The directors have pleasure in submitting their report for the year ended 30 June 2013. The review of the group's operational performance is set out in the operational review on pages 16 to 19, whilst the nature of business is described in the business profile which appears on page 1.

MAIN BUSINESS AND OPERATIONS

BOOYSENDAL MINE

Capital expenditure for F2013 was R1.5 billion (F2012: R1.7 billion) which includes capitalised finance charges. Capital expenditure is expected to be R532.1 million in F2014; this includes R75.6 million for on-going capital. Since inception the total project expenditure, including finance costs and other directly attributable expenditure, amounted to R4.0 billion against projected total expenditure of R4.5 billion. The original capital budget was R3.9 billion in June 2010 terms.

A total of 242 602 tonnes were milled in F2013, to produce 473kg of metal in concentrate. Metal sales from Booysendal were restricted to 109kg owing to the shutdown of the smelter at Zondereinde in May 2013. Revenue earned from metal sales to 30 June 2013 was credited to property, plant and equipment in line with IFRS accounting standards. For accounting purposes, the mine came into production on 1 July 2013. To counter certain delays in the construction of conveyors and other services underground, management has taken on additional contractors in a temporary capacity to mitigate further delays to the production build-up.

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

ZONDEREINDE MINE

The combined tonnes milled at Zondereinde mine were 9.4% up at 2 115 712 tonnes from 1 933 677 in F2012 comprising 958 211 Merensky tonnes milled (F2012: 884 660 million tonnes) and 1 157 501 UG2 tonnes milled (F2012: 1 049 017 million tonnes). The 3PGE+Au combined head grade dropped by 3.9% to 4.9g/t compared to 5.1g/t in F2012. This drop reflects the lower average UG2 grade of 4.2g/t over the period owing to poor grade control. This will be a key focus area for management in the year ahead. Available ore reserves are currently at 20 months for Merensky reef and 24 months for UG2.

In spite of the lower head grade, the increase in tonnes milled resulted in an increase in metals produced from underground operations. Metals from secondary material declined significantly resulting in total mine production increasing marginally to 9 041kg (F2012: 8 979kg). Volumes of concentrates purchased declined by 13% from 1 877kg in F2012 to 1 633kg in the current year. This is mainly due to the interruption of smelting activities both in July to September 2012 and again in May 2013.

The mining strategy at Zondereinde continues to be to open up ore reserves in the north-west quadrant and also on the lower levels of the mine to access normal Merensky reef. Shareholders were advised on 23 May 2013 that the smelter at Zondereinde would be shut down and rebuilt following the unexpected erosion of the refractory bricks comprising the walls of the smelter in proximity to the slag level interface.

The rebuild, using a different brick specification, is expected to be completed by the end of September 2013. The smelter was previously rebuilt in F2012 after a run-out.

ASSOCIATES AND JOINT VENTURES

The group has an interest in the following entities and joint ventures:

DWAALKOP PLATINUM PROJECT

This project is a PGM development opportunity in joint venture with Lonmin plc. The group's share of the exploration expenditure amounted to R0.5 million, which was charged to sundry expenditure. The carrying value of the group's investment is R300.7 million. Further details of the group's interest in Dwaalkop are set out in Annexure 2 on pages 168 to 173.

KOKERBOOM JOINT VENTURE

This is an early stage Iron Oxide Copper Gold and Massive Sulphide deposit situated in the Northern Cape Province. The exploration is being undertaken in joint venture with two other parties, with the group having a 51% interest. The group spent R9.8 million, primarily on an airborne magnetic survey, during the year, which was charged to sundry expenditure.

PANDORA JOINT VENTURE

The group's share of earnings from the Pandora joint venture amounted to R3.6 million (2012: R6.7 million). The carrying value of the group's investment was R121.0 million (2012: R136.9 million). Further details of the group's interest in Pandora are set out in Annexure 2 on pages 168 to 173.

TRANS HEX GROUP LIMITED (TRANS HEX)

The group has a 20.3% interest in this company, a diamond producing and marketing company, which is listed on the JSE. The group's share of earnings from Trans Hex, including its share of other comprehensive income, amounted to R6.1 million (2012: R32.4 million). The carrying value of the group's investment amounted to R73.7 million.

Further details of the group's interest in Trans Hex are set out in Annexure 2 on pages 168 to 173.

