THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 4 of this circular apply throughout this circular including this cover page.

Action required:

1. This circular is important and should be read with particular attention to the section entitled *"Action required by shareholders"*, which commences on page 3 of this circular.
2. If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all or any of your Northam shares, please forward this circular to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

The directors, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required by law and the listings requirements.

NORTHAM
PLATINUM LIMITED

NORTHAM PLATINUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
JSE share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
("**Northam**" or the "**company**")

CIRCULAR TO NORTHAM SHAREHOLDERS

relating to:

- **a proposed broad-based BEE transaction with HDSAs, including:**
  - **a specific issue of Northam shares to BEE SPV, which includes related parties to Northam; and**
  - **the provision of financial assistance to BEE SPV;**
- **the adoption of a new MOI in substitution for the existing MOI, to *inter alia* cater for the proposed increase in the authorised share capital of Northam;**
- **a possible future specific issue of Northam shares to the BEE SPV preference shareholders and/or BEE SPV; and**
- **a general authority to repurchase issued shares,**

and incorporating a:

- **notice convening a general meeting of Northam shareholders; and**
- **form of proxy in respect of the general meeting (*green*) (for use by certificated shareholders and dematerialised shareholders with "own name" registration, only).**

This circular is available in English only. Copies of this circular are available from the registered office of the company at the address set out in the *"Northam corporate information and advisors"* section of this circular from 17 February 2015 to 19 March 2015, both days inclusive. This circular is also available on the company's website, www.northam.co.za.

Sole corporate advisor, sole bookrunner, JSE transaction sponsor and JSE equity and debt sponsor to Northam	Attorneys to Northam	Independent auditors and reporting accountants
ONE CAPITAL	BG Bowman Gilfillan AFRICA GROUP	EY Building a better working world

Attorneys to the bookrunner	Independent expert and independent sponsor
DLA CLIFFE DEKKER HOFMEYR	KPMG cutting through complexity

Date of issue: 17 February 2015

NORTHAM CORPORATE INFORMATION AND ADVISORS

Registered office and company secretary

PB Beale
Northam Platinum Limited
1A Albury Park
Magalieszicht Avenue
Dunkeld West, 2196
South Africa
(PO Box 412694, Craighall, 2024)

Place of incorporation: Pretoria, South Africa
Date of incorporation: 7 October 1977

Transfer secretaries

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

Sole corporate advisor, sole bookrunner, JSE transaction sponsor and JSE equity and debt sponsor to Northam

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

Independent auditors and reporting accountants

Ernst & Young Inc.
(Registration number 2005/002308/21)
102 Rivonia Road
Sandton, 2146
South Africa
(Private Bag X14, Sandton, 2146)

Attorneys to Northam

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

Attorneys to the bookrunner

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
1 Protea Place
Sandown
Sandton, 2196
South Africa
(Private Bag X7, Benmore, 2010)

Independent expert and independent sponsor

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown, 2193
South Africa
(Private Bag 9, Parkview, 2122)

FORWARD-LOOKING STATEMENTS

Certain of the statements included in this circular constitute forward-looking statements that involve risks and uncertainties. Forward-looking statements may generally be identified by the use of terminology such as "may", "might", "will", "will likely result", "will continue", "expect", "are expected to", "intend", "plan", "seek", "project", "projection", "potential", "could", "should", "estimate", "anticipate", "believe", "outlook" or similar phrases. Without limitation, all statements regarding the Northam group's future financial position or business strategy or the plans and/or objectives of management for the future operation of the Northam group are forward-looking statements. The actual future performance of the Northam group could differ materially from these forward-looking statements. Important factors that could cause the actual results to differ materially from these expectations include, inter alia, the volatility of commodity prices as well as other matters not yet known to the board or not currently considered material by it.

Reliance should not be placed on these forward-looking statements. All forward-looking statements are qualified in their entirety by these cautionary statements. Moreover, unless the board is required by law to update these statements after the date of this circular, it will not necessarily do so.

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ACTION REQUIRED BY SHAREHOLDERS

The definitions commencing on page 4 of this circular apply, mutatis mutandis, to this section.

This circular is important and requires your immediate attention. **Please take careful note of the following provisions regarding the actions required by shareholders.**

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, accountant, attorney or other professional advisor immediately. If you have disposed of all or any of your Northam shares, please forward this circular to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

VOTING AND ATTENDANCE AT THE GENERAL MEETING

The general meeting will be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Thursday, 19 March 2015 at 10:00, to consider and if deemed fit, pass the resolutions set out in the notice of general meeting attached to this circular, with or without modification.

1. IF YOU ARE A DEMATERIALISED SHAREHOLDER WITHOUT "OWN NAME" REGISTRATION

1.1 *Voting at the general meeting*

Your broker or CSDP should contact you to ascertain how you wish to cast your votes at the general meeting (or any adjournment or postponement thereof) and will thereafter cast your votes in accordance with your instructions.

If you have not been contacted by your broker or CSDP, it is advisable that you contact your broker or CSDP and furnish it with your voting instructions.

If your broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your broker or CSDP.

You must **not** complete the attached form of proxy.

1.2 *Attendance at the general meeting*

In accordance with the mandate between you and your broker or CSDP, you must advise your broker or CSDP if you wish to attend the general meeting in person, and your broker or CSDP will issue the necessary letter of representation for you to attend the general meeting (or any adjournment or postponement thereof).

2. IF YOU ARE A CERTIFICATED SHAREHOLDER OR IF YOU ARE A DEMATERIALISED SHAREHOLDER WITH "OWN NAME" REGISTRATION

2.1 *Voting and attendance at the general meeting*

You may attend the general meeting in person and may vote at the general meeting.

Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy in accordance with the instructions contained therein and return it to the transfer secretaries, Computershare Investor Services Proprietary Limited, as follows:

- by hand: Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa; or
- by post: PO Box 61051, Marshalltown, 2107, South Africa; or
- by email: proxy@computershare.co.za; or
- by fax: +27 11 688 5238

so as to be received by no later than 10:00 on Wednesday, 18 March 2015, being at least 24 (twenty four) hours before the commencement of the general meeting. Should the form of proxy not be delivered to the transfer secretaries by this time, you will be entitled to furnish your form of proxy to the chairman of the general meeting before the appointed proxy exercises any of your shareholder rights at the meeting (or any adjournment or postponement thereof).

If you hold certificated shares and wish to dematerialise such shares, please contact your broker or CSDP.

DEFINITIONS

In this circular, unless otherwise stated or the context so requires, the words and expressions in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa,* words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons and *vice versa*:

administration services agreement	the agreement headed *"Administration Services Agreement"* entered into between Northam and BEE SPV in terms of which BEE SPV will appoint Northam to attend to the day-to-day management of BEE SPV's business and the administration of BEE SPV's affairs;
agent	pursuant to the preference share terms, the person appointed in terms of an agreement entered into between that person, BEE SPV and Northam, to *inter alia,* perform certain functions and enforce certain rights on behalf of and for the benefit of BEE SPV preference shareholders pursuant to the preference share terms and the Northam guarantee, in return for the payment of agreed fees which Northam will undertake to pay;
associate	has the meaning ascribed to "associate" in the International Accounting Standard 28 (IAS 28);
attorneys to sole bookrunner, corporate advisor and sponsor	Cliffe Dekker Hofmeyr Incorporated, registration number 2008/018923/21, a company duly incorporated in South Africa;
attorneys to Northam	Bowman Gilfillan Incorporated, registration number 1998/021409/21, a company duly incorporated in South Africa;
BBBEE Act	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;
BEE	black economic empowerment as contemplated in the BEE laws;
BEE Codes	the Codes of Good Practice on BBBEE contemplated in section 9 of the BBBEE Act, as gazetted from time to time;
BEE laws	the BBBEE Act, the BEE Codes, the MPRDA, the Mining Charter and the Mining Codes to the extent that such laws are applicable or may become applicable to the Northam group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam group and/or its business activities from time to time;
BEE shares	collectively, the subscription shares and the PIC sale shares;
BEE SPV	Business Venture Investments No 1834 Proprietary Limited, registration number 2014/106927/07, a company duly incorporated in South Africa, which will, prior to the implementation date, be converted to a public company, ring-fenced and renamed *"Zambezi Platinum Limited (RF)"*, the shareholders of which will, with effect from the implementation date, be the HDSA participants, as further detailed in paragraph 11 of this circular;
BEE SPV MOI	the memorandum of incorporation of BEE SPV which will be filed with the CIPC prior to the implementation date;
BEE SPV ordinary shares	ordinary shares of no par value in the share capital of BEE SPV;
BEE SPV pledge and cession	the agreement headed *"Pledge and Cession"* entered into between Northam and BEE SPV, in terms of which BEE SPV will pledge and cede, *in securitatem debiti* the BEE shares and its right, title and interest in and to the distribution receipts account, to Northam as security for BEE SPV's obligations under the Northam clawback;
BEE SPV preference shareholders	the holders of the BEE SPV preference shares;

BEE SPV preference shares	preference shares in the share capital of BEE SPV having the rights and privileges set out in the preference share terms, which will be listed and fully tradable on the exchange with effect from the implementation date;
BEE SPV preference share dividends	dividends payable by BEE SPV to BEE SPV preference shareholders in respect of each BEE SPV preference share, being any dividends payable under the preference share terms, including but not limited to scheduled dividends and any additional dividends payable as a result of a tax gross up;
BEE SPV preference share redemption amount	a price per BEE SPV preference share equal to the initial subscription price per BEE SPV preference share, being R41 (forty one Rand);
BEE SPV preference share subscribers	collectively, Coronation and PIC;
beneficiary	in relation to: • a company, a person who (i) by virtue of directly or indirectly being a shareholder of a company or a beneficiary of one or more trusts which are shareholders, through a chain of shareholdings and/or trust interests in one or more companies or trusts, is a direct or an indirect beneficiary (whether beneficial, discretionary, vested, contingent, conditional or otherwise) of such company or (ii) has the right and/or ability, whether directly or indirectly and whether vested, discretionary, contingent, conditional or otherwise, to benefit from distributions made by such company; and • a trust, a person who (i) by virtue of directly or indirectly being a beneficiary of one or more trusts or a shareholder of one or more companies which are beneficiaries, through a chain of trust interests and/or shareholdings in one or more trusts or companies, is a direct or indirect beneficiary (whether beneficial, discretionary, vested, contingent, conditional or otherwise) of such trust or (ii) has the right and/or ability, whether directly or indirectly and whether beneficial, discretionary, vested, contingent, conditional or otherwise, to benefit from the assets, capital or income of the trust;
board or **directors**	the directors of Northam as at the last practicable date, the names of whom are set out on page 13 of this circular;
Booysendal	Northam's Booysendal PGM mine, situated on the eastern limb of the Bushveld complex near the town of Mashishing and owned by Micawber;
Booysendal Community Trust	the Northam Booysendal Community Trust, Master's reference number IT000178/2015(G);
Booysendal Community Trust deed	the trust deed of the Booysendal Community Trust entered into between Northam and the first trustees of the Booysendal Community Trust, as amended or replaced from time to time;
broker	a "stockbroker" as defined in the Financial Markets Act;
BVI 1841 Consortium	Business Venture Investments No 1841 Proprietary Limited, registration number 2014/191520/07, a company duly incorporated in South Africa, which company will, prior to the implementation date, be ring-fenced and renamed *"Business Venture Investments No 1841 Proprietary Limited (RF)"*, the beneficiaries of which are depicted in annexure 2 to this circular;
certificated shares	shares that have not been dematerialised and are represented by share certificates;
certificated shareholders	holders of certificated shares;
CIPC	the Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act;
circular	this circular to shareholders dated 17 February 2015 and all annexures thereto and incorporating the notice of general meeting and the form of proxy;

commitment agreements	the respective agreements entered into between Northam, and each of Coronation and PIC on 19 September 2014, in terms of which Coronation and PIC agree to follow their rights and, to the extent required, make excess applications in amounts of R1 500 000 006 (one billion five hundred million and six Rand) and R3 099 999 996 (three billion and ninety nine million nine hundred and ninety nine thousand nine hundred and ninety six Rand), respectively, pursuant to the offer;
co-operation agreement	the agreement headed *''Co-operation Agreement''* entered into between Northam and BEE SPV, setting out the rights and obligations of Northam and BEE SPV for purposes of implementing the offer;
Companies Act	the Companies Act, No. 71 of 2008, as amended from time to time;
Coronation	Coronation Asset Management Proprietary Limited, registration number 1993/002807/07, a company incorporated in South Africa;
CPI	the average annual rate of change (expressed as a percentage) in the Consumer Price Index for all metropolitan areas as published in the *Government Gazette* by Statistics South Africa, or such other index reflecting the official rate of inflation in South Africa as may replace it, which annual change shall be determined by comparing the most recently published index with the index published in respect of the corresponding month in the previous year;
CSDP	a "*participant*", as defined in section 1 of the Financial Markets Act, being a person authorised by a licenced central securities depository to perform custody and administration services or settlement services or both in terms of the central depository rules;
deemed offer	in terms of the relevant relationship agreements, in the event that an HDSA participant breaches any of its obligations, undertakings or warranties, such HDSA participant will be deemed to offer the BEE SPV ordinary shares held by it to Northam, or Northam's nominee, for purchase at a nominal purchase price;
dematerialise or **dematerialised**	the process by which securities which are evidenced by a certificate are converted to securities that are held in collective custody by a central securities depository or its nominee in a separate central securities account and are transferrable by entry without a certificate or written instrument;
dematerialised shareholder	holders of dematerialised shares;
distribution receipts account	the bank account which Northam will open and operate on behalf of BEE SPV for various purposes set out in the preference share terms and into which all distributions made by Northam to BEE SPV must be paid;
dividend rate	prime rate plus 3.5% (three point five percent);
ESOP Trust	the Northam Employees' Trust, Master's reference number IT0000173/2015(G);
ESOP Trust deed	the trust deed of the ESOP Trust entered into between Northam and the first trustees of the ESOP Trust, as amended or replaced from time to time;
excess shares	unallocated offer shares applied for by LA holders in excess of their rights;
exchange	the stock exchange operated by the JSE;
Exchange Control Regulations	the Exchange Control Regulations, 1961, as amended from time to time, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
file or **filed**	shall have the meaning ascribed to "file" in the Companies Act;
Financial Markets Act	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
form of proxy	the form of proxy (*green*) incorporated into this circular for use by certificated shareholders and dematerialised shareholders with "own name" registration;

