DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 30 June 2015. The review of the group's business performance is set out on pages 45 to 111, whilst the nature of business is described in the corporate profile which appears on page 3.

MAIN BUSINESS AND OPERATIONS

Booysendal mine

Booysendal mine came into production on 1 July 2013 and has continued the progressive ramp-up to its annual steady-state PGMs production target of 160 000oz, which is planned for achievement in the first half of F2016.

Operationally good progress is being made with the equipping of the last two production sections, scheduled for October 2015, to complete the original capital footprint. The concentrator performed well above its nameplate capacity in the last three months of the year, achieving an average recovery of 86%. The plan to exploit the Merensky reef from the existing footprint advanced well with the box cut completed and the development of the declines in progress to extract a bulk sample for metallurgical test work. This work is expected to be complete in the second half of F2016 following which a decision will be made on developing a Merensky mining module.

During the F2016 conceptual design work on exploiting the Booysendal South orebody (including the former Everest infrastructure) will be progressed to a feasibility study. The decision to begin construction of new mining modules will be taken against the background of current and expected PGM market conditions and the potential return on investment.

The feasibility is expected to cost R22.0 million and will be completed by May 2016.

For the year as a whole Booysendal's run-of-mine production totalled 1 670 437 tonnes (F2014: 1 233 089 tonnes) with the tonnage milled increasing to 1 786 375 tonnes (F2014: 1 517 109 tonnes) at a head grade of 2.6g/t (F2014: 2.6g/t).

Zondereinde mine

The Zondereinde mine (which incorporates Northam Chrome Producers Proprietary Limited (NCP), a company that receives and treats UG2 tailings from the mine to produce chrome), is operating at steady state, and its performance during the year under review reflects this stability and our confidence in its sustainability. Despite the No.1 shaft incident early in the financial year, and the one-week work stoppage in January, Zondereinde delivered 795 885 tonnes (F2014: 803 736 tonnes) of Merensky reef to its processing plant at a head grade of 5.7g/t (F2014: 5.8g/t). UG2 tonnages came in at 1 064 499 tonnes (F2014: 920 420 tonnes) to the processing plant at a head grade of 4.3g/t (F2014: 4.3g/t).

This blend of reef resulted in the overall head grade falling to 4.9g/t (F2014: 5.0g/t). Metals produced from underground increased to 7 950kg (F2014: 7 331kg) and that in concentrates purchased was 2 338kg (F2014: 1 975kg) (including Booysendal sales to Zondereinde following the change in accounting for sales within the group from 1 June 2015 in terms of which Booysendal now sells all its stock to Zondereinde). At the year's end available ore reserves on the Merensky reef were sufficient for 20 months' production and on the UG2 reef for 24 months'.

Overall the Zondereinde mine operated well during the year. However, mining flexibility on the Merensky reef horizon remains constrained owing to challenging geological conditions, particularly in the north-west quadrant of the mine. Production from the UG2 horizon is relatively easier. With planned modifications to the processing plant, the smelter will be in a position to accommodate a higher proportion of UG2 reef. Future production from Zondereinde is consequently planned at a 65:35 UG2: Merensky ratio for 21 years.

Construction of the decline section has progressed satisfactorily with the conveyor decline on the 16 level elevation and good progress is being made in developing the barrels of the material incline between 14 and 16 levels. An underground refrigeration plant was commissioned during the year on 13 level which has improved environmental conditions in the deepening section of the mine markedly. The completion of this suite of infrastructure will provide access to good quality Merensky reef and increase the life of Zondereinde to more than 20 years.

Wage negotiations started in May 2015 and were successfully concluded after the year end with the signing of a three year agreement with the NUM.

ASSOCIATES AND JOINT VENTURES

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

Dwaalkop joint venture

This project is a PGM development opportunity in joint venture with Lonmin plc. The group's share of the exploration expenditure amounted to R0.2 million (2014: R0.7 million), which was charged to sundry expenditure. The carrying value of the group's investment is R136.2 million after impairment charge of R164.5 million in F2015 (2014: R300.7 million). Further details of the group's interest in Dwaalkop are set out in Annexure 2 on page 186.

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 R1.5 million (2014: R1.3 million), during the year, which was charged to sundry expenditure.

