report (“report”) the results of the scheme meeting in an affidavit to this Honourable Court at 10:00 or so soon thereafter as Counsel may be heard on Tuesday, 29 March 2011;
 - the report required by this Honourable Court from the chairperson shall give details of:
 - (a) the number and percentage of scheme members present in person or represented at the scheme meeting;
 - (b) the number and percentage of scheme members represented by proxy at the scheme meeting and the numbers and percentage of shares represented by the chairperson in terms of proxies;
 - (c) the number and percentage of ordinary shares held by all scheme members;
 - (d) any proxies which have been disallowed;
 - (e) the number and percentage of scheme members present in person at the scheme meeting or represented by proxy thereat, who are directors of Northam, and how they cast their votes;

- (f) all resolutions passed at the scheme meeting, with particulars of the number and percentage of votes cast in favour of and against each such resolution and of any abstentions, indicating how many votes and what percentage of votes were cast by the chairperson in terms of proxies;
 - (g) all rulings made and directions given by the chairperson at the scheme meeting;
 - (h) the relevant portions of documents and reports submitted or tabled at the scheme meeting which bear on the merits or demerits of the scheme, including copies thereof; and
 - (i) the main points of any other proposals which were submitted to the scheme meeting;
- the report shall comply with the requirements of section 10.5 of the Practice Manual of this Court;
 - the Applicant shall make a copy of the report available (and the notice of the scheme meeting which is published and sent to shareholders of the Applicant shall include a statement that it will be so available) to holders of ordinary shares, and persons named by participants administering sub-registers of the Applicant as being beneficial owners of ordinary shares, at the Applicant's office and at the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg 2196, on request, free of charge, during normal business hours for at least 7 (seven) calendar days before the date fixed by this Honourable Court for the chairperson to report back to it;
 - registered holders of ordinary shares in certificated form, and registered holders of ordinary shares in dematerialised form held with "own name" registration, who wish to vote by proxy, should tender the proxy form to be received by no later than 10:30 on Friday, 11 March 2011, or if the scheme meeting or an adjourned meeting is adjourned, by no later than 10:30 on the business day immediately preceding the adjourned meeting . In addition, proxy forms may be handed to the chairperson by no later than 10 (ten) minutes before the scheme meeting or any adjourned meeting is due to commence;
 - beneficial owners of ordinary shares in dematerialised form held by a participant or broker without "own name" registration, who wish to (or wish a proxy to) attend and vote at the scheme meeting or any adjourned meeting should timeously inform their participants or brokers of their intention to attend and vote at the scheme meeting or any adjourned meeting (or for a proxy to attend and vote on their behalf) in order for their participants or brokers to issue them or their proxy with the necessary letters of representation to attend the scheme meeting or any adjourned meeting, or should they not wish to attend the scheme meeting or an adjourned meeting in person or through a proxy, they should timeously provide their participants or brokers with their voting instructions in order for their votes to be exercised at the scheme meeting or adjourned meeting.

By Order of the Court

Bowman Gilfillan Inc.
 Applicant's Attorneys
 165 West Street
 Sandton
 (PO Box 785812, Sandton, 2146)
 Tel: 011 669 9000
 Fax: 011 669 9001
 Ref: Lance Fleiser/Ian Kirkman

c/o Keith Sutcliffe & Associates Inc.
 Jameson House
 Cnr Glenhove Road and Melrose Street
 Melrose Estate
 Johannesburg
 Tel: 011 789 7667
 Ref: M Gormley

NOTICE OF SCHEME MEETING

In the South Gauteng High Court
(Johannesburg)

Case No. 11/06005

In the ex parte application of:

Mvelaphanda Resources Limited
(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)

Applicant

Under authority of an Order of Court issued in the above matter on Wednesday, 16 February 2011, the South Gauteng High Court, Johannesburg ("Court") has ordered that a meeting ("scheme meeting") be convened, and this notice serves to convene the scheme meeting, in terms of section 311 of the Companies Act No 61 of 1973 as amended ("Companies Act"), of the holders of ordinary shares in the capital of the Applicant ("ordinary shares"), recorded in the register of the Applicant on the scheme voting record date, which is expected to be the close of business on Thursday, 10 March 2011 ("scheme members").