general meeting	the general meeting of Northam shareholders to be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Thursday, 19 March 2015 at 10:00, to consider and, if deemed fit, pass the special and ordinary resolutions set out in the notice of general meeting, with or without modification (including any adjournment or postponement thereof);
HDSA	has the meaning ascribed to *"historically disadvantaged person"* in section 1 of the MPRDA;
HDSA participants	collectively, the trusts, the strategic partners and the Women's Consortium, and "**HDSA participant**" shall mean any one or each of them, as the context may require;
immaterial beneficiary	a beneficiary that holds, in aggregate, alone or together with related persons or inter-related persons, less than a 2.5% (two point five percent) interest in BEE SPV (whether directly or indirectly and whether such interest is economic or otherwise, beneficial, discretionary, vested, contingent, conditional or otherwise) measured using the flow through principle (as defined in the BEE Codes);
implementation date	the date on which the offer shares will be issued to offer participants and the transaction will be implemented, which date will be set out in the timetable in the offer circular;
independent auditors and reporting accountants	Ernst & Young Incorporated, registration number 2005/002308/21, a company incorporated in South Africa;
independent expert or **independent sponsor**	KPMG Services Proprietary Limited, registration number 1999/012876/07, a company incorporated in South Africa;
Income Tax Act	the Income Tax Act, No. 58 of 1962, as amended from time to time;
issue price	the price at which the BEE SPV preference shares will be issued, being R41 (forty one Rand) per BEE SPV preference share;
JSE	JSE Limited, registration number 2005/022939/06, a company duly incorporated in South Africa and licensed to operate an exchange under the Financial Markets Act;
LA	renounceable nil paid letters of allocation to be listed on the exchange and issued by Northam, on behalf of BEE SPV, to shareholders, conferring on the holder thereof a renounceable right to subscribe for 1 (one) BEE SPV preference share for every letter of allocation held on the relevant record date;
LA holder	the holder of an LA;
last practicable date	10 February 2015, being the last practicable date prior to the finalisation of this circular;
liquidity fee	2.5% (two and a half percent) of the value of the commitment to the offer provided by each BEE SPV preference share subscriber;
listings requirements	the JSE Listings Requirements, as amended from time to time;
lock-in and restraint payment	an amount of R400 000 000 (four hundred million Rand) to be paid as a one-off payment by Northam to BEE SPV in consideration for the lock-in arrangement and the restraint;
lock-in arrangement	the arrangement in terms of which: • BEE SPV has agreed not to dispose of or encumber the BEE shares or compete with the Northam group; and • all the HDSA participants have agreed not to dispose of or encumber their BEE SPV ordinary shares or compete with the Northam group, for the duration of the lock-in period, pursuant to which BEE SPV and the HDSA participants will secure and maintain the transaction and the concomitant Northam HDSA equity ownership credits for the duration of the lock-in period, as more fully set out in section 5.3 to this circular;
lock-in period	a period of 10 (ten) years from the implementation date;

Malundi Resources Consortium	Business Venture Investments No 1842 Proprietary Limited, registration number 2014/191514/07, a company incorporated in South Africa, which company will, prior to the implementation date, be ring-fenced and renamed "*Malundi Resources Proprietary Limited (RF)*", the beneficiaries of which are depicted in annexure 2 to this circular;
material adverse event	in relation to a party, any event, circumstance or matter or combination of events, circumstances or matters which in the opinion of the holders has or is reasonably likely to have a material adverse effect on: • the ability of that party to perform its respective obligations under the preference share terms, the BEE SPV pledge and cession and/or the Northam guarantee; or • the validity or enforceability of the preference share terms, the BEE SPV pledge and cession and/or the Northam guarantee or the rights or remedies of any holder under any of the aforementioned agreements;
Micawber	Micawber 278 Proprietary Limited, registration number 2002/016771/07, a company incorporated in South Africa and a wholly-owned subsidiary of Northam;
Mining Codes	the Codes of Good Practice for the Minerals Industry, published under Government Notice 446 in Government Gazette 32167 of 29 April 2009, to the extent that they have the force of law;
Mining Charter	the Amendment of the Broad Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (together with the Mining Charter scorecard) published in terms of section 100(2)(a) of the MPRDA, under Government Gazette No. 838 of 20 September 2010;
MOI	the memorandum of incorporation of Northam, as at the last practicable date;
Mpilo Platinum Consortium	Business Venture Investments No 1843 Proprietary Limited, registration number 2014/181643/07, a company incorporated in South Africa, which company will, prior to the implementation date, be ring-fenced and renamed *"Mpilo Platinum Proprietary Limited (RF)"*, the beneficiaries of which are depicted in annexure 2 to this circular;
MPRDA	the Mineral and Petroleum Resources Development Act, No. 28 of 2002, as amended from time to time;
N share	the N share in the share capital of BEE SPV, which will be issued to Northam on the implementation date;
N share subscription agreement	the agreement headed *"N share subscription agreement"* entered into between BEE SPV and Northam, in terms of which Northam will subscribe for the N share;
new MOI	the proposed new memorandum of incorporation of Northam, to be adopted by shareholders, the salient terms of which are set out in annexure 8 to this circular;
Northam or **the company**	Northam Platinum Limited, registration number 1977/003282/06, a public company incorporated in South Africa;
Northam clawback	Northam's right to claim payment from BEE SPV of (i) the amounts paid by Northam to the BEE SPV preference shareholders or (ii) the agreed value of the Northam shares issued by Northam to the BEE SPV preference shareholders, in terms of the Northam guarantee;
Northam group or **group**	Northam, its subsidiaries and associates from time to time;
Northam guarantee	the agreement headed "*Guarantee*" to be entered into between Northam, BEE SPV and the agent in terms of which Northam guarantees the payment of all amounts which BEE SPV has contracted to pay (but failed to pay on the due date therefor) in respect of the BEE SPV preference shares, in terms of the preference share terms;
Northam shares or **shares**	ordinary shares of no par value in the share capital of Northam;

Northam shareholders or **shareholders**	registered holders of Northam shares;
notice of general meeting	the notice convening the general meeting incorporated in this circular;
offer	the offer by Northam, on behalf of BEE SPV, to qualifying shareholders or their renouncees, to subscribe for offer shares at R41 (forty one Rand) per offer share, by way of a fully underwritten renounceable offer, full details of which will be set out in the offer circular;
offer circular	the circular to be issued by Northam to Northam shareholders, on or about 7 April 2015, in respect of the offer, which circular will be accompanied by the prospectus;
offer participants	LA holders who followed their rights and/or successfully applied for excess shares pursuant to the offer;
offer shares	112 195 122 (one hundred and twelve million one hundred and ninety five thousand one hundred and twenty two) BEE SPV preference shares to be offered for subscription in terms of the offer;
PGM	platinum group metals;
PIC	the Public Investment Corporation SOC Ltd, registration number 2005/009094/06, a company incorporated in South Africa;
PIC sale shares	47 710 331 (forty seven million, seven hundred and ten thousand, three hundred and thirty one) Northam shares currently held by PIC, constituting 9.4% (nine point four percent) of Northam's issued share capital as at the last practicable date, which will leave PIC with approximately 25 473 835 shares in Northam following the transaction;
PIC purchase consideration	the purchase price payable in respect of the PIC sale shares, being R41 (forty one Rand) per PIC sale share, amounting to an aggregate purchase consideration of R1 956 123 571 (one billion nine hundred and fifty six million one hundred and twenty three thousand five hundred and seventy one Rand);
PIC sale of shares agreement	the agreement headed *"Sale of Shares Agreement"* entered into between BEE SPV, Northam and PIC on or about 16 October 2014, as amended and reinstated, in terms of which BEE SPV has agreed to purchase the PIC sale shares from PIC;
politically linked person	a person who is, or who was at any time within the 2 (two) years immediately preceding the implementation date; (i) a head of state, government or of another authority; (ii) a member of parliament, a cabinet minister or other holder of senior office or senior employment in an authority; and/or (iii) an officeholder at national or provincial level in a political party; (iv) a national officeholder in a trade union; (v) a senior officer or senior employee of government or any department, agency, or instrumentality thereof, including a state-owned company, and for the purposes of this definition "senior" shall mean, (a) in respect of an employee of government or any department, an officer or employee holding the title of director-general, deputy director-general, chief director, director, or the equivalent, and (b) in respect of an agency or any other organ of state, including a state owned company, a person holding an executive position or the equivalent; or (vi) any other officer (excluding a non-executive director) or employee of government or any department, agency, or instrumentality thereof, including a state-owned company, or any person acting in an official capacity (excluding a non-executive director) for or on behalf of any such government or department, agency or instrumentality, but only to the extent that such person is able to use his position or influence to assist Northam in obtaining or retaining business; (vii) an employee of the Department of Mineral Resources of the Government of South Africa; and/or (viii) a company or trust which is a related person or inter-related person of any person envisaged in (i) to (vii) above;

pledge and cessions	collectively, the agreements headed ''*Pledge and Cession*'' entered into between Northam, BEE SPV and each of the HDSA participants, in terms of which each HDSA participant will pledge and cede *in securitatem debiti* all of the BEE SPV ordinary shares held by it to and in favour of Northam, as security for the obligations of that HDSA participant under the applicable relationship agreement, and **''pledge and cession**'' shall mean any one or each of them, as the context may require;
preference share terms	the preferences, rights, limitations and other terms associated with the BEE SPV preference shares, as set out in the BEE SPV MOI;
prime rate	the percentage publicly quoted as the basic rate of interest levied by Nedbank Limited from time to time on overdraft, calculated on a 365 (three hundred and sixty five) day year, irrespective of whether the applicable year is a leap year;
promoter	in respect of (i) the BVI 1841 Consortium: Polelo Lazarus Zim; (ii) the Malundi Resources Consortium: Khomotso Brian Mosehla; (iii) the Mpilo Platinum Consortium: Sipho Goodenough Mseleku; and (iv) the Women's Consortium: Nomahlubi Mazwai;
proposed Northam share capital increase	the proposed increase in the number of authorised Northam shares from 545 000 000 (five hundred and forty five million) Northam shares to 2 000 000 000 (two billion) Northam shares by the creation of an additional 1 455 000 000 (one billion four hundred and fifty five million) new Northam shares;
prospectus	the prospectus to be issued by BEE SPV in accordance with the Companies Act and registered with the CIPC, and posted to Northam shareholders, the purpose of which is to give Northam shareholders information regarding BEE SPV, for purposes of the offer;
qualifying shareholders	shareholders registered as such on the record date for the offer which date will be set out in the offer circular;
Rand or **R**	South African Rand and cents, the official currency of South Africa;
register	collectively, the register of shareholders holding certificated shares maintained by the transfer secretaries and the sub-register of shareholders who hold dematerialised shares maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
relationship agreements	collectively, the agreements headed ''*Relationship and Subscription Agreement*'' entered into between Northam, BEE SPV and each of the HDSA participants in terms of which each HDSA participant will subscribe for BEE SPV ordinary shares and the relationship between it, Northam and BEE SPV will be governed, as amended and ''**relationship agreement**'' shall mean any one or each of them, as the context may require;
restraint	the undertaking by BEE SPV and the HDSA participants in favour of Northam not to be engaged, directly or indirectly, or in any way interested, in any PGM exploration, PGM prospecting or PGM mining activities or in any competitor of the group for the duration of the lock-in period, as more fully described in paragraph 5.3 of this circular;
SENS	the stock exchange news service of the JSE;
SENS announcement	the announcement released on SENS by Northam on 22 October 2014 in terms of which Northam announced the transaction;
shareholders	holders of Northam shares;
share issue	the specific issue of the subscription shares to BEE SPV at the subscription price, pursuant to the transaction;
sole bookrunner, corporate advisor and sponsor or **One Capital**	One Capital Advisory Proprietary Limited, registration number 2009/021943/07, a company incorporated in South Africa;
South Africa	the Republic of South Africa;