Pandora joint venture

As a consequence of the low PGM prices which adversely affected all PGM mining companies the Pandora joint venture recorded a loss, of which the group's share was R10.7 million (2014: loss of R3.3 million). The carrying value of the group's investment was R70.7 million (2014: R114.9 million) after an impairment charge of R40.5 million in F2015. Further details of the group's interest in Pandora are set out in Annexure 2 on page 186.

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 R35.0 million (2014: 5.5 million). The carrying value of the group's investment amounted to R68.9 million (2014: R79.4 million) after an impairment charge of R34.1 million. Further details of the group's interest in Trans Hex are set out in Annexure 2 on page 186.

CORPORATE GOVERNANCE

In line with the recommendations of King lll, the board of directors subscribes to high standards of ethical leadership, business sustainability, stakeholder engagement and sound corporate governance. The board and management recognise that effective governance underpins the group's reputation and its performance, and serves to promote full accountability and transparency.

The board ensures that its composition is appropriate in terms of skills, knowledge, experience, independence and gender in accordance with the provisions of its board charter and MOI, available on the Northam website at www.northam.co.za. It also takes responsibility for corporate strategy and the management of risk and opportunities of the group which are executed within the confines of its corporate governance structure.

Northam complies with the JSE listings requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct. Further details on the group's corporate governance practices are set out in the corporate governance report on page 20 to 25.

DIRECTORS' REPORT CONTINUED

MINING LICENCES

Booysendal mine

Booysendal Platinum Proprietary Limited (formerly Micawber 278 Proprietary Limited), a 100% owned subsidiary of Northam, 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

Northam 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 profit or loss and other comprehensive income, statements of cash flow and statements of changes in equity and notes to the financial statements, on pages 128 to 207, reflect the financial results and position of the company and the group.

DIVIDENDS

Given the current difficult conditions in the industry and the potential cash requirements of the group's operations and, for the development of its assets, the board has resolved not to declare a dividend for the F2015 year. (F2014: Rnil)

STATED CAPITAL

The authorised share capital of the company increased for the Northam BEE transaction, from 545 000 000 shares to 2 000 000 000 shares. The increase in share capital was approved by shareholders at the general meeting (GM) held on 19 March 2015, as defined in the transaction circular dated 17 February 2015.

In terms of the Northam BEE transaction, 112 195 122 shares (22% of the issued share capital) were allotted and issued to Zambezi Platinum on 18 May 2015, resulting in the issued share capital at 30 June 2015 increasing to 509 781 212 (2014: 397 586 090) shares.

No shares were allotted and issued to participants of the Northam Share Option Scheme or the Northam Share Incentive Plan during the year.

REPURCHASE OF ISSUED SHARES

At the GM held on 19 March 2015 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. This general authority is valid until the company's next AGM or for 15 months from the date of the aforementioned resolution (being 19 March 2015) whichever period is the shorter. Approval to renew this general authority will be sought at the AGM to be held on Wednesday, 11 November 2015.The text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appear in the notice of AGM on page 5, which forms part of the abridged annual report.

BORROWINGS AND BORROWING POWERS

In terms of the 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. An additional R400 million revolving credit facility was arranged during F2014, which was available until March 2015. There were limited drawings from the facility during the year and which were repaid by 30 June 2015. There have been no drawings from this facility between the reporting date and the date of this report.

On 3 September 2012 the company announced that it had raised R1.25 billion through the issue of senior unsecured floating rate notes, in terms of 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 and other operational and working capital requirements of the group. After year end, the DMTN of R1.37 billion has been repaid on the due date of 4 September 2015. Management is considering another DMTN of up to R1.8 billion depending on the borrowing rates and appetite of the market at the date of this report.

In addition to the above a subsidiary, Norplats Properties Proprietary Limited has arranged loan facilities of up to R91 million to fund the sale of houses to employees in terms of the group's affordable housing initiative, of which R33.9 million is still available.

Details of the interest rates and terms of these loans are contained in notes 21 and 25 to the annual financial statements on pages 170 to 171.

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 and abridged annual 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.