CORPORATE GOVERNANCE

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

The board is guided by the board charter, memorandum of incorporation (MOI), the Companies Act No 71 of 2008 (Companies Act), JSE listings requirements, the third King Report on Corporate Governance for South Africa 2009 (King III), the Global Reporting Initiative (GRI) as well as other applicable legislation.

Further details on the group's corporate governance practices are set out in the corporate governance report on page 45 to 53.

MINING LICENCES

BOOYSENDAL MINE

Micawber 278 Proprietary Limited holds a consolidated new order mining right for the Booysendal mine which covers an area of approximately 15 151 hectares on the farms Booysendal 43 JT, Buttonshope 51 JT, Der Brochen 7 JT, Draaikraal 48 JT, Hebron 5 JT, Hermansdal 3 JT, Kliprivier 73 JT, Pietersburg 44 JT, Uysedoorns 47 JT, Johannesburg 45 JT, Sheeprun 50 JT and Sheeprun 179 JT.

ZONDEREINDE MINE

The company holds two new order mining rights in respect of the Zondereinde mine covering an area of approximately 7 625 hectares on the farms Aapieskraal 377 KQ, Amandelbult 383 KQ, Elandsfontein 386 KQ, Grootkuil 376 KQ, Kopje Alleen 422 KQ, Middeldrift 379 KQ, Vrugbaar 381 KQ, Vrugbaar 387 KQ, Witvley 423 KQ and Zondereinde 384 KQ.

The converted new order mining rights were executed on 13 July 2011 and have been lodged for registration in the Mining Titles Registration Office (MTRO).

FINANCIAL RESULTS

The accounting policies, statements of financial position, statements of comprehensive income, statements of cash flow and statements of changes in equity and notes to the financial statements, on pages 88 to 188, reflect the financial results and position of the company and the group.

DIVIDENDS

Owing to the continued uncertainty prevailing in the mining industry and the cash requirements for the completion of the Booysendal mine, the board did not declare any dividend in respect of the year under review. (F2012: 5 cents per share).

SHARE CAPITAL

The authorised share capital of the company remains R5 450 000 divided into 545 000 000 shares.

During the year 56 700 shares were allotted and issued to participants of the Northam Share Option Scheme whilst 32 400 shares were allotted and issued to participants of the Northam Share Incentive Plan, resulting in the issued share capital at 30 June 2013 increasing to 382 586 090 (2012: 382 496 990) shares.

At the forthcoming AGM shareholders will be asked to place the authorised but unissued ordinary shares in the capital of the company, other than the 8 775 000 shares that are reserved for purposes of the Northam Share Option Scheme and 38 000 000 shares that are reserved for the Northam Share Incentive Plan, under the control of the directors. Furthermore, subject to the passing of the above ordinary resolution, shareholders will be asked to grant approval for the directors to issue equity securities for cash, subject to the Companies Act and the JSE listings requirements. The text of the necessary resolutions is set out in the notice of AGM on page 3.

REPURCHASE OF ISSUED SHARES

At the AGM on 7 November 2012 shareholders approved a special resolution granting a general authority for the repurchase of ordinary shares by the company (or any one of its wholly-owned subsidiaries), subject to the JSE listings requirements and the provisions of the Companies Act. No shares were repurchased in the current or prior year in terms of this general authority. This general authority is valid until the company's next AGM or for 15 months from the date of the aforementioned resolution (being 7 November 2012) whichever period is the shorter. Approval to renew this general authority will be sought at the forthcoming AGM to be held on Wednesday, 6 November 2013. The text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of AGM on page 9, which forms part of the abridged annual report.

BORROWINGS AND BORROWING POWERS

In terms of the memorandum of incorporation (MOI), the directors may borrow for purposes of the company, such sums as they deem fit.

In November 2011 the company entered into a five-year revolving credit facility agreement with Nedbank Limited for an amount of R1 billion. Draw-downs under this facility started in July 2012, and at the reporting date an amount of R250.0 million had been drawn under this facility. At the date of this report, the entire facility had been drawn.

On 3 September 2012 the company announced that it had raised R1.25 billion through the issue of senior unsecured floating rate notes, under the company's R2 billion domestic medium term note (DMTN) programme dated 3 August 2012. On 11 July 2013, the company announced that a further R120.0 million had been raised in the domestic capital market through the DMTN programme. These funds have been used for the development of the Booysendal mine, the deepening project at the Zondereinde mine as well as and other operational and working capital requirements of the group.