strategic partners	collectively, BVI 1841 Consortium, Mpilo Platinum Consortium and the Malundi Resources Consortium;
subscription agreement	the agreement headed *''Subscription and Relationship Agreement''* entered into between BEE SPV and Northam on 21 October 2014, as amended in terms of which BEE SPV will subscribe for the subscription shares at the subscription price;
subscription price	the price payable by BEE SPV to Northam in respect of the subscription shares, being an amount of R41 (forty one Rand) per subscription share, amounting to a total subscription price of R4 600 000 002 (four billion six hundred million and two Rand), pursuant to the subscription agreement;
subscription shares	112 195 122 (one hundred and twelve million one hundred and ninety five thousand one hundred and twenty two) new Northam shares to be issued to BEE SPV by Northam pursuant to the subscription agreement;
subsidiary	has the meaning ascribed to "subsidiary" in the Companies Act;
Toro Trust	the Toro Employee Empowerment Trust, a trust established by Northam for the benefit of qualifying employees as an employee empowerment initiative aimed at attracting and retaining such employees, with the intention of improving safety as a priority and increasing productivity to maximise the benefits to qualifying employees, Master's reference number IT3265/08;
transaction	the transaction contemplated in this circular, pursuant to which Northam will increase its HDSA ownership levels by 31.4% (thirty one point four percent), as described in this circular;
transaction agreements	collectively, the subscription agreement, the PIC sale of shares agreement, the Northam guarantee, the BEE SPV pledge and cession, the co-operation agreement, the N share subscription agreement, the pledge and cessions, the administration services agreement, the relationship agreements and the trust deeds in respect of the trusts;
transfer secretaries or **Computershare**	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company incorporated in South Africa;
trusts	collectively, the Booysendal Community Trust, the Zondereinde Community Trust and the ESOP Trust;
unallocated offer shares	offer shares in respect of which LA holders do not, or fail to, follow their rights;
VAT	value-added tax levied in terms of the Value-Added Tax Act, No. 89 of 1991, as amended from time to time;
VWAP	volume weighted average price of a Northam share on the exchange;
Women's Consortium	Business Venture Investments No 1844 Proprietary Limited, registration number 2014/191546/07, a company incorporated in South Africa, which company will, prior to the implementation date, be ring-fenced and renamed *"Zambezi Platinum Women's SPV Proprietary Limited (RF)"*, the beneficiaries of which are depicted in annexure 3 to this circular;
Zondereinde	Northam's Zondereinde PGM mine, situated on the western limb of the Bushveld complex near the town of Thabazimbi;
Zondereinde Community Trust	the Northam Zondereinde Community Trust, Master's reference number IT000177(G); and
Zondereinde Community Trust deed	the trust deed of the Zondereinde Community Trust entered into between Northam and the first trustees of the Zondereinde Community Trust, as amended or replaced from time to time.

SALIENT DATES AND TIMES

	2015
Record date to determine which shareholders are entitled to receive the circular on	Friday, 6 February
Posting of the circular to shareholders on	Tuesday, 17 February
SENS notice of posting of the circular on or about	Wednesday, 18 February
Last day to trade in shares in order to be recorded in the register in order to vote at the general meeting on	Friday, 6 March
Record date to determine which shareholders are entitled to vote at the general meeting on	Friday, 13 March
Forms of proxy to be received by the transfer secretaries by 10:00 on	Wednesday, 18 March
General meeting to be held at 10:00 on	Thursday, 19 March
Results of the general meeting released on SENS on	Friday, 20 March

Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS once approved by the JSE, if required.
2. Dematerialised shareholders, other than those with "own name" registration, must provide their CSDP or broker with their instructions for voting at the general meeting by the cut-off time and date stipulated by their CSDP or broker in terms of their respective custody agreements.
3. Any form of proxy not delivered to the transfer secretaries by the stipulated time may be handed to the chairman of the general meeting (or any adjournment or postponement of the general meeting) before such shareholder's voting rights are exercised at the general meeting (or any adjournment or postponement of the general meeting).
4. If the general meeting is adjourned or postponed, the forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.
5. All times referred to in this circular are references to South African standard time.

NORTHAM

PLATINUM LIMITED

NORTHAM PLATINUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
JSE share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
("**Northam**" or the "**company**")

Directors
PL Zim (*chairman*)#
PA Dunne (*chief executive officer*) ^
AZ Khumalo (*chief financial officer)*
ME Beckett*^
CK Chabedi*
JAK Cochrane*^
R Havenstein*
TE Kgosi (Ms)*
AR Martin*

 # Non-executive
** Independent non-executive*
^British

CIRCULAR TO NORTHAM SHAREHOLDERS

1. INTRODUCTION

On 22 October 2014, Northam announced on SENS that it intended to conclude the transaction with a view to establishing a sustainable HDSA shareholding in the company in order to comply with the HDSA ownership requirements set by the Mining Charter and, at the same time, raise an amount of approximately R4 billion before transactional costs to support Northam's strategic intent to grow its business.

Previously, Afripalm Resources Proprietary Limited and Mvelaphanda Holdings Proprietary Limited were Northam's primary BEE shareholders, together holding 22% (twenty two percent) of the company's issued shares. As a result of a collapse in the share prices of platinum producers, including Northam, both Afripalm Resources Proprietary Limited and Mvelaphanda Holdings Proprietary Limited breached covenants under their respective financing arrangements and consequently were required to dispose of their interests in Northam in order to address the breach of covenants, resulting in Northam's BEE ownership falling below the required 26% (twenty six percent).

Northam believes the platinum sector presents significant growth opportunities to a company with a well-capitalised balance sheet and excellent and sustainable empowerment credentials, coupled with a capable management team that has demonstrated its ability to manage complex mining assets and profitably grow the business.

2. RATIONALE

As a South African mining company, Northam is committed to furthering the objectives of the Mining Charter and the MPRDA through broad-based socio-economic development of HDSAs and the meaningful expansion of opportunities for HDSAs. In addition, complying with the provisions of the Mining Charter and the MPRDA will also allow Northam to continue holding those mining rights granted to it in terms of the MPRDA.

Through the implementation of the transaction, Northam aims to:

- ensure the fair treatment of its current shareholders, by implementing a transaction for value;
- ensure that qualifying shareholders have the right to participate in the transaction funding;
- issue new Northam shares to BEE SPV;
- deliver an initial and immediate guaranteed economic value transfer to a broad range of HDSA beneficiaries, in a sustainable manner;
- establish further employee and community participation in the company, thereby further enhancing the existing 4% (four percent) direct economic participation in Northam's profits by its employees held through the Toro Trust; and
- introduce key long-term strategic HDSA partners who will actively assist Northam in pursuing and realising the company's growth objectives.

3. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to:

- provide Northam shareholders with information regarding the transaction in order to enable Northam shareholders to make an informed decision as to whether or not they should vote in favour of the special and ordinary resolutions to be proposed at the general meeting;
- request Northam shareholders' approval of the new MOI, including the increase in authorised share capital; and
- convene the general meeting in order to propose the relevant special and ordinary resolutions required to implement the transaction as set out in the notice of general meeting.

4. PROPOSED TRANSACTION

BEE SPV has been established as the special purpose vehicle through which the transaction will be implemented and the combined economic interests of the HDSA participants will be held. Detailed information regarding BEE SPV, the HDSA participants and their respective shareholding structures are set out in sections 9 and 10 and annexures 1, 2 and 3 to this circular.

The transaction effectively comprises 2 (two) primary inter-conditional elements, being:

- the simultaneous subscription and purchase by BEE SPV of the BEE shares pursuant to the subscription agreement and PIC sale of shares agreement; and
- the funding of the consideration payable by BEE SPV for the BEE shares through (i) the offer of BEE SPV preference shares to qualifying shareholders pursuant to the offer and (ii) the issue of BEE SPV preference shares to the PIC,

as more fully set out in the diagram in annexure 1 to this circular.

The BEE shares comprise Northam shares and shall rank *pari passu* in all respects with the other Northam shares in issue. BEE SPV, the holder of the BEE shares, shall be subject to various restrictions regarding its ownership of and application of the distributions received in respect of the BEE shares, as more fully set out in this circular.

4.1 Issue of subscription shares and purchase of PIC sale shares

In terms of the subscription agreement, BEE SPV will subscribe for the subscription shares at the subscription price, amounting to an aggregate subscription price of R4 600 000 002 (four billion six hundred million and two Rand).

In terms of the PIC sale of shares agreement, BEE SPV will purchase the PIC sale shares from the PIC at the PIC purchase consideration, amounting to an aggregate purchase consideration of R1 956 123 571 (one billion nine hundred and fifty six million one hundred and twenty three thousand five hundred and seventy one Rand).

For further information on PIC as a related party, please refer to paragraph 13 of this circular.

4.2 Funding and implementation of the transaction

In order to fund the subscription price, BEE SPV and Northam will jointly undertake a capital raising which will be implemented by way of an offer by Northam (on behalf of BEE SPV) to qualifying shareholders to subscribe for 112 195 122 (one hundred and twelve million one hundred and ninety five thousand one hundred and twenty two) BEE SPV preference shares in proportion to their shareholdings in Northam, at a subscription price of R41 (forty one Rand) per BEE SPV preference share, through the issue of LAs to qualifying shareholders.

The entire proceeds received pursuant to the offer will be utilised to settle the subscription price. Northam and BEE SPV have entered into the co-operation agreement in terms of which they have agreed to co-operate with one another in order to implement the offer and BEE SPV has agreed to issue the prospectus to Northam shareholders following, *inter alia*, approval of the prospectus by the relevant regulatory bodies.

The PIC purchase consideration will be settled by BEE SPV issuing 47 710 331 (forty seven million seven hundred and ten thousand three hundred and thirty one) BEE SPV preference shares to PIC at a subscription price of R41 (forty one Rand) per BEE SPV preference share, amounting to an aggregate subscription consideration equal to the PIC purchase consideration and otherwise on, *mutatis mutandis,* the same terms as the offer.

The offer is fully subscribed pursuant to the commitment agreements by the BEE SPV preference share subscribers and the cash to be raised through the offer has therefore been secured, subject to the commitment agreements becoming unconditional. The commitment agreements remain subject to the general meeting of shareholders being held by no later than 31 March 2015.

On the implementation date, the BEE SPV preference shares will be issued to offer participants and the PIC and listed on the exchange. An application will be made to the JSE, following the issue of this circular to shareholders, where it will request the exchange's approval of the listing of the BEE SPV preference shares, which will commence following the approval of shareholders as per the resolutions set out in this circular. The prospectus and the offer circular are expected to be posted to shareholders simultaneously.

Following the implementation of the subscription agreement and the PIC sale of shares agreement, BEE SPV will beneficially hold 159 905 453 (one hundred and fifty nine million nine hundred and five thousand four hundred and fifty three) Northam shares, which will amount to approximately 31.4% (thirty one point four percent) of the total issued share capital of Northam.

5. SALIENT TERMS OF THE TRANSACTION

5.1 Distributions in respect of the BEE shares

Until such time as the BEE SPV preference shares are fully redeemed, 10% (ten percent) of all ordinary cash dividends paid by Northam in respect of the BEE shares shall be distributed by BEE SPV to the HDSA participants in accordance with their respective shareholdings in BEE SPV. After the date on which the BEE SPV preference shares are fully redeemed, subject to the terms and conditions of the Northam guarantee and the BEE SPV pledge and cession and Northam's rights as holder of the N share, 100% (one hundred percent) of distributions paid by Northam in respect of the BEE shares will be distributed to the HDSA participants in accordance with their respective shareholdings in BEE SPV.

5.2 Security arrangements in respect of the BEE SPV preference shares

5.2.1 Northam guarantee

Payment of the BEE SPV preference share redemption amount and the BEE SPV preference share dividends will be secured by Northam by way of the Northam guarantee, on the basis that the Northam guarantee will constitute a stipulation for the benefit of all the BEE SPV preference shareholders. In terms of the Northam guarantee, Northam will guarantee the payment of all amounts which BEE SPV has contracted to pay (but failed to pay on the due date thereof) in respect of the BEE SPV preference shares by means of, at Northam's election (subject to certain exceptions), a cash payment and/or the issue of a determinable number of Northam shares to the BEE SPV preference shareholders.

In the event that Northam elects to issue new shares to BEE SPV preference shareholders in settlement of a claim under the Northam guarantee, such shares will be issued at a value equal to 95% (ninety five percent) of the 10 (ten) day VWAP for the 10 (ten) trading days succeeding the date upon which notice of a claim pursuant to the Northam guarantee is provided to Northam.

As an alternative to making payment directly to the BEE SPV preference shareholders under the Northam guarantee, Northam may choose to capitalise BEE SPV with sufficient Northam shares and/or cash to redeem the BEE SPV preference shares in full by subscribing for BEE SPV ordinary shares pursuant to the BEE SPV pledge and cession.

Northam requests that shareholders approve special resolution 2, as set out in the notice of general meeting attached to this circular, in accordance with paragraph 5.51(g) of the listings requirements and the MOI, the company be authorised to issue up to 1 000 000 000 (one billion) Northam shares to BEE SPV preference shareholders and/or BEE SPV for purposes of settling any potential claims arising under the Northam guarantee.