The scheme meeting will be held in Room U2, Hackle Brooke, 110 Conrad Drive, corner Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg, on Monday, 14 March 2011 at the later of 10:30, or 10 (ten) minutes after the conclusion, postponement or adjournment of the general meeting of the Applicant's shareholders (which has been convened to be held on the same date and at the same place as the scheme meeting), (or any adjourned or postponed date and time as determined by the chairperson ("adjourned meeting")). The scheme meeting will be held under the chairmanship of Advocate Arnold Subel SC (or, failing him, Leonard Neal Harris SC) ("chairperson").

The purpose of the scheme meeting is to consider and, if deemed fit, agree, with or without modification, to the scheme of arrangement ("scheme") proposed by Northam Platinum Limited ("Northam") between the Applicant and the holders of ordinary shares; provided that no modification made after voting at the scheme meeting may have the effect of diminishing the rights which accrue to scheme participants in terms of the scheme. Scheme participants are holders of ordinary shares recorded in the register of the Applicant on the scheme consideration record date, which is expected to be the close of business on Friday, 13 May 2011.

The scheme is subject to the fulfilment or, if applicable, waiver of the conditions precedent stated in the scheme, one of which is the sanctioning thereof by the above Honourable Court.

The basic characteristic of the scheme is that, if the conditions precedent thereto are fulfilled or waived, Northam will acquire the entire issued ordinary share capital of the Applicant. In terms of the scheme, each scheme participant will receive 9.5980 ordinary shares in the capital of Northam in consideration of each 100 ordinary shares in the capital of the Applicant.

Copies of this notice, the scheme, the explanatory statement in terms of section 312(1) of the Companies Act explaining the scheme, the form of proxy for use at the scheme meeting or any adjourned meeting and the Order of Court convening the scheme meeting, are included in the document ("circular") of which this notice forms part. Copies thereof may, on request, be inspected free of charge by any holder of ordinary shares, or by a person named by a Central Securities Depository Participant ("participant") administering sub-registers of the Applicant as being a beneficial owner of ordinary shares, at, or obtained by any such holder or beneficial owner, free of charge, from, the office of the Applicant, Ground Floor, 1A Albury Park, Magalieszicht Avenue, Dunkeld West, Johannesburg, 2196 ("Applicant's office") or the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg 2196, for at least 14 (fourteen) calendar days before the date of the scheme meeting during normal business hours.

Scheme members who hold certificated ordinary shares and scheme members who hold dematerialised ordinary shares in "own-name" registration form, may attend, speak and vote in person at the scheme meeting or any adjourned meeting, or may appoint one or more proxies (who need not be holders of ordinary shares) to attend, speak and vote at the scheme meeting or any adjourned meeting in the place of such members. A form of proxy for this purpose is included in the circular.

The circular is being posted to registered holders of ordinary shares in the capital of the Applicant as recorded in the register of the Applicant, and to persons named by participants administering sub-registers of the Applicant as being beneficial owners of ordinary shares, at the close of business on a date or dates not more than 7 (seven) calendar days before the date of such posting (at the addresses reflected in the register of the Applicant and the record of the participants).

Properly completed forms of proxy must be lodged with or posted to the transfer secretaries of the Applicant, being Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:30 on Friday, 11 March 2011 in respect of the scheme meeting, or 10:30 on the business day immediately preceding any adjourned meeting, or handed to the chairperson no later than 10 (ten) minutes before the scheme meeting or adjourned meeting is due to commence. Notwithstanding the foregoing, the chairperson may approve in his discretion the use of any other form of proxy.

Beneficial owners of dematerialised ordinary shares held through a participant or broker without "own-name" registration who wish (or wish a proxy) to attend and vote at the scheme meeting or any adjourned meeting should timeously inform their participants or brokers of their intention to attend and vote at the scheme meeting or any adjourned meeting (or for a proxy to attend and vote on their behalf) in order for their participants or brokers to issue them or their proxy with the necessary letter of representation to attend and vote at the scheme meeting or any adjourned meeting, or should they not wish to attend the scheme meeting or any adjourned meeting in person or by proxy, they should timeously provide their participants or brokers with their voting instructions.