In addition to the above a subsidiary, Norplats Properties Proprietary Limited has arranged loan facilities of R80.0 million to fund the sale of houses to employees in terms of the group's affordable housing initiative. Details of the interest rates and terms of these loans are contained in notes 21 and 23 to the annual financial statements on pages 144 to 146.

PROPOSED AMENDMENTS TO THE MOI

At the AGM in November 2012, shareholders approved the adoption of the company's MOI, in order to align it with the Companies Act, pursuant to which the new shares to be authorised and issued will be shares not having a nominal or par value. At the forthcoming AGM to be held on Wednesday, 6 November 2013 shareholders will be asked to approve appropriate resolutions to amend the MOI in respect of the following:

Executive directors – the existing MOI excludes the rotation of executive directors and having regard to international best practice, good governance and recent circumstances, wherein institutional investors have required that executive directors must be included in the rotation process and run for re-election, the board has proposed that the MOI be amended to include the retirement by rotation of executive directors once every 5 (five) years.

Distributions – to provide that distributions (in the form of a dividend or otherwise) to shareholders, be paid by means of electronic funds transfer into a bank account designated for such purposes by members, with payments by cheque no longer being permissible unless the member has specifically requested that such payments be made by cheque.

The text of the necessary special resolutions is contained in the notice of AGM and abridged annual report.

FINANCIAL ASSISTANCE

At the forthcoming AGM shareholders will be asked to approve a special resolution to authorise the granting of the necessary financial assistance as set out below. The text of the special resolution is contained in the notice of AGM on page 8, which forms part of this report.

Section 45 of the Companies Act requires that shareholders approve the granting of financial assistance by a company to, *inter alia*, any of its subsidiaries. At the date of this report Northam had granted the following financial assistance to its subsidiaries in accordance with the Companies Act:

Name of subsidiary	Approved loan facility at 30 June 2013	Balance at 30 June 2013	Additional amount to be advanced in coming year	New loan facility	Other facilities	Total financial assistance to be granted
	R000	R000	R000	R000	R000	R000
Broad Brush Investments 2 Proprietary Limited	19 500	nil	nil	19 500	nil	19 500
Dialstat Trading 133 Proprietary Limited (1)	260 000	1	nil	260 000	nil	260 000
Micawber 278 Proprietary Limited (2)	3 775 000	4 019 830	878 170	4 970 000	22 815	4 992 815
Mvelaphanda Resources Proprietary Limited (3)	nil	nil	60 000	60 000	nil	60 000
Norplats Properties Proprietary Limited (4)	79 000	36 840	nil	73 000	nil	73 000
Windfall 38 Properties Proprietary Limited (2)	15 800	15 424	384	15 800	nil	15 800

Notes:

(1) *The funds to be advanced to Dialstat will be used for any share repurchase programme. Such shares will be used exclusively for the settlement of shares to be transferred to employees who exercise options in terms of the rules of the Northam Share Option Scheme, or for the settlement of shares to be transferred to employees in terms of the rules of the Northam Share Incentive Plan.*

(2) *The loans to Micawber and Windfall bear interest at 2% below the South African prime interest rate.*

(3) *The loan to Mvela Resources will be used to fund working capital.*

(4) *The loan facility granted to Norplats comprises an interest bearing portion of R24.4 million which is repayable in 2026 and an interest free portion of R12.4 million which has no fixed repayment date. The interest bearing portion carries interest at prime less 2.0%.*

STRATE (Share Transactions Totally Electronic)

Shareholders who have not already dematerialised their shares (certificated shareholders) are once again strongly urged to do so as soon as possible (unless it is their explicit intention not to do so) in order to enable them to trade in such shares. It is most important for certificated shareholders to note that their shares may not be traded on the JSE unless the shares have been dematerialised.

NORTHAM SHARE OPTION SCHEME (the Scheme)

The Scheme was established on 4 January 1995 with the objective of attracting and retaining employees with appropriate levels of ability and expertise who made a significant contribution to the operations of the company. The Scheme was discontinued in 2011 owing to its dilutionary nature, although share options issued before its discontinuance will be allowed to run their course.