5.2.2 Northam clawback and BEE SPV pledge and cession

If the Northam guarantee is called up by the agent, on behalf of the BEE SPV preference shareholders, and Northam makes or settles any payments under the Northam guarantee in cash and/or by issuing Northam shares, Northam will be entitled to claim payment from BEE SPV of the amounts thus paid or settled by Northam. In order to secure BEE SPV's obligations under this Northam clawback, BEE SPV and Northam entered into the BEE SPV pledge and cession in terms of which BEE SPV will pledge and cede, in *securitatem debiti* (i) the BEE shares and (ii) its right, title and interest in and to the distribution receipts account, to Northam.

In terms of the BEE SPV pledge and cession, if BEE SPV is unable to make payment of the BEE SPV preference share redemption amount and the BEE SPV preference share dividends in full, then as an alternative to settling any claims under the Northam guarantee, Northam shall have the option to subscribe for BEE SPV ordinary shares in order to capitalise BEE SPV and enable BEE SPV to settle its payment obligations in respect of the BEE SPV preference shares ("**subscription option**"). Should Northam exercise the subscription option, it will have the right to require BEE SPV to repurchase the BEE SPV ordinary shares subscribed for by Northam at an amount equal to the original subscription price ("**put option**"). The put option will rank ahead of the right of the remaining holders of BEE SPV ordinary shares to receive any distributions.

5.3 Lock-in arrangements and restraint

It is imperative that Northam retain its HDSA ownership levels throughout the lock-in period, that the long-term strategic interests of the HDSA participants are aligned with those of Northam and that the HDSA participants do not engage in any business activities in competition with Northam. In this regard, BEE SPV and the HDSA participants have agreed to the lock-in arrangements and restraint.

5.3.1 Lock-in arrangement

In terms of the subscription agreement, BEE SPV has undertaken not to dispose of or encumber the BEE shares for the duration of the lock-in period, other than in accordance with the preference share terms and the BEE SPV pledge and cession.

In terms of the relationship agreements:

- each HDSA participant has undertaken in favour of Northam not to dispose of or encumber the BEE SPV ordinary shares held by it other than pursuant to the deemed offer or the relevant pledge and cessions;
- the Women's Consortium has undertaken in favour of Northam that its beneficiaries will be and remain as per annexure 3 to this circular, provided that from the date occurring on the 5th (fifth) anniversary of the implementation date –

– the beneficiaries of the direct shareholder of the Women's Consortium may transfer their interests in the Women's Consortium shareholder to another beneficiary of the Women's Consortium shareholder, provided that in respect of a transfer of interests by a promoter (whether directly or indirectly), such transfer may not result in the promoter (whether directly or indirectly) holding less shares and voting and economic interests in the Women's Consortium shareholder than the number of shares and voting and economic interests held by the promoter (whether directly or indirectly) in the Women's Consortium shareholder as set out in annexure 3 to this circular and that BEE SPV and the Women's Consortium shall be and remain HDSA companies;

- each of the strategic partners has undertaken in favour of Northam that its beneficiaries will be and remain as per annexure 2 to this circular, provided that from the date occurring on the 5th (fifth) anniversary of the implementation date –

  – the beneficiaries of a direct shareholder of a strategic partner shall be entitled to transfer their interests in the strategic partner shareholder to another beneficiary of the strategic partner shareholder, provided that in respect of a transfer of interests by a promoter (whether directly or indirectly), such transfer may not result in the promoter (whether directly or indirectly) holding less shares and voting and economic interests in the relevant strategic partner shareholder than the number of shares and voting and economic interests held by the promoter (whether directly or indirectly) in the relevant strategic partner shareholder as set out in annexure 2 to this circular and that BEE SPV and the relevant strategic partner shall be and remain HDSA companies; and

  – immaterial beneficiaries shall be entitled to dispose of their interests in BEE SPV to persons who are not original beneficiaries of BEE SPV, at the inception of the transaction, with the prior written consent of Northam, provided that each of the relevant strategic partner and BEE SPV shall be and remain an HDSA company; and

- Northam will be appointed, at its own cost and expense, to render certain administrative services functions on behalf of the relevant HDSA participant including *inter alia* the performance of secretarial services; procuring the appointment of auditors; the preparation of financial statements and preparation of annual BEE rating certificates.

5.3.2 Restraint

BEE SPV has, pursuant to the subscription agreement, undertaken in favour of Northam not to be engaged, directly or indirectly, or in any way interested, in any PGM exploration, PGM prospecting or PGM mining activities or in any competitor of the group for the duration of the lock-in period.

In terms of the relationship agreements, each of the HDSA participants has undertaken in favour of Northam:

- not to be, and to procure that their beneficiaries (other than immaterial beneficiaries) or related persons and inter-related persons of them or their beneficiaries are not engaged, directly or indirectly, or in any way interested, directly or indirectly, in any PGM exploration, PGM prospecting or PGM mining activities or in any competitor of the group for the duration of the lock-in period, subject to certain exceptions, including immaterial passive investments; and

- to procure that if it or any of its beneficiaries (other than institutional shareholders), or any related persons or inter-related persons of it or the beneficiaries is offered or otherwise becomes aware of an opportunity to hold or acquire any direct or indirect right or proprietary or financial interest in PGM exploration, PGM prospecting or PGM mining activities at any time during the lock-in period, it shall offer such opportunity to Northam.

5.4 Lock-in and restraint payment

As consideration for entering into the lock-in arrangement, and in recognition of the benefit that Northam and the Northam shareholders will derive from the fact that BEE SPV will hold the BEE shares for the duration of the lock-in period, Northam shall pay the lock-in and restraint payment to BEE SPV, being a once off gross amount of R400 000 000 (four hundred million Rand).

The lock-in and restraint payment, net of taxes payable by BEE SPV or which BEE SPV is required by law to withhold, will be distributed by BEE SPV to the HDSA participants as a dividend. Each of the HDSA participants will, in turn, utilise its portion of the lock-in and restraint payment ("**lock-in funds**") as follows:

- each of the strategic partner and the Women's Consortium will distribute its portion of the lock-in funds as a dividend to its shareholders;
- the ESOP Trust will invest its portion of the lock-in funds in permanent capital goods and infrastructure or education or healthcare projects for the benefit of its beneficiaries, as approved by Northam; and
- each of the Zondereinde Community Trust and Booysendal Community Trust will invest its portion of the lock-in funds in community development activities for the benefit of its beneficiaries.

The fairness opinion provided by the independent expert, more fully described in annexure 5 to this cirucular, has considered the lock-in and restraint payment while opining on their opinion.

5.5 N share

BEE SPV will issue the N share to Northam, the purpose of which is to allow Northam to take certain mitigating action in the event of the occurrence of an early redemption event under the preference share terms and/or the unwinding of the transaction prior to the expiry of the lock-in period.

If a BEE SPV early redemption event (as defined in paragraph 7.4 below) occurs, Northam, in its capacity as the holder of the N share, shall have the right to mitigate its potential exposure under the Northam guarantee by requiring the full and immediate redemption of the BEE SPV preference shares and settlement of any outstanding BEE SPV preference share dividends. Furthermore, if the transaction is unwound as a result of an early redemption event: (i) the occurrence of which was brought about through the actions or inactions of BEE SPV or was otherwise within the control of BEE SPV and/or (ii) which relates to the HDSA status of BEE SPV ("**BEE SPV voluntary trigger event**"), then Northam, in its capacity as the holder of the N share shall be entitled to recover the lock-in and restraint payment from BEE SPV ("**N share distribution**"). The N share distribution shall be payable by BEE SPV on the business day after the date on which BEE SPV makes payment of the full BEE SPV preference share redemption amount and all the outstanding BEE SPV preference share dividends alternatively, in the event that BEE SPV fails to redeem the BEE SPV preference shares in full and pay all the outstanding BEE SPV preference share dividends, the business day after Northam settles the aforesaid amounts under the Northam guarantee.

The N share distribution shall rank ahead of the distribution rights of the holders of the BEE SPV ordinary shares and shall be equal to the amount of the lock-in and restraint payment plus interest accrued thereon from the date on which the lock-in and restraint payment was paid to BEE SPV until the date of payment of the N share distribution, at the dividend rate compounded annually.

Other than as required in terms of the Companies Act, the N share will not entitle Northam to any voting rights.

5.6 Deemed offer and security arrangements in respect of the HDSA participants

In the event that an HDSA participant breaches any of its obligations, undertakings or warranties under the relevant relationship agreement, such HDSA participant will be deemed to offer the BEE SPV ordinary shares held by it to Northam, or Northam's nominee, for purchase at a nominal purchase price.

The obligations of the HDSA participants under the relevant relationship agreements and in terms of the deemed offer will be secured by way of the pledge and cessions entered into between each of them and Northam in terms of which each HDSA participant will pledge and cede in *securitatem debiti* all of the BEE SPV ordinary shares held by it to and in favour of Northam.

5.7 Administration of BEE SPV

For purposes of ensuring that BEE SPV does not incur any liabilities or indebtedness, other than pursuant to the transaction agreements, and that it remains ring-fenced, BEE SPV and Northam entered into an administration services agreement in terms of which BEE SPV will appoint Northam to attend to the day-to-day management of BEE SPV's business and the administration of BEE SPV's affairs at Northam's sole cost and expense and with no recourse to BEE SPV subject to maximum costs and expenses of up to R2 000 000 (two million Rand) per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date, provided that Northam will also be liable for the securities transfer tax which shall be payable by BEE SPV in relation to the acquisition of the PIC sale shares.

6. CONDITIONS PRECEDENT TO THE TRANSACTION

The implementation of the transaction is subject to the fulfilment of, *inter alia,* the following conditions precedent:

6.1 by no later than 17:00 on 20 March 2015, Northam shareholders pass the following resolutions at a general meeting:

- a special resolution approving the adoption of the new MOI including an increase in the number of authorised Northam shares so as to enable Northam to issue the subscription shares to BEE SPV and Northam shares to the holders of BEE SPV preference shares and/or BEE SPV pursuant to the Northam guarantee and the BEE SPV Pledge and Cession, and such special resolution is duly lodged with the CIPC;
- a special resolution authorising the issue of Northam shares to the holders of BEE SPV preference shares and/or BEE SPV pursuant to the Northam guarantee and BEE SPV pledge and cession, in terms of sections 41(1) and 41(3) of the Companies Act;
- a special resolution authorising the granting of financial assistance by Northam in terms of section 44 and section 45 of the Companies Act pursuant to the transaction; and
- ordinary resolutions (by achieving a 75% (seventy five percent) majority of the votes cast in favour of such resolutions by all Northam shareholders present at the general meeting, excluding PIC and its associates) authorising the allotment and issue of (i) the subscription shares to BEE SPV pursuant to the subscription agreement; and (ii) Northam shares to the holders of BEE SPV preference shares and/or BEE SPV pursuant to the Northam guarantee and BEE SPV pledge and cession, in terms of paragraph 5.51(g) of the listings requirements.

6.2 by no later than 17:00 on 1 April 2015:

- the shareholders of BEE SPV and each of the HDSA participants pass all such resolutions as may be required or desirable in order to give effect to the transaction, in such form and substance as may be acceptable to Northam, and
- the Northam guarantee is entered into and becomes unconditionally operative in accordance with its terms save in respect of any condition requiring that the subscription agreement becomes unconditional; and

6.3 by not later than 18:00 on 1 June 2015, the finalisation announcement in respect of the offer is released on SENS.

7. SALIENT TERMS OF THE BEE SPV PREFERENCE SHARES

7.1 Classification

The BEE SPV preference shares are guaranteed, secured, redeemable, cumulative instruments, which will be listed as a debt instrument on the exchange, in terms of the JSE Debt Listings Requirements. The BEE SPV preference shares will, upon issue, be fully tradable on the exchange.

7.2 Aggregate value prior to listing

The aggregate value of the BEE SPV preference shares will, upon issue, amount to R6 553 863 571 (six billion five hundred and fifty three million eight hundred and sixty three thousand five hundred and seventy one Rand), which equates to the subscription price payable to Northam in respect of the subscription shares plus the PIC purchase consideration payable to PIC, at R41 (forty one Rand) per share.

7.3 Dividends

Subject to the certain rate adjustment events below, the BEE SPV preference shares shall be entitled to receive a dividend equal to a variable rate calculated on a daily basis as 3.5% (three point five percent) over the prime rate, compounded annually.

BEE SPV preference dividends will be classified as a dividend for tax purposes in terms of the Income Tax Act and, to the extent that they are not paid, shall accumulate, be capitalised annually and will accrue interest at the dividend rate.

The rate at which the BEE SPV preference share dividends accrue will be subject to adjustments in the event that, *inter alia*, these payments become subject to new taxes or increased taxation rates whilst the BEE SPV preference shares are in issue ("**gross up events**").

In terms of the BEE SPV preference share terms, for so long as the BEE SPV preference shares are in issue, 90% (ninety percent) of any ordinary cash dividends paid by Northam in respect of the BEE shares held by BEE SPV will be utilised by BEE SPV to pay accumulated BEE SPV preference share dividends, with the remaining 10% (ten percent) being distributed as a dividend by BEE SPV to the holders of the BEE SPV ordinary shares (i.e. the HDSA participants). In the event that Northam declares a scrip dividend, BEE SPV will be obliged to elect to receive a cash dividend and these amounts will be treated by BEE SPV as ordinary cash dividends. In the event that BEE SPV receives Northam shares or letters of allocation pursuant to a Northam capitalisation issue or rights offer, these will be sold and the proceeds received shall be applied solely towards the payment of accumulated BEE SPV preference share dividends and the redemption of BEE SPV preference shares. Any amounts received by BEE SPV pursuant to the declaration of a special dividend by Northam, a repurchase of Northam shares or any return of capital by Northam will also be applied solely towards the payment of accumulated BEE SPV preference share dividends and the redemption of BEE SPV preference shares.