Name of subsidiary	Approved facility at 30 June 2015 R'000	Balance at 30 June 2015 R'000	Additional amount to be advanced in coming year R'000	New loan facility R'000	Total financial assistance to be granted R'000
Booysendal Platinum Proprietary Limited (formerly Micawber 278 Proprietary Limited) (1)	4 970 000	4 159 333	Nil	4 970 000	4 970 000
Norplats Properties Proprietary Limited – fixed-term loan (2)	34 300	24 456	Nil	34 300	34 300
Norplats Properties Proprietary Limited – general loan (2)	39 000	26 007	5 000	44 000	44 000
Windfall 38 Properties Proprietary Limited (3)	15 800	14 862	Nil	15 800	15 800
Mvelaphanda Resources Proprietary Limited (4)	Nil	957	Nil	42 000	42 000
Mining Technical Services Proprietary Limited (formerly Dialstat Trading 133 Proprietary Limited) (5)	260 000	1	Nil	20 000	20 000
Total loan facilities	**5 319 100**	**4 225 616**	**5 000**	**5 126 100**	**5 126 100**

Notes

(1) At year end, Northam has finance facilities available in the form of an undrawn revolving credit facility of R1.0 billion with Nedbank Limited, and finance in the form of a R1.37 billion on domestic medium term notes (DMTN). In view of the fact that interest will be payable on these borrowings, Booysendal Platinum has entered into an appropriate loan agreement with Northam in terms of which the loan from Northam is interest bearing, on the portion that relates to external funding.

The interest rate payable by Booysendal Platinum is based on the three-month JIBAR rate plus 375 basis points, so that the total interest payable approximates the interest payable by Northam.

(2) The loan facility granted to Norplats Properties comprises an interest bearing portion of R34.3 million which is repayable in 2026. The loan from Northam to Norplats Properties consists of an interest free portion of R44.0 million which has no fixed repayment date. The interest bearing portion of R34.3 million carries interest at prime less 2.0%.

(3) The loan to Windfall 38 Properties, is repayable out of surplus cash funds and bears interest at prime less 2.0%.

(4) The loan facility to Mvelaphanda Resources is due to the fact that its liabilities exceed its assets by R40.5 million. This facility will only be used if a need arises and this is not likely to be in the current financial year.

(5) The loan facility to Mining Technical Services is for the company to establish a division to facilitate the execution of the group's growth projects.

DIRECTORS' REPORT CONTINUED

STRATE (SHARE TRANSACTIONS TOTALLY ELECTRONIC)

Shareholders who have not already dematerialised their shares (certificated shareholders) are once again 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 make 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 until 2017.

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. 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, at the time of exercising their option, 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.

A summary of the options held at 30 June 2015 is as follows:

Earliest and latest exercise date	Price per share R	Total number of options
22 October 2009 and 21 October 2014	48.00	1 210 674
27 November 2010 and 26 November 2015	32.38	166 272
5 November 2011 and 4 November 2016	36.95	537 788
1 July 2012 and 30 June 2017	45.59	129 901
12 October 2012 and 11 October 2017	46.57	2 675 950
Number of options held at 30 June 2014		4 720 585
Number of options forfeited during the year		(1 236 648)
Number of options exercised during the year – refer Annexure 5 on page 196		
Cash settled options		(756 021)
Number of options held at 30 June 2015		**2 727 916**

At 30 June 2015 the outstanding options were exercisable as follows:

Earliest and latest exercise date	Price per share R	Total number of options	Options vested at 30 June 2015 at price per share	Options vested at 30 June 2015 at claw back offer price of R40.00
27 November 2010 and 26 November 2015	32.38	72 744	70 000	2 744
5 November 2011 and 4 November 2016	36.95	394 898	380 000	14 898
1 July 2012 and 30 June 2017	45.59	129 901	125 000	4 901
12 October 2012 and 11 October 2017	46.57	2 130 373	2 050 000	80 373
Number of options held at 30 June 2015		**2 727 916**	**2 625 000**	**102 916**

Full details of the options exercised during the year are set out in Annexure 5 on page 196, and are summarised as follows:

	Cash settled options		
Grant date	Number of options exercised	Exercise price R	Total gain paid to participants R'000
27 November 2008	90 000	32.38	1 612
5 November 2009	137 500	36.95	1 882
12 October 2010	500 000	46.57	2 224
15 November 2013	28 521	40.00	310
Total	**756 021**		**6 028**

NORTHAM SHARE INCENTIVE PLAN (SIP)

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

The SIP 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 SIP. 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.