Options were offered at the volume weighted average price at which Northam shares traded on the JSE on the trading day immediately preceding the offer date. In terms of the rules of the Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within seven years of the offer date shall lapse.

In March 2013 the JSE approved a change to the rules of the Scheme in terms of which option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which Northam shares traded on the day preceding the exercise date and the exercise price. Options which are cash settled are regarded as having been exercised. At 30 June 2013 the outstanding options were exercisable as indicated in Annexure 5 on pages 178 to 183:

A summary of the options held at the year end is as follows:

Earliest and latest exercise date	Price per share	Total number of options
	R	
24 October 2007 and 23 October 2012	17.00	56 700
23 October 2008 and 21 October 2013	38.45	1 071 000
22 October 2009 and 21 October 2014	48.00	1 467 500
27 November 2010 and 26 November 2015	32.38	1 955 500
5 November 2011 and 4 November 2016	36.95	2 752 500
1 July 2012 and 30 June 2017	45.59	125 000
12 October 2012 and 11 October 2017	46.57	3 242 500
Number of options held at 30 June 2012		10 670 700
Number of options forfeited during the year		556 000
Number of options exercised during the year – refer Annexure 5 on pages 178 to 183		
Equity settled options		56 700
Cash settled options		1 283 000
Number of options held at 30 June 2013		**8 775 000**

Earliest and latest exercise date	Price per share	Total number of options	Options vested at 30 June 2013	Options exercisable in F2014
	R			
23 October 2008 and 22 October 2013	38.45	1 058 000	1 058 000	–
22 October 2009 and 21 October 2014	48.00	1 397 500	1 397 500	–
27 November 2010 and 26 November 2015	32.38	1 237 000	1 237 000	–
5 November 2011 and 4 November 2016	36.95	2 050 000	2 050 000	–
1 July 2012 and 30 June 2017	45.59	125 000	62 500	62 500
12 October 2012 and 11 October 2017	46.57	2 907 500	1 453 750	1 453 750
Number of options held at 30 June 2013		**8 775 000**	**7 258 750**	**1 516 250**

Full details of the options exercised during the year are set out in Annexure 5 on pages 178 to 183, and are summarised as follows:

	Equity settled options			Cash settled options		
Grant date	Number of options exercised	Exercise price	Consideration received	Number of options exercised	Exercise price	Total gain paid to participants
		R	R000		R	R000
24 October 2005	56 700	17.00	964	Nil	–	–
27 November 2008	Nil	–	–	680 500	32.38	4 561
5 November 2009	Nil	–	–	602 500	36.95	1 373
Total	**56 700**		**964**	**1 283 000**		**5 934**

NORTHAM SHARE INCENTIVE PLAN (the Plan)

The Plan was approved in 2011 when shareholders approved a proposal that the Scheme be discontinued and replaced by the Plan, as the Scheme no longer served the primary purpose of attracting and retaining employees.

The Plan is a full share-type plan which incorporates a combination of a conditional share plan (CSP) and a forfeitable share plan (FSP). The key features that are common to both the CSP and the FSP are as follows:

- All senior officials and executives, including executive directors, in job grade D1 and above are eligible.
- Non-executive directors are not eligible to participate.
- Employees will not be required to pay for shares granted to them.
- In the event of a change of control of the company, all awards will vest.

- In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares, liquidation etc., employees will continue to participate in the Plan. The committee may make such adjustment to awards or take such other action to place employees in no worse a position than they were prior to the happening of the relevant event, and to ensure that the fair value of awards immediately after the event is materially the same as the fair value thereof immediately before the event.
- The issue of shares as consideration for an acquisition or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.
- Where necessary, the auditors of the company will confirm to the company and JSE that the adjustments are calculated on a non-prejudicial basis.
- Any adjustments made will be reported in the company's annual financial statements in the year during which the adjustment is made.
- Subject to approval by the JSE, employees will also, for their own account, be entitled to participate in any rights issue in respect of their forfeitable shares held.
- To prevent the dilutionary effect of issuing new shares, whether in terms of the Scheme, the CSP or the FSP can be settled by the use of treasury shares purchased for this purpose on the market.