In the event that the ordinary cash dividend received by BEE SPV in respect of the BEE shares exceeds the amount of the accumulated BEE SPV preference share dividends ("**excess cash dividend**"), BEE SPV shall be obliged to deposit the excess cash dividend into the distribution receipts account.

7.4 Term

Subject to certain exceptions (discussed below), the BEE SPV preference shares will be compulsorily redeemable on the day immediately preceding the 10^{th} (tenth) anniversary of the implementation date.

In the event that there are available excess cash dividends in the distribution receipts account:

- at any time prior to the date occurring 3 (three) years and 1 (one) day from the implementation date, BEE SPV shall be entitled, but not obliged, to utilise the excess cash dividend to redeem BEE SPV preference shares; or
- at any time after the date occurring 3 (three) years and 1 (one) day after the implementation date, BEE SPV shall be obliged to utilise the excess cash dividend to redeem BEE SPV preference shares.

If a BEE SPV early redemption event (defined below) occurs, Northam, in its capacity as the holder of the N share, shall have the right to require the full and immediate redemption of the BEE SPV preference shares and settlement of any outstanding BEE SPV preference share dividends.

A BEE SPV early redemption event shall occur if, *inter alia*:

- BEE SPV fails to make payments in respect of the BEE SPV preference shares in accordance with the provisions of the preference share terms;
- BEE SPV breaches certain of the warranties and undertakings provided by it or certain of its obligations in terms of the preference share terms;
- the BEE SPV pledge and cession becomes unenforceable;
- an insolvency event occurs in relation to BEE SPV;
- the dividend rate is equal to or exceeds 20% (twenty percent) for a continuous period of 6 (six) months, whether as a result of an increase in the prime rate or a gross up event;
- the Department of Mineral Resources ceases to recognise the BEE shares as contributing 31.4% (thirty one point four percent) HDSA equity ownership in Northam; or
- a material adverse event occurs in relation to BEE SPV.

If a BEE SPV early redemption event or a Northam early redemption event (defined below) occurs, the BEE SPV preference shareholders shall have the right to require the full and immediate redemption of the BEE SPV preference shares and settlement of any outstanding BEE SPV preference share dividends.

A Northam early redemption event shall occur if, *inter alia*:

- an insolvency event occurs in relation to Northam;
- Northam forfeits any of its mining licences if the licences thus forfeited: (i) contribute more than 25% (twenty five percent) to Northam's reserves, or (ii) contributed more than 25% (twenty five percent) of Northam's revenue for its most recent financial year;
- the Northam guarantee becomes unenforceable;
- a change of control occurs in relation to Northam;
- the Northam shares cease to be listed on the exchange;
- a resolution is proposed or passed in terms of which Northam is authorised to dispose of all or the greater part of its assets or undertaking as defined in section 1 of the Companies Act or Northam otherwise ceases to carry on business; or
- a material adverse event occurs in relation to Northam.

The provisions regarding early redemption events provide a mechanism through which the interests of Northam and BEE SPV preference shareholders will be protected.

7.5 Security arrangements

BEE SPV will be a ring-fenced entity that cannot transact outside of the approved parameters of the transaction. It will be precluded from, *inter alia*, encumbering or disposing of its assets during the lock-in period. Pursuant to the security arrangements, the BEE shares held by BEE SPV and any cash accumulated within BEE SPV shall be utilised by BEE SPV solely in order to settle the BEE SPV preference share dividends and the BEE SPV preference share redemption amount (or to settle amounts owing to Northam). Additionally, the redemption of the BEE SPV preference shares and the payment of the BEE SPV preference share dividends will be secured by Northam in terms of the Northam guarantee (details of which are set out in paragraph 5.2 above).

7.6 Redemption

Subject to certain exceptions, BEE SPV will be entitled to settle the BEE SPV preference share redemption amount in cash or by transferring BEE shares to the BEE SPV preference shareholders, or a combination thereof. If BEE SPV elects to transfer BEE shares to the BEE SPV preference shareholders, then the BEE shares will be transferred at a price equal to 90% (ninety percent) of the 30 (thirty) day VWAP ending on the day immediately prior to the date on which BEE SPV becomes obliged to redeem the BEE SPV preference shares.

8. THE COMMERCIAL OUTCOME OF THE TRANSACTION

The commercial outcomes of the transaction are as follows:

- Northam will issue the subscription shares for cash at a 9.27% (nine point two seven percent) premium to the VWAP for the 30 trading days preceding 21 October 2014, being the date on which the subscription agreement was concluded. Consequently, the subscription price:
  - capitalises the company, thereby allowing Northam to pursue growth opportunities during a distressed cycle in the platinum sector; and
  - avoids the short to medium term risks of diluting HDSA ownership levels as a result of further capital raisings;
- Northam will achieve actual (as opposed to notional) HDSA ownership at a level substantially in excess of the legal requirements, addressing concerns regarding the effect that future Northam share issues or legislative changes may have on Northam's HDSA ownership level;
- transaction sustainability and certainty will be maximised by avoiding the risks ordinarily associated with third party funding and the application of onerous financial covenants;
- immediate, tangible economic value will be realised by HDSA participants through the lock-in and restraint payment;
- whilst Northam will assume the effective residual risk of the transaction under the Northam guarantee, the company also stands to benefit from the cash raised pursuant to the subscription for the subscription shares and the security of the lock-in arrangement, the restraint and concomitant HDSA ownership benefits, which represents fair value and risk to Northam; and
- the lock-in arrangement substantially reduces the effective cost of the lock-in and restraint payment, to a nominal equivalent of R40 000 000 (forty million Rand) per annum over a 10 (ten) year period on a straight-line basis, whilst providing Northam with significant HDSA ownership security of tenure, free from onerous covenants and related risks normally associated with third party financing, in addition to providing the platform to Northam for a significant and efficient capital raising.

9. DETAILS OF BEE SPV

BEE SPV has been incorporated as a special purpose vehicle for the purpose of facilitating the transaction, the primary purpose of which is to (i) hold the BEE shares for the benefit of HDSA participants and (ii) issue the BEE SPV preference shares and give effect to the BEE preference share terms, including, *inter alia,* the making of distributions to BEE SPV preference shareholders.

BEE SPV will, before the implementation date, be converted to a public company and will be ring-fenced (as contemplated in the Companies Act). In terms of the BEE SPV MOI, BEE SPV will, for the duration of the transaction, be a ring-fenced company (as contemplated in the Companies Act) and restricted to activities in relation to the transaction and prohibited from, *inter alia,* disposing of or encumbering the BEE shares, incurring any financial indebtedness, registering the transfer of any BEE SPV ordinary shares and/or amending the BEE SPV MOI.

The board of directors of BEE SPV will comprise of not less than 4 (four) persons and not more than 8 (eight) persons. Northam will be entitled to appoint 1 (one) director to the board, in terms of the BEE SPV MOI, and a maximum of 7 (seven) directors will be elected by the holders of BEE SPV ordinary shares. No directors will be appointed for life or for an indefinite period and directors will rotate, *inter alia,* on the following basis:

- at each annual general meeting, 1/3 (one third) of the directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office;
- the directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot; and
- a retiring director shall be eligible for re-election or re-appointment, as the case may be.

The quorum for any directors' meeting must be a majority of directors, provided that at least 1 (one) director appointed by Northam is present, failing which the meeting will be adjourned and the director(s) present at the adjourned meeting shall constitute a quorum. Resolutions of directors of BEE SPV must be approved by a majority of the votes of the directors present at a meeting and voting on that resolution. Each of the directors (or his alternate) shall, in voting on any resolution, have 1 (one) vote.

The quorum for meetings of ordinary shareholders of BEE SPV shall be at least 3 (three) shareholders entitled to attend and vote and be present at the meeting whether in person or, by proxy. In addition, a shareholders' meeting may not begin until sufficient persons are present (whether in person or by proxy) at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and a matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present (whether in person or by proxy) at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

At meetings of shareholders, each BEE SPV ordinary shareholder will:

- have 1 (one) vote on a show of hands; and
- on a poll, have as many votes as the number of BEE SPV ordinary shares held by such shareholder.

The directors of BEE SPV shall be obliged to vote the BEE shares in accordance with the written instructions of each ordinary shareholder of BEE SPV, on the basis that each such shareholder shall be entitled to determine the manner in which the votes in respect of a number of BEE shares are to be cast, which number shall be determined by reference to the proportion which the BEE SPV ordinary shares held by that shareholder bears to all the BEE SPV ordinary shares in issue, expressed as a percentage.

A quorum of meetings of the BEE SPV preference shareholders shall be BEE SPV preference shareholders who, between them, are the registered holders of at least 25% (twenty five percent) of the outstanding BEE SPV preference shares. Each BEE SPV preference shareholder shall have 1 (one) vote for each BEE SPV preference share held and all resolutions proposed shall be conducted by means of a poll.

10. VERIFICATION AND DETAILS OF THE HDSA PARTICIPANTS

Ernst and Young Advisory Services Proprietary Limited was appointed by the board to conduct an extensive background search on the strategic partners and Women's Consortium and their respective beneficiaries. This entailed verification of South African identity documents supplied, based on information returned from the Department of Home Affairs. BEE verification agency certificates were obtained and media and other publicly available sources consulted to determine if any of the strategic partners and Women's Consortium or their beneficiaries were South African government officials. Information in possession of Northam with reference to strategic partners and Women's Consortium or their beneficiaries' directorships and shareholding and/or participation in underlying trusts were compared to information obtained from CIPC and other publicly available information sources or, where necessary, their legal representatives in order to verify the status of strategic partners and Women's Consortium and their beneficiaries.

In addition, in terms of the subscription agreement and each of the relevant relationship agreements, each of BEE SPV and the strategic partners and Women's Consortium, as the case may be, has warranted to Northam that, for the entire duration of the lock-in period, neither BEE SPV nor the relevant HDSA participants, as the case may be, nor any of their beneficiaries (other than immaterial beneficiaries) or any of their related persons or inter-related persons (only to the extent that they are companies or trusts) (other than immaterial beneficiaries) of their beneficiaries, is a politically linked person.

In the event that any of the beneficiaries of BEE SPV, the strategic partners or the Women's Consortium (other than immaterial beneficiaries) or any of their related or inter-related persons (only to the extent that they are companies or trusts) (other than immaterial beneficiaries) becomes a politically linked person, BEE SPV shall immediately give written notice thereof to Northam which notice shall include full details of the facts or circumstances which make such beneficiary a politically linked person ("**politically linked person notice**"). Upon receipt of a politically linked person notice, Northam shall be entitled to require the relevant party to procure that the beneficiary or its related or inter-related person, as the case may be, disposes of its interests in BEE SPV or the relevant HDSA participant, as the case may be (whether directly or indirectly), within a period of 6 (six) months.

The HDSA participants broadly comprise Northam employees, communities and 4 (four) private consortia. Each consortium is represented by strategically selected HDSA business partners and has been established for the benefit of diversified groups of HDSA persons, including broad-based HDSA organisations.

Northam cannot control or prevent the exercise of voting rights on the Northam shares held by BEE SPV.

10.1 ESOP Trust

The ESOP Trust has been established for the benefit of Northam's existing and future employees.

The ESOP Trust will subscribe for shares in BEE SPV for the benefit of its beneficiaries, being any person employed in a full-time capacity by any member of the group at or between "Category 2" to "Category 10", regardless of such employee's race or gender, excluding any persons who are employed in terms of fixed-term contracts, or temporary contracts, persons employed through labour brokers and independent contractors.

In terms of the ESOP Trust deed, within 3 (three) months after the beginning of each financial year during the lock-in period, the Northam Group shall donate R1 000 000 (one million Rand) to the ESOP Trust.

The income of the ESOP Trust will be utilised to undertake, establish, fund and maintain employee benefit activities for the benefit, empowerment and upliftment of the beneficiaries. These employees benefit activities comprise (i) healthcare initiatives, including the provision of healthcare services and the running of healthcare education programmes and (ii) education and development initiatives, including the provision of scholarships, bursaries and study loans.

Any trustee, 1 (one) or more beneficiaries and Northam shall be entitled to, from time to time, submit to the trustees written proposals in respect of employee benefit projects which are suitable for the ESOP Trust to undertake, establish or support. The trustees shall from time to time in their discretion determine those employee benefit projects which qualify as employee benefit activities and which ESOP should undertake, establish or support ("**proposed employee benefit activities**"). All proposed employee benefit activities shall be submitted to the board for evaluation following which the board shall prepare and submit a shortlist of those employee benefit activities which are feasible to the trustees and the trustees shall be obliged to procure that any one or more of the shortlisted employee benefit activities are undertaken and implemented.

No beneficiary will have any vested right or entitlement to any income or capital of the ESOP Trust, save to the extent that the trustees determine to vest any particular income or capital in the beneficiary and the beneficiary has accepted such entitlement.