In order to avoid any future dilution, all shares will either be cash-settled or equity settled through purchases in the open market.

Key features of the CSP and FSP are as follows:

CSP

- Shares will be awarded or granted to employees once a year;
- 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;
- Both the retention shares and the performance shares will vest after three years; and
- Performance conditions will be set by the SE&HR committee before an award is made, and will be based on appropriate company performance measures at the time.

DIRECTORS' REPORT CONTINUED

FSP

- Shares, which have no performance conditions attached, can only be awarded or granted in exceptional circumstances, approved by the SE&HR committee, for purposes of attracting key new employees;
- 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; and
- 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.

No forfeitable shares have been awarded since the inception of the SIP.

In March 2013 the JSE approved a change to the rules of the SIP in terms of which, upon the vesting of any awards, participants may elect to receive either the shares that have vested or a cash 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 2014		4 883 000	1 466 000	3 417 000
4 November 2014	Shares awarded	2 971 000	750 500	2 220 500
	Shares forfeited	(204 400)	(63 900)	(140 500)
	Shares cash-settled	(1 959 600)	(807 400)	(1 152 200)
Balance at 30 June 2015		**5 690 000**	**1 345 200**	**4 344 800**

At 30 June 2015 the following awards were outstanding:

Grant date	Details	Total number of shares	Shares to be settled in F2016	Shares to be settled thereafter
6 November 2012	Performance shares	1 129 000	1 129 000	–
15 November 2013	Retention shares	627 000	627 000	–
15 November 2013	Performance shares	1 091 000	–	1 091 000
4 November 2014	Retention shares	718 200	–	718 200
4 November 2014	Performance shares	2 124 800	–	2 124 800
Balance at 30 June 2015		**5 690 000**	**1 756 000**	**3 934 000**

Full details of the shares granted during the year are set out in Annexure 5 on page 196.

At the 2014 AGM shareholders approved the following:

- the maximum number of shares that may be awarded under the scheme may not exceed 5% of the issued share capital (previously 10%) equaling to approximately 19.9 million shares.
- the maximum number that may be awarded to any single employee in any cycle is limited to 0.5%, equal to approximately 2.0 million shares;

- in order to avoid any future dilution, all shares will either be cash-settled or equity settled through purchases in the open market;
- both the retention shares and the performance shares will vest after three years;
- measurement of performance conditions on share awards are to made over a three year period rather that split in three year lots measured on an annual basis;
- performance conditions or criteria for the F2015 awards going forward will include certain rate-of-return related target/measures (Total Shareholder Return and or Return On Investment or related target) with a weighting of not less than 30%.

DIRECTORATE

During the year ender review, Mr JAK Cochrane resigned as a director on 15 April 2015.

Subsequent to year-end on 18 August 2015, Mr R Havenstein replaced Mr AR Martin as the lead independent director and Mr KB Mosehla was appointed a non-executive director on 19 August 2015 representing Zambezi Platinum.

The composition of the board of directors, as well as of board appointed committees, and details of the election and re-appointment of directors is reflected on page 18 to 25 of this integrated report.

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 Messrs. Beckett, Havenstein, Ms Kgosi and Mr Martin, 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.

It is proposed to increase the fees of non-executive directors by an average of 7.0% per annum in line with market norms.

At the forthcoming AGM members will accordingly be requested to consider a special resolution providing for the increase in the fees for the year ending 30 June 2016 as set out below:

Board	Proposed fee 2015 AGM	Approved fee 2014 AGM
	(per annum)	(per annum)
Board chairman	135 500	126 600
Lead independent director	100 500	93 900
Board members	63 300	59 100
Board meeting attendance fees per meeting	40 900	38 200
Audit and risk committee		
Committee chairman	60 700	56 700
Committee members	30 400	28 400
Committee meeting attendance fees per meeting	19 800	18 500
Social, ethics and human resources committee		
Committee chairman	51 700	48 300
Committee members	23 800	22 200
Committee meeting attendance fees per meeting	15 900	14 800
Other board appointed committees		
Committee chairman	48 500	45 300
Committee members	23 800	22 200
Committee meeting attendance fees per meeting	15 900	14 800
Ad hoc fees per hour	3 170	2 960