The key features of the CSP and FSP are as follows:

CSP

- Shares will be awarded on a regular basis.
- The number of conditional shares awarded, and the extent to which they will be subject to performance conditions, will primarily be based on the employee's annual salary, grade, performance, retention requirements and market benchmarks or some combination thereof.
- Vesting of a portion of the conditional shares will be made subject to company performance conditions, in addition to the particular employee remaining in the employ of a group company for a pre-determined vesting period.
- Conditional shares will only be registered in the name of the employees, free of any further restrictions or conditions, after vesting. Before such time, the employees will not enjoy any shareholder rights in relation to the conditional shares.
- Once vested and delivered, the employees will have all shareholder rights thereto.
- The employees will not be required to pay for the conditional shares.
- Performance conditions will be set by the Social, Ethics and Human Resources (SE&HR) committee before an award is made, and will be based on appropriate company performance measures at the time.

FSP

- Shares will only be allocated in exceptional circumstances.
- The number of forfeitable shares to be made to an employee will primarily be based on the employee's annual salary, grade, performance and retention or attraction requirements.
- The forfeitable shares will be delivered to the employees, free of charge, subsequent to the award date, with them enjoying all shareholder rights from inception.

- Awards will, however, be subject to restrictions that will prevent the forfeitable shares from being disposed of, ceded, transferred or otherwise encumbered before vesting.
- Vesting of the forfeitable shares will only be subject to the particular employee remaining in the employ of a group company for a pre-determined vesting period. No company performance conditions will apply.

In March 2013 the JSE approved a change to the rules of the Plan in terms of which, upon the vesting of any awards, participants may elect to receive either the shares that have vested or an amount equal to the volume weighted average price on the day preceding the settlement date.

The SE&HR committee, which is charged with overseeing the group's remuneration policy, reviews the performance criteria annually and revises them as economic and operational circumstances dictate.

No shares were allocated under the FSP during the year under review, whilst the details of the shares allocated under the CSP are set out below.

Grant date	Details	Total	Retention shares	Performance shares
Balance at 30 June 2012		1 941 000	684 000	1 257 000
6 November 2012	Shares awarded	2 549 000	930 000	1 619 000
	Shares forfeited	(140 000)	(48 000)	(92 000)
	Shares cash-settled	(152 000)	(54 000)	(98 000)
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

At 30 June 2013 the following awards were outstanding:

Grant date	Details	Total	Retention shares	Performance shares
22 November 2011	Retention shares	608 000	608 000	–
22 November 2011	Performance shares	1 113 000	–	1 113 000
6 November 2012	Retention shares	904 000	904 000	–
6 November 2012	Performance shares	1 573 000	–	1 573 000
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

Full details of the shares granted during the year are set out in Annexure 5 on pages 178 to 183.

A maximum of 38 000 000 unissued shares is reserved for the Plan and that the maximum number of shares which may be allocated to any single employee in any cycle is limited to 4 000 000. Copies of the rules of the Scheme and the Plan are available for inspection at the company's registered office during normal business hours.

DIRECTORATE

The following changes have occurred in the composition of the directorate since the date of the last annual report:

- Mr MJ Willcox resigned as alternate director to Mr MSMM Xayiya on 5 November 2012.
- Mr MSMM Xayiya resigned as a non-executive director on 7 December 2012.
- Dr NJ Dlamini resigned as a director with effect from 30 September 2013.

The composition of the board of directors, as well as of board appointed committees, at the date of this report, is reflected on pages 54 to 55.

Further, in terms of the company's MOI one third of the non-executive directors, being those longest in office, must retire from office at each AGM. A retiring director who is eligible and available may offer himself or herself for re-election and appointment. Mr CK Chabedi, Ms ET Kgosi and Mr AR Martin retire by rotation and, being eligible and available, offer themselves for re-election. Accordingly at the forthcoming AGM members will be requested to consider resolutions providing for the election and re-appointment of the aforementioned non-executive directors of the company.

Brief summaries of their curricula vitae appear on pages 54 to 55.

In addition, in terms of Section 94 of the Companies Act, shareholders are required to appoint the company's audit and risk committee. The members of the committee are Mr AR Martin (Chairman), Mr ME Beckett, Mr R Havenstein and Ms ET Kgosi, all of whom are independent non-executive directors. Accordingly at the forthcoming AGM members will be requested to consider resolutions providing for the appointment of the aforementioned members of the audit and risk committee.