The first trustees of ESOP Trust are Messrs. PA Dunne and L van Schalkwyk. Following implementation of the transaction, there shall be at least 5 (five) trustees of whom:

- no more than 25% (twenty five percent) will be appointed by Northam ("**Northam trustees**");
- 50% (fifty percent) will be appointed by beneficiaries through their respective recognised union on the basis that each recognised union shall be entitled to appoint 2 (two) persons who are eligible employees and 1 (one) additional person if and for so long as such recognised union's membership comprises more than 50% (fifty) percent of all the eligible employees from time to time or if and for so long as it is the only recognised union ("**beneficiary trustees**"); and
- no more than 25% (twenty five percent) of the trustees will be independent trustees appointed by Northam in consultation with the recognised unions ("**independent trustees**").

The quorum for trustees' meetings is a majority of trustees, provided that at least 1 (one) Northam trustee, 1 (one) beneficiary trustee and 1 (one) independent trustee are present, failing which the meeting must be adjourned and the trustees present at the adjourned meeting shall form a quorum.

Resolutions of the trustees are adopted by a simple majority of the trustees, save as otherwise provided by the ESOP Trust deed. Certain matters require approval of the board, including the power to dispose of or encumber any or all of the ESOP Trust's BEE SPV ordinary shares, the granting of any credit, making of any loan, assuming of any liability, incurring of any indebtedness and entering into any agreement in respect of the votes or rights attached to the ESOP Trust's BEE SPV ordinary shares.

In terms of the ESOP Trust deed, the ESOP Trust will be ''ring-fenced" and its activities restricted to the activities envisaged above and incidental thereto.

10.2 Zondereinde Community Trust

The Zondereinde Community Trust has been established for the benefit of: (i) communities residing in the area of Thabazimbi and Northam situated within the Thabazimbi local municipality provided that at least 85% (eight five percent) of the members of the local communities are black persons (ii) any charitable entity or institution which has as its principal object(s) one or more of the community development activities and in respect of which at least 85% (eighty five percent) of the ultimate beneficiaries who benefit from the carrying on of such principal object(s) are black persons residing within the local community areas; and (iii) any trust or juristic person established by the trustees or on the instructions of the trustees, with the prior written approval of the board, for the benefit of any person referred to in (i) or (ii) above. There are no time restrictions imposed upon the Trustees to identify beneficiaries under the Zondereinde Community Trust.

The income of the Zondereinde Community Trust will be utilised to undertake, establish, fund and maintain activities for the benefit, empowerment and upliftment of the beneficiaries which activities include (i) the provision of healthcare services and the running of healthcare education programmes and (ii) education and development initiatives, including the provision of scholarships, bursaries and study loans.

Any trustee, local community and/or Northam shall be entitled to, from time to time, submit to the trustees written proposals in respect of community development projects which may be suitable for the Zondereinde Community Trust to undertake, establish or support. The trustees shall from time to time in their discretion determine those employee benefit projects which qualify as employee benefit activities and which the Zondereinde Community Trust should undertake, establish or support ("**proposed community development activities**"). All proposed community development activities shall be submitted to the board for evaluation following which the board shall prepare and submit a shortlist of those proposed community development activities which are feasible to the trustees and the trustees shall be obliged to procure that any one or more of the shortlisted proposed community development activities are undertaken and implemented.

No beneficiary will have any vested right or entitlement to any income or capital of the Zondereinde Community Trust, save to the extent that the trustees determine to vest any particular income or capital in the beneficiary and the beneficiary has accepted such entitlement.

Northam will make an initial donation of R750 000 (seven hundred and fifty thousand Rand) to the Zondereinde Community Trust on the implementation date and thereafter, to the extent that the accumulated income held by the Zondereinde Community Trust is insufficient to settle the operational expenses in a particular financial year, Northam will make an annual donation based on the annual budget of the Zondereinde Community Trust and equal to the difference between the income and the operational expenses.

The first trustees of the Zondereinde Community Trust are Messrs. PA Dunne and L van Schalkwyk. Following implementation of the transaction, there shall at all times be 9 (nine) trustees of whom:

- 2 (two) will be appointed by Northam ("**Northam trustees**");
- 2 (two) will be appointed by local communities ("**local community trustees**"); and
- 5 (five) will be independent trustees appointed by the trustees from time to time ("**independent trustees**").

The quorum for trustees' meetings is a majority of trustees, provided that at least 1 (one) Northam trustee, 1 (one) local community trustee and 1 (one) independent trustee are present, failing which the meeting must be adjourned and the trustees present at the adjourned meeting shall form a quorum.

Resolutions of the trustees are adopted by a simple majority of the trustees, save as otherwise provided by the trust deed of the Zondereinde Community Trust. Certain matters require approval of the board, including the power to dispose of or encumber any or all of the Zondereinde Community Trust's BEE SPV ordinary shares, the granting of any credit, making of any loan, assuming of any liability, incurring of any indebtedness and entering into any agreement in respect of the votes or rights attached to the Zondereinde Community Trust's BEE SPV ordinary shares.

In terms of the Zondereinde Community Trust deed, the Zondereinde Community Trust will be ''ring-fenced" and its activities restricted to the activities envisaged above and incidental thereto.

10.3 Booysendal Community Trust

The Booysendal Community Trust has been established for the benefit of: (i) communities residing on the Booysendal 43JT Farm and the Buttons Hope 51 JT Farms in the Greater Tubatse Municipality provided that at least 85% (eighty five percent) of the members of the local communities are black persons (ii) any charitable entity or institution which has as its principal object(s) one or more of the community development activities and in respect of which at least 85% (eighty five percent) of the ultimate beneficiaries who benefit from the carrying on of such principal object(s) are black persons residing within the local community areas; and (iii) any trust or juristic person established by the trustees or on the instructions of the trustees, with the prior written approval of the board, for the benefit of any person referred to in (i) or (ii) above. There are no time restrictions imposed upon the Trustees to identify beneficiaries under the Booysendal Community Trust.

The income of the Booysendal Community Trust will be utilised to undertake, establish, fund and maintain activities for the benefit, empowerment and upliftment of the beneficiaries which activities include (i) the provision of healthcare services and the running of healthcare education programmes and (ii) education and development initiatives, including the provision of scholarships, bursaries and study loans.

Any trustee, local community and/or Northam shall be entitled to, from time to time, submit to the trustees written proposals in respect of community development projects which may be suitable for the Booysendal Community Trust to undertake, establish or support. The trustees shall from time to time in their discretion determine those employee benefit projects which qualify as employee benefit activities and which the Booysendal Community Trust should undertake, establish or support ("**proposed community development activities**"). All proposed community development activities shall be submitted to the board for evaluation following which the board shall prepare and submit a shortlist of those proposed community development activities which are feasible to the trustees and the trustees shall be obliged to procure that any one or more of the shortlisted proposed community development activities are undertaken and implemented.

No beneficiary will have any vested right or entitlement to any income or capital of the Booysendal Community Trust, save to the extent that the trustees determine to vest any particular income or capital in the beneficiary and the beneficiary has accepted such entitlement.

Northam will make an initial donation of R750 000 (seven hundred and fifty thousand Rand) to the Booysendal Community Trust on the implementation date and thereafter, to the extent that the accumulated income held by the Booysendal Community Trust is insufficient to settle the operational expenses in a particular financial year, Northam will make an annual donation based on the annual budget of the Booysendal Community Trust and equal to the difference between the income and the operational expenses.

The first trustees of the Booysendal Community Trust are Messrs. PA Dunne and L van Schalkwyk. Following implementation of the transaction, there shall at all times be 9 (nine) trustees of whom:

- 2 (two) will be appointed by Northam ("**Northam trustees**");
- 2 (two) will be appointed by local communities ("**local community trustees**"); and
- 5 (five) will be independent trustees appointed by the trustees from time to time ("**independent trustees**").

The quorum for trustees' meetings is a majority of trustees, provided that at least 1 (one) Northam trustee, 1 (one) local community trustee and 1 (one) independent trustee are present, failing which the meeting must be adjourned and the trustees present at the adjourned meeting shall form a quorum.

Resolutions of the trustees are adopted by a simple majority of the trustees, save as otherwise provided by the trust deed of the Booysendal Community Trust. Certain matters require approval of the board, including the power to dispose of or encumber any or all of the Booysendal Community Trust's BEE SPV ordinary shares, the granting of any credit, making of any loan, assuming of any liability, incurring of any indebtedness and entering into any agreement in respect of the votes or rights attached to the Booysendal Community Trust's BEE SPV ordinary shares.

In terms of the Booysendal Community Trust deed, the Booysendal Community Trust will be ''ring-fenced" and its activities restricted to the activities envisaged above and incidental thereto.

10.4 BVI 1841 Consortium

The promoter of the BVI 1841 Consortium is Mr Polelo Lazarus Zim, the chief executive officer of the Atisa Group Proprietary Limited, a diversified investment holding company, a previous empowerment partner of Northam and the current chairman of Northam. He holds a BCom (Hons) (University of the Witwatersrand) and MCom (Rand Afrikaans University).

He has had an extensive, successful corporate career spanning a variety of sectors. He is currently a director of Sanlam Life Insurance Limited. He served as chief executive officer of M-Net Supersport and Anglo American South Africa Limited, managing director of MTN-International and as chairman of Kumba Iron Ore Limited and Telkom Limited. He also sat on the boards of Anglo Gold Ashanti Limited, Anglo American Platinum Limited, Mondi Limited and Armaments Corporation of South Africa SOC Limited (Armscor). He is past president of the Chamber of Mines of South Africa and is an Honorary Colonel in the South African Army. He is former chairman of the Wits Foundation and was voted African Business Leader of the Year in 2005.

BVI 1841 Consortium has been incorporated as a special purpose vehicle for the purpose of facilitating the transaction the primary purpose of which is to (i) hold BEE SPV ordinary shares for the benefit of its HDSA participants and (ii) make distributions to its shareholders.

BVI 1841 Consortium is a ring-fenced company (as contemplated in the Companies Act) and for the duration of the transaction, shall be restricted to activities in relation to the transaction and prohibited from, *inter alia,* disposing of or encumbering its BEE SPV ordinary shares, incurring any financial indebtedness, registering the transfer of any of its shares and/or amending its memorandum of incorporation.

The board of directors of BVI 1841 Consortium shall comprise of not less than 2 (two) persons. Northam will be entitled to appoint 1 (one) director to the board, at Northam's discretion, and the remaining directors will be elected by shareholders.

The quorum for any board meeting will be 2 (two) directors, provided that at least 1 (one) director appointed by Northam is present (if Northam has elected to appoint a director), failing which the meeting will be adjourned and the director(s) present at the adjourned meeting shall constitute a quorum. Resolutions of directors of BVI 1841 Consortium in order to be of force and effect must be approved by a majority of the votes of the directors present at a meeting and voting on that resolution.

The quorum for shareholders' meetings of BVI 1841 Consortium shall be shareholders holding more than 50% (fifty percent) of the shares being present in person or by proxy, failing which the meeting will be postponed or adjourned and the shareholder(s) present at the postponed or adjourned meeting shall constitute a quorum.

At meetings of shareholders, each shareholder shall have as many votes as the percentage shareholding which such shareholder has of the shares in issue.

The shareholding structure of the BVI 1841 Consortium is set out in Annexure 2 to this circular.

The primary direct and indirect beneficiaries of the BVI 1841 Consortium include:

- the beneficiaries of the Government Employees Pension Fund (through the PIC);
- the JCK Family Trust, established for the benefit of the Zim family;
- Wayne Clifford van der Vent and Lisa M Williams who are business associates of Mr Zim;
- the Zim Foundation Trust IT2563/2009, established by Mr Zim for the benefit of various individuals and NGO's in various previously disadvantaged communities; and
- the beneficiaries of the Jesus Christ Kingdom Fund NPC, a non-profit company established by the Zim family which funds and aims to support people from disadvantaged backgrounds ''through the spreading of the gospel of Jesus Christ''.

10.5 Mpilo Platinum Consortium

The promoter of the Mpilo Platinum Consortium is Mr Sipho Mseleku, the chairman of Sakhumnotho Group, a diversified investment holding company. He holds a BA (Hons) (University of Witwatersrand), LLB (University of Witwatersrand), LLM (Tax Law), and HDip (Company Law) (University of Witwatersrand) and previously practised as an attorney.

He currently serves on the boards of Camsure 2005/0086864/07, Sulzer Pumps SA 1922/007245/07, Air6Traffic Navigation Services 1993/004150/06 and the Oakhurst Insurance Company 2006/000723/06. He is founder and the immediate past president of the Pan African Chamber of Commerce and Industry. He is founder of the African Business Roundtable and chairman of the board of governors of the Global Fund for Jesus. He previously served as chief executive of the Association of SADC Chambers of Commerce, the Chambers of Commerce and Industry South Africa and the National African Chamber of Commerce and Industry. He is a former director of the Ecobank Group and Baragwanath Hospital and was a member of the Securities Regulations Panel (SRP). He is also a former president of the Convocation of the University of the Witwatersrand.

Mpilo Platinum Consortium has been incorporated as a special purpose vehicle for the purpose of facilitating the transaction the primary purpose of which is to (i) hold BEE SPV ordinary shares for the benefit of its HDSA participants and (ii) make distributions to its shareholders.

