

MEDIA RELEASE

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NORTHAM INCREASES ITS ZAMBEZI PREFERENCE SHAREHOLDING TO APPROXIMATELY 70%

Johannesburg, Wednesday 15 October 2020. Northam is pleased to announce that it has acquired an additional 37 179 697 Zambezi preference shares for a total cash consideration of approximately R3.5 billion. This brings Northam's preference share holding in ZPLP to approximately 70%.

The face value of the Northam owned prefs as at 15 October 2020, calculated as the initial issue price of the Zambezi preference shares plus accumulated preference share dividends, amounts to approximately R9.1 billion.

Northam's acquisition of Zambezi preference shares will reduce the preference share dividend expense and liability in Northam's consolidated financial statements, as well as Northam's potential financial exposure under the guarantee it provided to holders of Zambezi preference shares, should the guarantee be called upon. Furthermore, should Zambezi elect to redeem the Zambezi preference shares through a distribution of ordinary shares in Northam held by Zambezi, the redemption of the Zambezi preference shares held by Northam, at such time, will result in a distribution of Northam shares to Northam, thereby reducing the number of Northam shares in issue.

The ZPLP acquisitions have been fully funded through Northam's internal cash resources.

Paul Dunne, Northam Chief Executive Officer said *"Northam has continued to return significant value to shareholders by accelerating the purchase of Zambezi preference shares to the current 70% holding. This strategy will positively impact future earnings and earnings per share and will add to the success of our empowerment transaction. Furthermore, Northam no longer considers the back-up guarantee provided in favour of the Zambezi preference shareholders to be a dilution risk to Northam ordinary shareholders. This is a significant milestone for the company. Our mines and operations have proved to be resilient following the COVID-19 induced national lockdown and the commitment demonstrated by the Northam employees in restoring operations to normality has been outstanding."*

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