DIRECTORS' REPORT CONTINUED

DIRECTORS' REMUNERATION

The directors' remuneration for the year ended 30 June 2015 is as follows:

	Fees R'000	Remuneration package R'000	Performance bonus R'000	Benefits R'000	Gain on share based payments R'000	Total 2015 R'000	Total 2014 R'000
Executive*							
PA Dunne	–	5 700	2 184	763	–	8 647	2 651
AZ Khumalo	–	2 708	1 686	347	4 740 #	9 481	4 530
GT Lewis (1)	–	–	–	–	–	–	51 471
Non-executive							
ME Beckett	616	–	–	–	–	616	611
CK Chabedi	413	–	–	–	–	413	447
JAK Cochrane (2)	276	–	–	–	–	276	340
R Havenstein	744	–	–	–	–	744	718
NJ Dlamini (3)	–	–	–	–	–	–	89
TE Kgosi	579	–	–	–	–	579	643
AR Martin	557	–	–	–	–	557	523
PL Zim	318	–	–	–	–	318	330
	3 503	8 408	3 870	1 110	4 740	21 631	62 353

(1) *Mr GT Lewis resigned as director and CEO on 1 March 2014.*
(2) *Mr JAK Cochrane resigned as director on 15 April 2015.*
(3) *Dr NJ Dlamini resigned as director on 30 September 2013.*
R1.4 million of this amount should have been paid in F2014 but could not be paid due to closed periods. This was eventually paid in F2015.
* *See remuneration report of the social, ethics and human resources committee from page 26 of this integrated report regarding executive director remuneration policy.*

An analysis of the non-executive fees in respect of the board and board committee services is as follows:

	Board R'000	Audit and risk committee R'000	Health, safety and environmental committee R'000	Investment committee R'000	Social, ethics and human resources committee R'000	*Ad hoc* fees R'000	Total 2015 R'000	Total 2014 R'000
ME Beckett	288	121	81	–	126	–	616	611
CK Chabedi	250	–	81	82	–	–	413	447
JAK Cochrane (1)	200	–	–	76	–	–	276	340
R Havenstein	288	121	105	105	125	–	744	718
NJ Dlamini (2)	–	–	–	–	–	–	–	89
TE Kgosi	250	121	–	–	152	56	579	643
AR Martin	323	149	–	81	–	4	557	523
PL Zim	318	–	–	–	–	–	318	330
	1 917	512	267	344	403	60	3 503	3 701

(1) *Mr JAK Cochrane resigned as director on 15 April 2015.*
(2) *Dr NJ Dlamini resigned as director on 30 September 2013.*

SERVICE CONTRACTS

Mr P A Dunne, the chief executive officer, has a service contract with the company which is subject to a notice period of 1 year. Mr A Z Khumalo, the chief financial officer, has a service contract with the company which is subject to a notice period of three months.

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 2015 were as follows:

	Direct beneficial holding	Indirect beneficial holding	Total 2015	Total 2014
ME Beckett	30 000	–	30 000	30 000
CK Chabedi*	–	204 000	204 000	–
TE Kgosi*	–	635 000	635 000	–
PL Zim*	–	17 547 097	17 547 097	–
Total	**30 000**	**18 386 097**	**18 416 097**	**30 000**

** Pursuant to the Northam BEE transaction, Mr Chabedi, Ms Kgosi and Mr Zim acquired beneficial interests in the ordinary share capital of Zambezi Platinum on 18 May 2015. This resulted in them and their associates acquiring effective interests in Northam shares. The SENS announcement for the aforementioned directors dealings in securities is available on the Northam website at www.northam.co.za.*

There have been no changes in these holdings from 30 June 2015 to the date of this integrated report.