Mpilo Platinum Consortium is a ring fenced company (as contemplated in the Companies Act) and for the duration of the transaction, shall be restricted to activities in relation to the transaction and prohibited from, *inter alia,* disposing of or encumbering its BEE SPV ordinary shares, incurring any financial indebtedness, registering the transfer of any of its shares and/or amending its memorandum of incorporation.

The board of directors of Mpilo Platinum Consortium shall comprise of not less than 2 (two) persons. Northam will be entitled to appoint 1 (one) director to the board, at Northam's discretion, and the remaining directors will be elected by shareholders.

The quorum for any board meeting will be 2 (two) directors, provided that at least 1 (one) director appointed by Northam is present (if Northam has elected to appoint a director), failing which the meeting will be adjourned and the director(s) present at the adjourned meeting shall constitute a quorum. Resolutions of directors of Mpilo Platinum Consortium in order to be of force and effect must be approved by a majority of the votes of the directors present at a meeting and voting on that resolution.

The quorum for shareholders' meetings of Mpilo Platinum Consortium shall be shareholders holding more than 50% (fifty percent) of the shares being present in person or by proxy, failing which the meeting will be postponed or adjourned and the shareholder(s) present at the postponed or adjourned meeting shall constitute a quorum.

At meetings of shareholders, each shareholder shall have as many votes as the percentage shareholding which such shareholder has of the shares in issue.

The shareholding structure of the Mpilo Platinum Consortium is set out in Annexure 2 to this circular.

The primary direct and indirect beneficiaries of the Mpilo Platinum Consortium include:

- Sakhumnotho Mining Proprietary Limited ("**Sakhumnotho Mining**"), a wholly owned subsidiary of Sakhumnotho Group Holdings Proprietary Limited ("**SGH**") created to take advantage of investment opportunities within the mining sector. SGH is an Investment holding company with investments in South Africa and the continent. The major shareholders of SGH are the Global Fund for Christ, the Vulindlela Development Trust, Amaduma Investments Proprietary Limited and the Sipho Mseleku Family Trust. The Global Fund for Christ was established to benefit the previously disadvantaged people. Its projects focuses on healthcare, food, security, education, entrepreneurship and job creation as well as skills development. Major investments include the acquisition of 25% (twenty five percent) share in Sulzer Pump South Africa, a Swiss listed company, Mbuyelo Resources Proprietary Limited and Mbuyelo Coal Proprietary Limited. SGH, together with the Nelson Mandela Foundation and other broad-based groupings acquired a 10% (ten percent) share in Ecobank Transnational in 2011. SGH also has investments in property development companies such as Rainbow Junction Property Company and Asky Airlines;

- the Batlase Development Trust, established by the Traditional Council of the Baphalane Tribe to implement projects and activities for the benefit of members of the Baphale community located in Northam area through (i) the creation of employment and advance social welfare and economic development of the community in terms of the Skills Development Act (97 of 1998) (ii) deepening the advancement and inclusiveness of women, in all tiers of management in terms of the Employment Equity Act (97 of 1998) (iii) broadening of the involvement and participation of the community in the procurement of services and (iv) encouraging service providers to form partnerships with the community in terms of the Preferential Procurement Framework Act (5 of 2000);
- Setlagha Proprietary Limited ("**Setlagha**"), an investment company established to help local communities develop their assets and exploit mineral and agricultural resources. With the advent of South Africa's democracy, the Government embarked on a national project of redressing the legacy of apartheid, amongst others, addressing the burning issue of land restitution in terms of the Land Restitution Act of 1994. Pursuant to this Act, Setlhaga has assisted several traditional communities around the Greater Madibeng and Moses Kotane Municipalities in lodging land claims, including claims for land with resource and agricultural potential. Setlhaga seeks to play an active role in realising the potential of the land on behalf of relevant communities;
- The Global Business Roundtable BEE Consortium Proprietary Limited ("**GBR**") was established in 2009 and has been described as ''an institution birthed out of prayer". GBR has so far brought together thousands of business people from all walks of life including corporates, small to medium enterprises, professionals, spiritual leaders and academics. GBR has an international presence across 24 (twenty four) countries, and 3 (three) continents. GBR has representation in all 9 (nine) provinces in South Africa and has more than 100 (one hundred) branches in all major cities, suburbs, townships and villages. It has branches in 17 (seventeen) universities in the SADC Region. GBR focuses on the holistic and complete development of a person in line with God's given gifts and talents for a person. GBR focuses on spiritual development, business and entrepreneurship development, intellectual, social political and economic development of its members. It aims to create a platform for local, national and global networks as well as mentorship platforms for members. GBR is a vehicle created to ensure the sustainability of the organisation as it looks to fulfil its mandate as well as to empower the members in good standing economically; and
- Murandu Building Solutions CC is a level 2 rated BEE company which focuses on the power generation, mining and manufacturing industries. Murandu was founded by Joseph Murandu and Nozuko Murandu to focus on the needs and aspirations of the disadvantaged people, especially in the mainstream of economic development of South Africa.

10.6 Malundi Resources Consortium

The promoter of the Malundi Resources Consortium is Mr Brian Mosehla, chief executive officer of Mosomo Investment Holdings Proprietary Limited. He is a qualified chartered accountant and holds a BCompt (Hons) from the University of the Witwatersrand.

He completed his articles with KPMG in 1995. He worked for 5 (five) years at African Merchant Bank Limited where he gained a broad range of experience, including management buy-outs, leveraged buy-outs, capital raisings and restructurings. He is a former executive director of Mvelaphanda Resources Limited and in 2003 he established Mvelaphanda Corporate Finance for the development of Mvelaphanda Holdings' mining and non-mining interests. He currently serves on the boards of Coal of Africa Limited and Unitrans Limited.

Malundi Resources Consortium has been incorporated as a special purpose vehicle for the purpose of facilitating the transaction the primary purpose of which is to (i) hold BEE SPV ordinary shares for the benefit of its HDSA participants and (ii) make distributions to its shareholders.

Malundi Resources Consortium is a ring fenced company (as contemplated in the Companies Act) and for the duration of the transaction, shall be restricted to activities in relation to the transaction and prohibited from, *inter alia,* disposing of or encumbering its BEE SPV ordinary shares, incurring any financial indebtedness, registering the transfer of any of its shares and/or amending its memorandum of incorporation.

The board of directors of Malundi Resources Consortium shall comprise not less than 2 (two) persons. Northam will be entitled to appoint 1 (one) director to the board, at Northam's discretion, and the remaining directors will be elected by shareholders.

The quorum for any board meeting will be 2 (two) directors, provided that at least 1 (one) director appointed by Northam is present (if Northam has elected to appoint a director), failing which the meeting will be adjourned and the director(s) present at the adjourned meeting shall constitute a quorum. Resolutions of directors of Malundi Resources Consortium in order to be of force and effect must be approved by a majority of the votes of the directors present at a meeting and voting on that resolution.

The quorum for shareholders' meetings of Malundi Resources Consortium shall be shareholders holding more than 50% (fifty percent) of the shares and being present in person or by proxy, failing which the meeting will be postponed or adjourned and the shareholder(s) present at the postponed or adjourned meeting shall constitute a quorum.

At meetings of shareholders, each shareholder shall have as many votes as the percentage shareholding which such shareholder has of the shares in issue.

The shareholding structure of the Malundi Resources Consortium is set out in Annexure 2 to this circular.

The primary direct and indirect beneficiaries of the Malundi Resources Consortium include:

- the Kgabo Mo Kgatla Trust, established by Mr Mosehla for the benefit of certain of his family members, charitable, educational and religious institutions;
- the Mtungwa Trust, established by Lunga Ncwana for the benefit of his family; and
- other individuals, Manyano Jele, Nkosinthani Nobingkosi Khumalo, who are business associates of Mr Mosehla.

10.7 Women's Consortium

The promoter of the Women's Consortium is Nomahlubi Mazwai, a businesswoman who owns and manages a successful events planning and management company, among other interests.

The Women's Consortium has been incorporated as a special purpose vehicle for the purpose of facilitating the transaction the primary purpose of which is to (i) hold BEE SPV ordinary shares for the benefit of its HDSA participants and (ii) make distributions to its shareholders.

The Women's Consortium is a ring fenced company (as contemplated in the Companies Act) and for the duration of the transaction, shall be restricted to activities in relation to the transaction and prohibited from, *inter alia,* disposing of or encumbering its BEE SPV ordinary shares, incurring any financial indebtedness, registering the transfer of any of its shares and/or amending its memorandum of incorporation.

The board of directors of the Women's Consortium shall comprise not less than 2 (two) persons. Northam will be entitled to appoint 1 (one) director to the board, at Northam's discretion, and the remaining directors will be elected by shareholders.

The quorum for any board meeting will be 2 (two) directors, provided that at least 1 (one) director appointed by Northam is present (if Northam has elected to appoint a director), failing which the meeting will be adjourned and the director(s) present at the adjourned meeting shall constitute a quorum. Resolutions of directors of the Women's Consortium in order to be of force and effect must be approved by a majority of the votes of the directors present at a meeting and voting on that resolution.

The quorum for shareholders' meetings of the Women's Consortium shall be shareholders holding more than 50% (fifty percent) of the shares being present in person or by proxy, failing which the meeting will be postponed or adjourned and the shareholder(s) present at the postponed or adjourned meeting shall constitute a quorum.

At meetings of shareholders, each shareholder shall have as many votes as the percentage shareholding which such shareholder has of the shares in issue.

The shareholding structure of the Women's Consortium is set out in annexure 3 to this circular. The primary direct and indirect beneficiaries of the Women's Consortium are, in addition to organisations established for the benefit of HDSA women, the following key individuals:

- Nomahlubi Mazwai;
- Tebogo Emily Kgosi, an independent non-executive director of Northam. Ms Kgosi is the cluster manager in Supply Chain Operations, Eskom Group Commercial. 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 (New York); and
- Mandisa Monakali, being the Executive Director of Ilitha Labantu which she founded in 1989. She is also a President of the African Women Independent Forum, a global women's organisation with offices in New York and Geneva.

11. EFFECTIVE INTERESTS OF HDSA PARTICIPANTS

Following the implementation of the transaction, the HDSA participants will have the following shareholdings in BEE SPV and the see-through interests in Northam:

HDSA participant name	**Percentage held in BEE SPV ordinary shares**	**Effective see-through interest in the number of Northam shares upon the implementation of the transaction**	**Effective see-through percentage of Northam shares upon implementation of the transaction**
ESOP Trust	9.6%	15 350 922	3.0%
Booysendal Community Trust	7.95%	12 712 484	2.5%
Zondereinde Community Trust	7.95%	12 712 484	2.5%
BVI 1841 Consortium	12.8%	20 467 898	4.0%
Malundi Resources Consortium	12.8%	20 467 898	4.0%
Mpilo Platinum Consortium	29.8%	47 651 825	9.4%
Women's Consortium	19.1%	30 541 942	6.0%
Total	**100.0%**	**159 905 453**	**31.4%**

12. SUMMARY OF MATERIAL AGREEMENTS

Transaction agreement	Date	Description of transaction agreement
Administration services agreement	2 February 2015	the agreement in terms of which BEE SPV will appoint Northam to attend to the day-to-day management of BEE SPV's business and the administration of BEE SPV's affairs
BEE SPV pledge and cession	2 February 2015	the agreement in terms of which BEE SPV will pledge and cede, in securitatem debiti the BEE shares and its right, title and interest in and to the distribution receipts account, to Northam as security for BEE SPV's obligations under the Northam clawback
Co-operation agreement	2 February 2015	the agreement setting out the rights and obligations of Northam and BEE SPV for purposes of implementing the offer
ESOP Trust deed	23 January 2015	the trust deed of the ESOP Trust
Booysendal Community Trust deed	23 January 2015	the trust deed governing the Booysendal Community Trust
Zondereinde Community Trust deed	23 January 2015	the trust deed governing the Zondereinde Community Trust deed
N share subscription agreement	2 February 2015	the agreement in terms of which Northam will subscribe for the N share
Northam guarantee	Condition precedent as further detailed in paragraph 6 to this circular	the agreement in terms of which Northam guarantees the payment of all amounts which BEE SPV has contracted to pay (but failed to pay on the due date) in respect of the BEE SPV preference share terms
PIC sale of shares agreement	13 October 2014	the agreement in terms of which BEE SPV has agreed to purchase the PIC sale shares from PIC
Pledge and cessions	2 February 2015	the agreements in terms of which each HDSA participant will pledge and cede in securitatem debiti all of the BEE SPV ordinary shares held by it to and in favour of Northam, as security for the obligations of that HDSA participant under the applicable relationship agreement
Subscription agreement	21 October 2014	the agreement in terms of which BEE SPV will subscribe for the subscription shares at the subscription price
Relationship agreements	2 February 2015	the agreements in terms of which each HDSA participant will subscribe for BEE SPV ordinary shares and the relationship between it, Northam and BEE SPV will be governed

Other material agreements	Date	Description of transaction agreement
Sale of assets agreement	9 February 2015	the agreement in terms of which Northam will acquire from Aquarius Platinum (South Africa) (Pty) Ltd ("**Aquarius**") (i) the mine known as the Everest platinum mine and all moveable and immovable property associated with the Everest Mine for R400 million and (ii) the mining right in respect of the Everest Mine, for R50 million. The agreement is subject to certain conditions precedent. Further information on this acquisition is available in the SENS announcement dated 10 February 2015
Other material agreements	**Date**	**Description of transaction agreement**
Contract and mine management agreement	9 February 2015	the agreement in terms of which Northam will be entitled, but not obliged, to conduct contract mining on behalf of Aquarius and will provide mine management services to Aquarius. The agreement is subject to certain conditions precedent

13. RELATED PARTY TRANSACTION

Mr PL Zim, Ms TE Kgosi and Mr CK Chabedi are directors of Northam and will participate in the transaction through the HDSA participants. Accordingly, Mr PL Zim, Ms TE Kgosi and Mr CK Chabedi are considered related parties to Northam in terms of sections 10.1(b)(ii) and 10.1(b)(vii) of the listings requirements. As at the last practicable date, the above directors do not hold shares in Northam. Any shares held by these directors at the time of the general meeting will not be eligible to vote at the general meeting.