Where there are joint holders of ordinary shares, any one of such persons may vote at the scheme meeting or any adjourned meeting in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present or represented at the scheme meeting or any adjourned meeting, that one of such persons whose name stands first in the Applicant's register in respect of such shares (or his proxy, as the case may be), shall alone be entitled to vote in respect thereof.

In terms of the aforementioned Order of Court, the chairperson is required to report the results of the scheme meeting to the above Honourable Court at 10:00 or so soon thereafter as Counsel may be heard on Tuesday, 29 March 2011. A copy of the chairperson's report to the Court will be available to be inspected by any holder of ordinary shares in the capital of the Applicant and any person named by a participant administering sub-registers of the Applicant as being a beneficial owner of ordinary shares, on request, free of charge, at the Applicant's registered office, and at the office of JP Morgan Equities Limited, 1 Fricker Road, Illovo, Johannesburg, 2196, during normal business hours for at least 7 (seven) calendar days before the date fixed by the Court for the chairperson to report back to it.

Chairperson of the scheme meeting

Advocate Arnold Subel SC

Bowman Gilfillan Inc.
Applicant's Attorneys
165 West Street
Sandton
(PO Box 785812, Sandton, 2146)
Tel: 011 669 9000
Fax: 011 669 9001
Ref: Lance Fleiser/Ian Kirkman



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL

ISIN: ZAE000050266

("Mvela Resources")

Directors:

M E Beckett*#, P M Buthelezi*, C K Chabedi*, Y Z Cuba*, S W Mofokeng, R Moonsamy*, B R van Rooyen (*Deputy Chairperson*), M J Willcox*, M S M M Xayiya*, P L Zim* (*Chairperson*)

* Non-executive

British

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the registered holders of ordinary shares and the registered holder of 'A' ordinary shares (collectively, the "**shareholders**" or "members") in the capital of Mvela Resources will be held on Monday, 14 March 2011 at the later of 10:15 or 10 minutes after the conclusion, postponement or adjournment of Northam Platinum Limited's general meeting (which has been, convened to be held on the same date and at the same place as this general meeting), in Room U2, Hackle Brooke, 110 Conrad Drive, corner Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg, for the purpose of considering and, if deemed fit, passing, with or without modification, the following resolutions:

SPECIAL RESOLUTION NUMBER 1

"Resolved that Mvelaphanda Resources Limited ("**Mvela Resources**") be and is hereby authorised to distribute the Northam distribution shares to those persons who, on the Northam distribution participation record date, are recorded in the Mvela Resources register as the holders of Mvela Resources ordinary shares, substantially on the terms and conditions stipulated in the circular to members which incorporates the notice containing this special resolution number 1 ("**circular**"). Each of the terms "**Northam distribution shares**", "**Mvela Resources register**", "**Mvela Resources ordinary shares**", "**Northam distribution participation record date**" and "**members**" bears in this special resolution number 1 the meaning assigned to it in the circular."

The reason for special resolution number 1 is to obtain shareholder approval for the distribution of the shares held by Mvela Resources in the share capital of Northam Platinum Limited to holders of ordinary shares in Mvela Resources as part of Mvela Resources' strategy of distributing assets to the holders of its ordinary shares. The effect of special resolution number 1 is to obtain that approval.

SPECIAL RESOLUTION NUMBER 2

"Resolved that Mvelaphanda Resources Limited ("**Mvela Resources**") be and is hereby authorised, by way of a specific authority, to acquire 35 million 'A' ordinary shares ("**'A' shares**") in the issued capital of Mvela Resources from Newshelf 848 (Proprietary) Limited at an aggregate price of R700 000 (and, accordingly, a price of R0.02 for each 'A' share) in cash."