ANALYSIS OF SHAREHOLDERS AT 30 JUNE 2015

Shareholding range	Number of shareholders	Total of shareholding	Percentage holding (%)
1 – 5000	6 054	5 661 689	1.11
5001 – 10 000	274	1 971 749	0.40
10 001 – 50 000	391	9 398 214	1.84
50 001 – 100 000	125	8 827 550	1.73
100 001 – 1 000 000	239	68 838 595	13.50
1 000 001 and over	67	415 083 415	81.42
Total	**7 150**	**509 781 212**	**100.00**

Geographical analysis of shareholders	Total shareholding	Percentage holding (%)
Australasia	76 740	0.02
Europe and United Kingdom	16 355 258	3.21
North America	42 930 442	8.42
Far East	61 894	0.01
Rest of Africa	226 982	0.04
South Africa	438 933 679	86.10
Other	11 196 217	2.20
Total	**509 781 212**	**100.00**

DIRECTORS' REPORT CONTINUED

Major shareholders at 30 June 2015 (based on total issued share capital of 509 781 212)	Number of shares	Percentage holding (%)
Owner		
Zambezi Platinum (RF) Limited	159 905 453	31.37
Fund manager		
Coronation Asset Management	137 046 146	26.88
Public Investment Corporation (PIC)	40 049 690	7.86
Foord Asset Management	27 570 724	5.41
Clients of Allan Gray	23 137 013	4.54
Sanlam Investment Management	22 775 410	4.47

Shareholder spread at 30 June 2015	Number of shareholders	Percentage holding (%)
Public	7 146	99.94
Non-public		
– Directors	4	0.06
Total	**7 150**	**100.00**

HDSA ownership levels in the company are pegged at 35.4% following the conclusion of the R6.6 billion BEE transaction referred to on page 4 of this integrated report.

NORTHAM PLATINUM RESTORATION TRUST 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 MPRDA, 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 R157.9 million (2014: R114.9 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 Buttonshope 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 made and provisions raised 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 Trust), providing Zondereinde mine's unskilled and semi-skilled employees of Zondereinde with an opportunity to participate in the profits of the mine. Eligible employees will receive payment at the end of each five year cycle, with the first payments having been made in F2013.

SUBSIDIARIES

Northam purchased an additional 20% of NCP for R50.0 million, with effect from 1 August 2014. This brings Northam's total holding in the subsidiary to 100%. NCP produces chrome from Zondereinde's UG2 tailings.

On 10 February 2015 the company entered into a sale of assets agreement with AQPSA. In terms of the transaction Northam acquired the Everest mining assets on 26 June 2015 for a total cash purchase consideration of R400.0 million (excluding VAT). As part of the transaction, Booysendal Platinum acquired 100% of TKO Investment Holdings Limited (TKO Investment), together with various other subsidiary farming companies. A further payment of R50.0 million (excluding VAT) for the Everest mining right, will be paid to AQPSA once the Section 11 consent has been granted by the Minister of Mineral Resources to transfer the mining licence to Booysendal Platinum.

Details of Northam's subsidiaries at 30 June 2015 are set out in Annexure 3 on page 192.

SPECIAL RESOLUTIONS

Special resolutions relating to directors' remuneration, and financial assistance were approved at the AGM in November 2014.

Further special resolutions were approved at the general meeting in March 2015 in terms of the Northam BEE transaction, relating to the adoption of the new MOI, authority for directors' to issue shares, financial assistance to directors and, authority to repurchase issued shares.

GOING CONCERN AND ASSESSMENT OF RECOVERABLE AMOUNTS

Going concern

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

The ZAR/US$ exchange rate however continues to weaken and to a certain extent cushions the effect of lower metal prices.

Management has implemented thorough cost-cutting initiatives. This effort, along with the group's strong balance sheet and current operational cash flows has informed the opinion of management that the group remains a going concern.

Assessment of recoverable amounts

In addition management has assessed whether there are any indicators of impairment in the market and believes that low US dollar metal prices for PGMs are an indicator. Accordingly impairment tests have been performed and the Dwaalkop and Pandora joint ventures and Trans Hex Group associate investments were impaired by R164.5 million, R40.5 million and R34.0 million respectively in F2015. No other assets were impaired.

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 share code NHM, ISIN code ZAE000030912 and for the DMTN programme, under the debt issuer code NHM1, ISIN code ZAG000099524.

ADR LISTING

The company terminated its Level 1 American Depositary Receipt (ADR) programme on 15 June 2015. The ADR programme attracted little or no interest since it was established in June 2011.

EVENTS AFTER THE REPORTING DATE

Shareholders were advised on 30 July 2015 that the management of Zondereinde had signed a three-year wage agreement with the recognised union at the mine, apart from the wage agreement there were no other events after year end which requires adjustment in the financial statements or additional disclosure.