DIRECTORS' FEES

In terms of the MOI the fees for services as directors are determined by the company in general meeting. The current level of fees paid to non-executive directors for their services is as follows:

Board fees

- Board chairman – R110 400 per annum.
- Lead independent director – R82 200 per annum.
- Board members – R52 500 per annum.
- Board meeting attendance fees – R34 000 per meeting.

Audit and risk committee fees
- Committee chairmen – R49 500 per annum.
- Committee members – R25 200 per annum.
- Committee meeting attendance fees – R16 500 per meeting.

Social, ethics and human resources committee fees
- Committee chairmen – R42 300 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 200 per meeting.

Other board appointed committee fees
- Committee chairmen – R39 600 per annum.
- Committee members – R19 800 per annum.
- Committee meeting attendance fees – R13 200 per meeting.
- *Ad hoc* fees – R2 640 per hour.

The above fees were set in 2012, and in order to recognise the ever increasing regulatory environment as well as the effects of inflation, it is proposed that they be increased by an average of 5.0% to bring them more into line with market norms. The proposed fee for *ad hoc* work is calculated on the basis of 1/5 (one fifth) of the board appointed committee meeting attendance fee, on the basis that the average meeting preparation and attendance time being five hours.

Subject to approval by members, the revised level of fees will be as follows:

Board fees
- Board chairman – R116 100 per annum.
- Lead independent director – R86 100 per annum.
- Board members – R55 200 per annum.
- Board meeting attendance fees – R35 700 per meeting.

Audit and risk committee fees
- Committee chairman – R51 900 per annum.
- Committee members – R26 400 per annum.
- Committee meeting attendance fees – R17 300 per meeting.

Social, ethics and human resources committee fees
- Committee chairman – R44 400 per annum.
- Committee members – R21 900 per annum.
- Committee meeting attendance fees – R13 800 per meeting.

Other board appointed committee fees
- Committee chairmen – R41 400 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 800 per meeting.
- *Ad hoc* fees – R2 760 per hour.

DIRECTORS' REMUNERATION

The directors' remuneration for the year ended 30 June 2013 was as follows:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2013 Executive						
AZ Khumalo	–	2 392	955	391	–	3 738
GT Lewis	–	5 841	2 291	809	–	8 941
Non-executive						
ME Beckett	475	–	–	–	–	475
CK Chabedi	389	–	–	–	–	389
JAK Cochrane	282	–	–	–	–	282
NJ Dlamini	512	–	–	–	–	512
R Havenstein (1)	892	–	–	–	–	892
ET Kgosi	510	–	–	–	–	510
AR Martin	517	–	–	–	–	517
MSMM Xayiya (2)	112	–	–	–	–	112
PL Zim	280	–	–	–	–	280
	3 969	**8 233**	**3 246**	**1 200**	**–**	**16 648**

(1) Mr R Havenstein was paid an ad hoc fee of R217 000 in respect of special work done for the board.
(2) Mr MSMM Xayiya resigned as a director 7 December 2012.

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2012 Executive						
AZ Khumalo	–	1 752	699	228	–	2 679
GT Lewis	–	3 091	7 617	398	–	11 106
BR van Rooyen (1)	–	1 950	185	62	–	2 197
Non-executive						
ME Beckett	402	–	–	–	–	402
CK Chabedi	308	–	–	–	–	308
JAK Cochrane (2)	188	–	–	–	–	188
NJ Dlamini	385	–	–	–	–	385
R Havenstein	469	–	–	–	–	469
ET Kgosi	436	–	–	–	–	436
AR Martin	361	–	–	–	–	361
MSMM Xayiya	174	–	–	–	–	174
PL Zim	258	–	–	–	–	258
	2 981	**6 793**	**8 501**	**688**	–	**18 963**

(1) Mr BR van Rooyen retired as an executive director on 12 March 2012.
(2) Mr JAK Cochrane was appointed a non-executive director with effect from 10 November 2011.

SERVICE CONTRACTS

Mr AZ Khumalo, the financial director, has a service contract with the company which is subject to a notice period of three months, whilst Mr GT Lewis, the chief executive officer, has a service contract that expires on 31 December 2013 which is intended to be extended. None of the non-executive directors have a service contract with the company.