The reason for special resolution number 2 is to obtain shareholder approval for the acquisition of the 'A' ordinary shares held by Newshelf 848 (Proprietary) Limited in light of the proposal by Northam Platinum Limited to acquire the ordinary shares in the capital of Mvela Resources. The effect of special resolution number 2 is to obtain that approval.

For purposes of the JSE Listings Requirements, the votes exercised by the members participating in the acquisition and the votes exercised by their associates must be disregarded. Accordingly, Newshelf 848 (Proprietary) Limited and Newshelf 947 (Proprietary) Limited (both subsidiaries of Afripalm Resources

(Proprietary) Limited) will be entitled to vote on special resolution number 2, but their votes will be disregarded for purposes of determining whether the threshold required by the JSE Listings Requirements is met.

ORDINARY RESOLUTION

“Resolved that Mr B R van Rooyen, or failing him, Mr S W Mofokeng, or failing both of them, any other director of Mvelaphanda Resources Limited (“Mvela Resources”) (acting individually or together with any other director of Mvela Resources) be and is hereby authorised to sign all such documents, do all such things and take all such actions as may be necessary to give effect to the resolutions contained in the notice of general meeting which includes this ordinary resolution.”

THE SUCCEEDING PROVISIONS OF THIS NOTICE OF GENERAL MEETING ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

The record date of the general meeting, being the date on which a person must be a shareholder to be entitled to vote at the general meeting, is the close of business on Thursday, 10 March 2011.

A person attending the general meeting must present reasonably satisfactory identification. The chairperson of the general meeting must be reasonably satisfied that the right of a person to participate and vote at the general meeting, either as a shareholder or as a proxy for a shareholder, has been reasonably verified.

On a show of hands, every shareholder who, being a natural person, is present in person or by proxy or, not being a natural person, is represented by an authorised representative or by a proxy at the general meeting, shall have one vote. On a poll, every shareholder who, being a natural person, is present in person or by proxy or, not being a natural person, is represented by an authorised representative or by a proxy, shall have one vote for every share of which he/she/it is the registered holder.

A dematerialised shareholder with “own name” registration or a certificated shareholder may appoint one or more persons as his/her proxy to attend, speak and vote in his/her stead. A proxy need not also be a shareholder. A form of proxy (pink) is attached for the convenience of any dematerialised shareholder with “own name” registration or certificated shareholder who cannot attend the general meeting, but who wishes to be represented thereat. In order to be valid, completed forms of proxy must be received by the transfer secretaries of Mvela Resources, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:15 on Friday, 11 March 2011.

Beneficial owners of dematerialised shares without “own name” registration who wish to attend the general meeting themselves or through a proxy must request their participant or broker to issue them with the necessary letter of representation, or, if they do not wish to attend the general meeting themselves or through a proxy, must furnish their participant or broker with their voting instructions in terms of the agreement concluded between themselves and their participant or broker.

By order of the Board

MVELAPHANDA RESOURCES LIMITED

B R van Rooyen

18 February 2011

Office

Ground Floor
Block 1A
Albury Park
Magalieszicht Avenue
Dunkeld West, Johannesburg, 2196
(PO Box 413420, Craighall, 2024)

Transfer secretaries

Computershare Investor Services
(Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1980/001395/06)
Share code: MVL ISIN: ZAE000050266
("Mvela Resources" or "the Company")

FORM OF PROXY FOR USE BY HOLDERS OF DEMATERIALISED ORDINARY AND/OR 'A' ORDINARY SHARES OF MVELA RESOURCES WITH "OWN NAME" REGISTRATION AND CERTIFICATED HOLDERS OF MVELA RESOURCES ORDINARY AND/OR 'A' ORDINARY SHARES.

BENEFICIAL OWNERS OF DEMATERIALISED ORDINARY AND/OR 'A' ORDINARY SHARES OF MVELA RESOURCES WITHOUT "OWN NAME" REGISTRATION MUST CONTACT THEIR PARTICIPANT OR BROKER TO MAKE THE RELEVANT ARRANGEMENTS CONCERNING VOTING AND/OR ATTENDANCE AT THE GENERAL MEETING.

