MESSAGE FROM THE CHAIRMAN

DEAR STAKEHOLDERS

Shareholders and stakeholders alike will find that this report provides a glimpse into the affairs of a company which has completely transformed since I joined this board. We hope that our reports for the past financial year, and this integrated report in particular, provide readers with a useful view of the affairs of the company, along with an account of our dealings with stakeholder concerns. For me personally, at the helm of the board of your company, it has been gratifying to note a really top-class performance from executive management.

2013 was seminal in Northam's life. The commissioning of Booysendal in the second half of the year has immediately transformed the investment profile of your company as it brings new, reliable and quality ounces to a market which remains vulnerable to the supply disruptions occasioned by labour unrest, safety stoppages and generally difficult mining conditions the industry grapples with. In the medium to longer term the fundamentals for PGMs remain strong; and in order to protect and preserve our markets, we as producers should strive for stability in supply and to keep cost increases as tight as possible. These are not new targets for Northam, and the company has performed well against both these targets in the past year.

That the company's leadership has brought a new mine into production without having swollen the ranks of executives, senior and middle management, is a tribute to the expertise and skill we have at Northam. In addition, this same team has led a commendable operational recovery at Zondereinde, which, regardless of the complexities of mining this deep and difficult mine, continues to deliver at respectable levels.

This stability has stood the company in very good stead during this time of volatility on so many fronts in the industry, and in many ways has become Northam's hallmark. The chief executive has dealt with these in his review on page 11 of this document. It is incumbent on all of us to preserve this stability as we enter the next financial year.

To my fellow board members, your counsel has been invaluable during the year. We have missed the contributions of Messrs Willcox and Xayiya, who resigned from the board on 5 November 2012 and 7 December 2012 respectively. We wish Dr Dlamini well as she embarks on the next phase of her career and thank her for her nine years of service to the board, before her resignation post the year end.

Once again, I must thank Glyn Lewis and his executive and management for their outstanding contribution to the business.

Lazarus Zim
Chairman
27 September 2013