DIRECTORS' INTERESTS

According to information available to the company after reasonable enquiry, the interests of the directors and their families in the shares of the company at 30 June 2013 were as follows:

	30 June 2013		
	Direct beneficial holding	Indirect beneficial holding	Total
ME Beckett	30 000	–	30 000
NJ Dlamini	–	326	326
	30 000	**326**	**30 326**

	30 June 2012			
	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
ME Beckett	30 000	–	–	30 000
NJ Dlamini		326	–	326
MJ Willcox	336 085	–	5 026 710	5 362 795
MSMM Xayiya	614 598	–	1 518 038	2 132 636
PL Zim	–	–	11 174 520	11 174 520
	980 683	**326**	**17 719 268**	**18 700 277**

There have been no significant changes in the directors' shareholding outlined above since the end of the financial year and at the date of this report.

ANALYSIS OF SHAREHOLDERS AT 30 JUNE 2013

Shareholding range	Number of holders	Total shareholding	Percentage holding
1 – 5 000	6 373	5 929 684	1.5
5 001 – 10 000	319	2 349 031	0.6
10 001 – 50 000	360	8 628 528	2.3
50 001 – 100 000	140	9 981 253	2.6
100 001 – 1 000 000	180	57 291 943	15.0
1 000 001 and over	52	298 405 651	78.0
Total	**7 424**	**382 586 090**	**100.0**

Category of shareholder	Number of holders	Total shareholding	Percentage holding
Individuals	6 892	15 326 062	4.0
Companies	2	59 552 951	15.6
Managed funds and other bodies	530	307 707 077	80.4
Total	**7 424**	**382 586 090**	**100.0**

Geographic analysis of shareholders	Total shareholding	Percentage holding
Australasia	1 387 152	0.4
Europe and United Kingdom	21 833 628	5.7
North America	69 548 018	18.2
Far East	7 162 794	1.9
Africa	670 246	0.2
South Africa	273 653 746	71.5
Other	8 330 506	2.1
Total	**382 586 090**	**100.0**

MAJOR SHAREHOLDERS AT 30 JUNE 2013

Owner	Number of shares	Percentage holding
ENRC NV	51 732 782	13.5

Fund manager	Number of shares	Percentage Holding
Public Investment Commission	68 332 592	17.9
Coronation Asset Management	54 623 506	14.3
Sanlam Investment Managers	28 066 779	7.3
Capital group Companies Inc.	21 949 794	5.7
Ameriprise Financial Inc.	16 699 952	4.4

SHAREHOLDER SPREAD AT 30 JUNE 2013

The company's shareholder spread is set out below.

	Number of shareholders	Percentage holding
Public	7 421	86.5
Non-public		
– Directors	2	***
– Other (any who fall outside the scope of the above)	1	13.5
Total	7 424	100.0

**** Shareholding below 0.1%.*

BEE STATUS

There have been no further developments with regard to the Northam Black Economic Empowerment (BEE) shareholding. Shareholders are referred to the announcement dated Friday, 3 August 2012 wherein they were advised of a restructure of the group's BEE shareholding. Since then, the group has proposed an 'A' class share scheme to be held by BEE trusts, as outlined in the announcement. The proposal is aimed at restoring the group's BEE shareholding to 26%. Shareholders will be informed of progress in due course.

NORTHAM PLATINUM RESTORATION TRUST FUND (THE FUND)

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the group in making financial provision for the environmental rehabilitation of the group's mines, in terms of the Mineral and Petroleum Resources Development Act, No. 28 of 2002, upon cessation of their mining operations. Details of the contributions made and provisions raised are disclosed in notes 10 and 20 of the notes to the financial statements. In addition, the group has procured the issue of guarantees for R96.9 million (2012: R96.9 million) in respect of certain unfunded environmental restoration costs, as more fully disclosed in note 11 of the notes to the financial statements.

BUTTONSHOPE CONSERVANCY TRUST

The Buttonneshope Conservancy Trust was established in 2011 as part of an initiative to retain a portion of the freehold land adjacent to the Booysendal mine as an environmental conservancy. Details of the contributions are disclosed in note 12 of the notes to the financial statements.

TORO EMPLOYEE EMPOWERMENT TRUST

The group has entered into an agreement with the representative unions at the Zondereinde mine in terms of which the group contributes 4% of Zondereinde mine's after-tax profits to a registered trust fund (The Toro Employee Empowerment Fund), providing Zondereinde mine's unskilled and semi-skilled employees with an opportunity to participate in the profits of the mine. Eligible employees will receive payment at the end of each five year cycle, beginning in F2013. A similar scheme may be considered for Booysendal mine employees.