This form of proxy is for use only by persons ("members") recorded in the register of members of Mvela Resources as the holders of "ordinary shares" and/or "'A' ordinary shares" (collectively, "shares") in the capital of Mvela Resources, at a general meeting ("meeting") of the Company to be held on Monday, 14 March 2011 at the later of 10:15 or 10 (ten) minutes after the conclusion, postponement or adjournment of Northam Platinum Limited's general meeting (which has been, convened to be held at 10:00 on the same date and at the same place as the meeting), in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg

If a beneficial owner has dematerialised shares with a participant or broker and such shares are not recorded in the sub-register of Mvela Resources in its own name, it must arrange with its participant or broker to provide it or its proxy with the necessary letter of representation to attend the meeting or it must instruct its participant or broker on how it wishes to have its votes exercised thereat. This must be done in terms of the agreement entered into between it and its participant or broker.

I/We (Please print name in full)

of (Please insert address)

Telephone Work ()

Telephone Home ()

Cell phone number

being the holder/s of ordinary shares in the capital of Mvela Resources; and
 'A' ordinary shares in the capital of Mvela Resources,

hereby appoint

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the meeting (see note 1),

as my/our proxy to attend, speak and vote on a show of hands or on a poll for me/us and on my/our behalf at the meeting (and at each adjournment or postponement thereof) to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and to vote for or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name as follows:

(see notes 2 and 3)	Insert the number of votes exercisable (one vote per share)		
	For	Against	Abstain
Special resolution number 1 To approve a distribution of Northam shares			
Special resolution number 2 To authorise an acquisition of 'A' ordinary shares			
Ordinary resolution To authorise directors to sign all documents, do all things and take all actions necessary to give effect to above resolutions			

and generally to act as my/our proxy at the meeting.

Signed at _____ on _____ 2011

Name _____ Signature _____

Capacity _____ Assisted by (where applicable) _____

Each member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who need not be member/s of Mvela Resources) to attend, speak and vote in place of that member at the meeting. Unless otherwise instructed, the proxy may vote as he thinks fit.

Every member (or his/her proxy or representative) shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents, but in the event of a poll, a member or his/her proxy or his/her representative shall be entitled to 1 (one) vote for every share of which he is the registered holder.

Notes:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member should insert an "X" in the relevant space according to how it wishes its votes to be cast. However, if it wishes to cast its votes in respect of a lesser number of ordinary shares and/or 'A' ordinary shares than it holds, it should insert the number of shares in respect of which it wishes its proxy to cast its votes.
3. Should there be no indication in the appropriate box as to how the member wishes his votes to be cast by his proxy, then the proxy will be deemed to have been authorised to vote or abstain from voting at the meeting as the proxy deems fit.
4. A complete form of proxy, to be effective, must reach the transfer secretaries of Mvela Resources by 10:15 on Friday, 11 March 2011.
5. The completion and lodging of this form of proxy by a member will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative or other legal capacity (such as a power of attorney or other written authority) must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the chairperson of the meeting.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. When there are joint holders of shares only one of such persons may sign and lodge this form of proxy in respect of such shares as if such person was the sole holder, but if more than one of such joint holders signs and submits a form of proxy, the form of proxy, if accepted by the chairperson of the meeting, submitted by the holder whose name appears first in the register of Mvela Resources will be accepted.
9. The chairperson of the meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the articles of association of the Company.



MVELAPHANDA RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1980/001395/06)

Share code: MVL ISIN: ZAE000050266

("Mvela Resources" or "the Company")

FORM OF PROXY FOR USE BY HOLDERS OF DEMATERIALISED MVELA RESOURCES ORDINARY SHARES WITH "OWN NAME" REGISTRATION AND HOLDERS OF CERTIFICATED MVELA RESOURCES ORDINARY SHARES AT THE SCHEME MEETING.

BENEFICIAL OWNERS OF DEMATERIALISED ORDINARY SHARES OF MVELA RESOURCES WITHOUT "OWN NAME" REGISTRATION MUST CONTACT THEIR CENTRAL SECURITIES DEPOSITORY PARTICIPANT OR BROKER TO MAKE THE RELEVANT ARRANGEMENTS CONCERNING VOTING AND/OR ATTENDANCE AT THE SCHEME MEETING.

This form of proxy is for use only by persons ("**scheme members**") recorded in the register of members of Mvela Resources, at the close of business on Thursday, 10 March 2011, as the holders of ordinary shares ("**ordinary shares**") in the capital of Mvela Resources held in dematerialised form with "own name" registration or in certificated form, at a meeting ("**scheme meeting**") convened in terms of an Order of the South Gauteng High Court, Johannesburg, to be held on Monday, 14 March 2011 at the later of 10:30, or 10 minutes after the conclusion, postponement or adjournment of the general meeting of the members of Mvela Resources which has been convened at 10:15 on the same day and at the same place as the scheme meeting, in Room U2, Hackle Brooke, 110 Conrad Drive, corner of Jan Smuts Avenue and Conrad Drive, Craighall Park, Johannesburg.

If a beneficial owner has dematerialised its shares with a Central Securities Depository Participant ("**participant**") or broker and such shares are not recorded in the sub-register of Mvela Resources in its own name, it must arrange with its participant or broker to provide it with the necessary letter of representation to attend the scheme of arrangement meeting or it must instruct its participant or broker on how it wishes to have its votes exercised thereat. This must be done in terms of the agreement entered into between it and its participant or broker.

I/We (please print names in full)

of (please insert address)

Telephone Work ()

Telephone Home ()

Cell phone number

being the holder/s of ordinary shares in the capital of Mvela Resources

do hereby appoint (see note 1)

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the scheme meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the scheme meeting (and at each adjournment or postponement thereof) and, if deemed fit, agree to (see note 2):

with modification†

without modification

(delete whichever is not applicable)

the scheme of arrangement in terms of section 311 of the Companies Act No. 61 of 1973, as amended ("**scheme of arrangement**") proposed by Northam Platinum Limited between Mvela Resources and the holders of ordinary shares, and to vote for and/or against the scheme of arrangement and/or abstain from voting in respect of the ordinary shares registered in my/our names/s, in accordance with the following instructions (see note 3):

For the scheme of arrangement	Number of votes*
Against the scheme of arrangement	Number of votes*
Abstain from voting**	Number of votes*

*One vote per ordinary share held by scheme members.

** Abstentions do not count to determine if the statutory required votes have been obtained to approve the scheme of arrangement.

Signed at _____ on _____ 2011

Name _____ Signature _____

Capacity _____ Assisted by (where applicable) _____

Note: Authority for signatory to be attached – see note 11.

† If a scheme member agrees that the scheme of arrangement may be modified, the scheme member may, if he/she so desires, indicate the manner and extent of any such modification to which the proxy may agree on a separate sheet of paper which must be lodged at or posted to the address stipulated in note 4, together with this form of proxy. In addition, please refer to the conditions stipulated in note 4.

Notes:

1. Each scheme member is entitled to appoint one or more proxies (none of whom need be a member of Mvela Resources) to attend, speak and vote, or abstain from voting, in place of that scheme member at the scheme meeting or any adjournment thereof.
2. A scheme member may insert the name of a proxy or the names of two alternative proxies of the scheme member's choice in the space/s provided, with or without deleting "the chairperson of the scheme meeting" but the scheme member must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the scheme meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. If a scheme member agrees that the scheme of arrangement may be modified, the scheme member may indicate the manner and the extent of such modification to which the proxy may agree on a separate sheet of paper accompanying the form of proxy.
4. Forms of proxy must be lodged with or posted to Mvela Resources' transfer secretaries (being Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)), to be received by no later than 10:30 on Friday, 11 March 2011 or may be handed to the chairperson of the scheme meeting by no later than 10 (ten) minutes before the scheme meeting is due to commence.
5. It should be noted that, notwithstanding that a scheme member may indicate that the scheme of arrangement may not be modified, the chairperson of the scheme meeting (if the chairperson is the authorised proxy), or any other proxy, shall nevertheless be entitled to agree to a modification of the scheme of arrangement in terms of which the scheme consideration is increased.
6. If a scheme member fails to indicate whether the scheme of arrangement may be approved with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure shall be deemed to authorise the chairperson of the scheme meeting or any other proxy, if the chairperson of the scheme meeting deems fit, to agree to the scheme of arrangement with or without modification as he/she deems fit, in respect of all the scheme member's votes exercisable at the scheme meeting.
7. A scheme member's instruction to the proxy must be indicated by the insertion of the relevant number of votes in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairperson of the scheme meeting, if the chairperson of the scheme meeting is the authorised proxy, to vote in favour of the scheme of arrangement, or any other proxy to vote or abstain from voting at the scheme meeting as he/she deems fit, in respect of all the scheme member's votes exercisable at the scheme meeting.
8. The completion and lodging of this form of proxy will not preclude the relevant scheme member from attending the scheme meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such scheme member wish to do so.
9. The chairperson of the scheme meeting may reject or accept any form of proxy which is completed and/or received, other than in accordance with these notes, provided that the chairperson of the scheme meeting is satisfied as to the manner in which the scheme member concerned wishes to vote.
10. Any alteration or correction made to this form or proxy must be initialled by the signatory/ies.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by Mvela Resources or its transfer secretaries or waived by the chairperson of the scheme meeting.
12. Where this form of proxy is signed under a power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with Mvela Resources or the transfer secretaries.
13. Where shares are held jointly, all joint holders are required to sign this form of proxy.
14. A minor must be assisted by his/her parents or guardian unless the relevant documents establishing his/her legal capacity are produced to or have been registered by the transfer secretaries of Mvela Resources.

Signature of Mvela Resources ordinary shareholder	Stamp and address of agent lodging this form (if any)	
Assisted by me (if applicable)		
(State full name and capacity)		
Date		2011
Telephone number (Home) ()		
Telephone number (Work) ()		
Cellphone number ()		

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B – To be completed by all certificated members who are emigrants from or non-residents of the common monetary area (see note 1 and 2 below).

The scheme consideration will be forwarded to the authorised dealer nominated below for its control.

Name of authorised dealer
Account number
Address
Postal code

If no nomination is made above, the scheme consideration will be held in trust by the transfer secretaries.

Notes:

1. Emigrants from the common monetary area must complete Part B.
2. All other non-residents of the common monetary area must complete Part B (if they wish the share certificates in respect of the scheme consideration to be sent to an authorised dealer in South Africa).
3. If Part B is not properly completed, the share certificates in respect of the scheme consideration (in the case of emigrants or non-residents) will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. If this form of surrender and transfer is returned with the relevant documents of title (in anticipation of the scheme becoming operative, it will be treated as a conditional surrender which is made subject to the scheme becoming effective. Documents surrendered in anticipation of the scheme becoming operative will be held in trust by the transfer secretaries until the scheme becomes operative.
5. The share certificates in respect of the scheme consideration will not be sent to scheme participants unless and until documents of title in respect of the relevant scheme shares have been surrendered to the transfer secretaries.
6. If a Mvela Resources member produces evidence to the satisfaction of Mvela Resources and Northam that documents of title in respect of scheme shares have been lost or destroyed, Mvela Resources and Northam may waive the surrender of such documents of title against delivery of an indemnity in a form and on terms and conditions approved by them.
7. Persons who have acquired shares in Mvela Resources after 18 February 2011, the date of posting of the circular to which this form of surrender and transfer is attached, can obtain copies of the form of surrender and transfer and the circular from Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited ("JSE"), lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form of surrender and transfer must be signed in full and not initialled.
10. If this form of surrender and transfer is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Mvela Resources or its transfer secretaries).
11. Where the Mvela Resources member is a company or a close corporation unless it has already been registered with Mvela Resources or its transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender and transfer must be submitted.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where there are joint holders of any shares, only that holder whose name stands first in the Mvela Resources register in respect of such shares need sign this form of surrender and transfer.
14. A minor must be assisted by his parent or guardian unless the relevant documents establishing his legal capacity are produced to or have been registered by the transfer secretaries of Mvela Resources.