SUBSIDIARIES

Northam acquired a 70.0% interest in Northam Chrome Producers Proprietary Limited (NCP) at a cost of R10.0 million on 1 July 2012. The primary business of NCP is producing a metallurgical grade chrome concentrate from Northam's UG2 tailings. The product is sold primarily via traders into the export market at international market related prices. The plant operated satisfactorily within design parameters during the year under review. Subsequent to year end, Northam acquired a further 10% of NCP for R10 million, increasing its total shareholding to 80%.

Details of Northam's subsidiaries at 30 June 2013 are set out in Annexure 3 on pages 174 to 175.

SPECIAL RESOLUTIONS

Special resolutions relating to financial assistance and the adoption of a new MOI to harmonise with the Companies Act, were passed by Northam's subsidiary companies during the year under review.

GOING CONCERN AND IMPAIRMENT TESTING

Mining entities have a finite life that depends on geological and technical factors as well as commodity prices and other economic factors. Taking account of the outlook for these factors as contained in the chairman and chief executive's message, as well as the group's present financial resources and borrowings, the directors believe that the group is a going concern. Details of the key assumptions made are set out in note 1 of the notes to the financial statements. The group annual financial statements have accordingly been prepared on this basis. In addition management has assessed whether there are any indicators of impairment in the market and believes that the increase in the average price realised, the firmer outlook of the platinum price, as well as the recovery in the automotive industry indicates that no impairment needs to be recognised.

Management has assessed the valuation of the Booysendal mine as required in terms of IAS 36 – Impairments of Assets, and has concluded that the mine is not impaired. The assessment was based on previous independent valuations taking into account the current available future outlook of commodity prices and exchange rates and Booysendal's ore reserves. None of Northam's investments in subsidiaries manifested any indicators of impairment requiring management to perform impairment testing.

COMPANY SECRETARY

Ms PB Beale continues in office as company secretary. Relevant details appear on the inside back cover of this report.

LISTING

Northam is listed on the JSE, trading under the equity issuer code NHM, and the debt issuer code NHMI for the DMTN programme. The ISIN is ZAE000030912.

ADR LISTING

The company has a Level 1 American Depositary Receipt (ADR) listing. The shares are traded under the ticker code of NMPNY on the over-the-counter (OTC) market in the United States of America.

POST BALANCE SHEET FINANCING ACTIVITY

Shareholders are referred to the announcement dated 20 September 2013, wherein the company announced a new R1.0 billion funding programme, comprising a R600.0 million fully subscribed renounceable claw-back rights offer, a R400.0 million additional revolving credit facility and amendments to certain key terms of Northam's current revolving credit facility.

In terms of the claw back offer, 15 000 000 new Northam ordinary shares of no par value will be offered to shareholders at a price of R40 per share, representing a total claw back offer subscription consideration of R600 million. The subscription price represents a 2% discount to the 30 day volume weighted average price (VWAP) and a 5% premium to the 60 day VWAP of Northam ordinary shares, calculated at 18 September 2013. The claw back shares will be offered to shareholders in the ratio of 3.92068 claw back shares for every 100 Northam ordinary shares held on 15 November 2013. The circular containing details of the claw back offer will be posted to shareholders on or about Monday, 18 November 2013.

As advised in the above announcement, Northam has secured an additional revolving credit facility of R400.0 million (new RCF), on terms that are customary for a credit facility of this nature. The new RCF has an automatic termination date of 31 March 2015, whereupon any drawn down and unpaid balance must be repaid in full and the facility will expire. The new RCF is unsecured and does not introduce any material new or otherwise onerous lending conditions relative to those governing the existing revolving credit facility. Northam has retained full flexibility to draw down funds, to repay funds drawn under the new facility and/or to cancel the facility, entirely or partially, prior to its expiry date.

In addition to the new RCF referred to above, Northam secured a complete special covenant holiday in respect of all debt covenants applicable to the existing revolving credit facility that pertain to, or are calculated with reference to Northam's earnings before interest, tax, depreciation and amortisation over the next three measuring periods. The covenant holiday will also apply to the new RCF.