Following the implementation of the transaction Ms TE Kgosi and Mr CK Chabedi will still be classified as independent in relation to their non-executive directorships at Northam, in terms of King III. Their independence will be re-evaluated annually, in terms of the listings requirements and company's internal policies.

PIC as a major shareholder, as further described in paragraph 24 below, and a BEE SPV preference share subscriber of the transaction, is considered a related party to the transaction. PIC will not be eligible to vote on ordinary resolution 1 and ordinary resolution 2 presented at the general meeting. For the avoidance of doubt, PIC is not a related party in terms of the capital commitments provided, as more fully described in paragraph 17 to this circular.

Non-executive directors do not have contracts with Northam.

14. FAIRNESS OPINION

The company has appointed an independent expert, acceptable to the exchange, to provide the company with an opinion on the fairness in respect of both the transaction, and the share issue to BEE SPV, as the transaction incorporates a specific issue of shares for cash to related parties.

The board has appointed KPMG as the independent expert, to provide the independent fairness opinion.

The board has considered the terms and conditions of the transaction, and separately, the share issue as it relates to BEE SPV, and is of the opinion that the terms and conditions are fair to shareholders. KPMG's opinion in this regard is set out in annexure 4 to this circular.

15. PROPOSED NORTHAM SHARE CAPITAL INCREASE AND SPECIFIC ISSUE

It will be necessary for Northam to have sufficient authorised but unissued shares available in order to settle its potential obligations under the Northam guarantee. It will accordingly be necessary to increase the number of the company's authorised shares from 545 000 000 (five hundred and forty five million) Northam shares to 2 000 000 000 (two billion) Northam shares. The board will seek the approval of shareholders by way of adoption of the new MOI in order to increase Northam's authorised share capital and authorise a specific issue of new shares at the general meeting, as further detailed in paragraph 18 of this circular.

16. FINANCIAL ASSISTANCE

The entering into of the Northam guarantee, the entering into of the administration services agreement, the entering into of the relationship agreements and the payment of the lock-in and restraint payment will constitute the provision of financial assistance by the company in terms of sections 44 and 45 of the Companies Act. In terms of the Companies Act, the board may not authorise the provision of such financial assistance unless it is pursuant to a special resolution of shareholders adopted within the previous 2 (two) years, which approved the provision of such financial assistance either for a specific recipient or generally for a category of potential recipients and the specific recipient falls within that category. The company will seek the general approval of shareholders at the general meeting to provide financial assistance to BEE SPV and the HDSA participants.

The board has considered the implications of the provision of financial assistance to BEE SPV and the HDSA participants contemplated above, and is satisfied that, after granting the financial assistance, the company will satisfy the solvency and liquidity test set out in the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

17. VOTING UNDERTAKINGS

PIC and Coronation have provided Northam with irrevocable support of the transaction and the resolutions listed in the notice of general meeting.

The capital commitments, as provided by the BEE SPV preference share subscribers, and voting undertakings are conditional upon the shareholder approvals being obtained by no later than 31 March 2015.

The liquidity fee payable to PIC and Coronation is equal to 2.5% (two point five percent) of the aggregate value of the BEE SPV preference shares to be issued on the implementation date. PIC and Coronation will receive R126.4 million and R37.5 million, respectively, for their commitment in liquidity fees.

18. THE NEW MOI

Northam proposes that shareholders approve the adoption of a new MOI in substitution for the existing MOI, which new MOI, *inter alia,* includes provision for the proposed Northam share capital increase in order to (i) facilitate the issue of the BEE subscription shares to BEE SPV and (ii) ensure that Northam has sufficient authorised but unissued Northam shares available to it for purposes of settling its potential obligations under the Northam guarantee. A summary of the provisions of the new MOI is available in annexure 8 to this circular and a copy of the full new MOI is available at the registered address of the company as further detailed in paragraph 34 below.

If approved by Northam shareholders, the proposed Northam share capital increase will become effective on the date on which the notice of amendment in respect of the filing of the new MOI is filed with the CIPC, as contemplated in section 16(9)(b)(i) of the Companies Act.

19. GOVERNING LAW

The offer may be affected by the laws of the relevant jurisdiction of a foreign shareholder. A foreign shareholder should acquaint itself with 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 shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the offer circular, 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.

The offer will be governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

Any shareholder 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.

20. *PRO FORMA* FINANCIAL INFORMATION

Pro forma consolidated statement of comprehensive income and consolidated statement of financial position

The table below sets out the *pro forma* financial effects of the transaction based on the published audited financial statements of Northam for the year ended 30 June 2014. The full *pro forma* statement of comprehensive income for the year ended 30 June 2014 and statement of financial position at 30 June 2014 are set out in annexure 5 to this circular.

This *pro forma* financial information has been prepared for illustrative purposes only, in order to provide information about how the transaction might have affected shareholders had the transaction been implemented on the dates indicated in the notes below. Due to their nature, the *pro forma* financial information may not fairly present Northam's financial position and results of neither operations, nor the effect and impact of the transaction going forward.

The *pro forma* statement of comprehensive income and statement of financial position have been prepared using accounting policies that comply with international financial reporting standards and that are consistent with those applied in the published audited financial statements of Northam for the year ended 30 June 2014.

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

The independent reporting accountants' limited assurance report on the *pro forma* financial information relating to the transaction is set out in annexure 6 to this circular.

	Before the transaction(1)	After the transaction(2)	Percentage change
Earnings per share (cents)	2	(607)	(30 450)
Headline earnings per share (cents)	2	(608)	(30 500)
Diluted earnings per share (cents)	2	(607)	(30 450)
Diluted headline earnings per share (cents)	2	(608)	(30 500)
Net asset value per share (cents)	2 865	2 584	(9.8)
Net tangible asset value per share (cents)	2 865	2 584	(9.8)
Weighted average number of shares in issue	390 969 652	343 259 321	(12.2)
Diluted weighted average number of shares in issue	390 969 652	343 259 321	(12.2)
Number of shares in issue	397 586 090	349 875 759	(12.0)

Notes:

1. The figures included in the "*Before the transaction*" column have been extracted, without adjustment, from Northam's financial results for the financial year ended 30 June 2014.
2. The "*After the transaction"* column have been prepared on the basis of the following assumptions:
   - (i) For purposes of the statement of comprehensive income, it is assumed that the transaction occurred on 1 July 2013.
   - (ii) The issue of BEE SPV preference shares results in the occurrence of BEE SPV preference dividends to be accounted for as a finance charge over the 10-year term of the BEE SPV preference shares.
   - (iii) The lock-in and restraint payment of R400 million is expensed together with the related reduction in tax payable of R112 million.
   - (iv) Liquidity fees payable by Northam of R163 million are deemed to be a component of the borrowing costs and are recognised as a finance charge over the 10-year term of the BEE SPV preference shares.
   - (v) Estimated transaction costs of R120 million have been expensed together with a related reduction in taxation of R17 million as the assumption has been made that only half of the transaction costs will be deductible for tax purposes.
   - (vi) The issue of ordinary shares in BEE SPV to the HDSA participants other than the employee and community trusts, results in the need to account for a share-based payment charge in accordance with IFRS 2. This share-based payment charge has been estimated to equal R851 million and has been expensed in full. The actual share-based payment charge will be calculated according to market information available as at the actual issue date of the BEE Northam shares. This may result in the actual quantum of the share base payment charge varying materially from the amount reflected in the consolidated *pro forma* financial effects of the transaction.
   - (vii) Taxation is comprised of the amounts deductible in terms of (iii) and (v) above.
   - (viii) The *pro forma* adjustments described in (ii) and (iv) above will have a continuing effect on the company
   - (ix) BEE SPV will be consolidated in accordance with IFRS 10, accordingly, all the Northam ordinary shares held by it are treated as unissued in Northam's consolidated financial statements.

21. NATURE OF THE BUSINESS AND PROSPECTS

Northam is a mid-tier, integrated PGM producer and its shares are listed on the exchange.

Northam's business is focused on the mining, processing and marketing of PGMs and its associated by-products to a long-standing and stable customer base in the major economic centres of the word. Northam has a diversified mining asset portfolio, which includes, *inter alia*, the cash-generative Zondereinde platinum mine and metallurgical complex, the Booysendal platinum mine and concentrating plant, a 100% (one hundred percent) (previously 80% (eighty percent)) interest in Northam Chrome Producers Proprietary Limited (''NCP''), effective 1 August 2014, and a 7.5% (seven point five percent) interest in the Pandora Joint venture, a PGM mining operation at the southern end of the western limb of the Bushveld complex, in partnership with Anglo American Platinum Limited and Lonmin plc.

Northam owns a 50% (fifty percent) interest in the Dwaalkop Platinum project, a 20.3% (twenty point three percent) interest in the issued share capital of Trans Hex Group Limited, a diamond producing and marketing company listed on the exchange and a 51% (fifty one percent) initial participatory interest in the Kokerboom joint venture which is a greenfields iron oxide/gold/copper and massive sulphide exploration project.

The company also runs a sponsored level 1 ADR facility. The Northam ADRs trade with the ticker code NMPNY on an over-the-counter market in the U.S.

Zondereinde

The company wholly owns and operates the established Zondereinde platinum mine and metallurgical complex on the upper end of the western limb of the South African Bushveld complex near the town of Thabazimbi, which produces some 300 000 oz (three hundred thousand ounces) of PGMs annually.

Zondereinde mine's operating performance was adversely impacted by the 11 (eleven) week strike, which began on 3 November 2013 and ended on 21 January 2014, resulting in the combined tonnes milled declining by 18.5% (eighteen point five percent) to 1 724 156 (one million seven hundred and twenty four thousand one hundred and fifty six) tonnes (F2013: 2 115 712 (two million one hundred and fifteen thousand seven hundred and twelve) tonnes). Merensy reef tonnes milled were 803 736 (eight hundred and three thousand seven hundred and thirty six) tonnes (F2013: 958 211 (nine hundred and fifty eight thousand two hundred and eleven) tonnes) at a head grade of 5.8 (five point eight) g/t (3PGE+Au) and the UG2 reef contributed 920 420 (nine hundred and twenty thousand four hundred and twenty) tonnes (F2013: 1 157 501 (one million one hundred and fifty seven thousand five hundred and one) tonnes) at a head grade of 4.3 (four point three) g/t (3PGE+Au). This resulted in a combined head grade of 5.0 (five) g/t. The available ore reserves of the Merensky and UG2 reefs are estimated at 20 (twenty) months and 24 (twenty four) months respectively.

Total operating costs were R2 700 000 000 (two point seven billion Rand) compared to R2 800 000 000 (two point eighty billion Rand) in F2013, a 2.5% (two point five percent) decrease. Metals in concentrate production fell by 18.9% (eighteen point nine percent) to 7 331 kg (seven thousand three hundred and thirty one kilograms) (F2013: 9 041 kg (nine thousand and forty one kilograms)), while purchased metals in concentrate increased by 20.9% (twenty point nine percent) to 1 975 kg (one thousand nine hundred and seventy five kilograms) (F2013: 1 633 kg (one thousand six hundred and thirty three)).

The lower production volumes had a negative impact on costs with unit operating cash costs attributable to mining and processing Merensky and UG2 ore increasing by 19% (nineteen percent) to R1 682 (one thousand six hundred and eighty two Rand) per tonne (F2013: R1 414 (one thousand four hundred and fourteen Rand) per tonne) and by 18.2% (eighteen point two percent) to R1 526 (one thousand five hundred and twenty six Rand) per tonne (F2013: R1 291 (one thousand two hundred and ninety one Rand) per tonne) respectively.

The smelter rebuild was completed at the end of September 2013 as planned, and successfully recommissioned thereafter at a cost of R54 000 000 (fifty four million Rand). The facility is operating normally. Progress on ore reserve development in the north west quadrant of the mine and the deepening project was curtailed during the strike. Following a slow restart, these activities are progressing satisfactorily.

Booysendal

Northam is in the process of developing the shallower Booysendal platinum mine, located near the town of Mashishing on the eastern limb of the Bushveld complex, which has been in commission since 1 July 2013.

The mine continues to ramp up to full production. Only UG2 ore is produced at Booysendal and 1 517 109 (one million five hundred and seventeen thousand one hundred and nine) tonnes were milled in F2014 at a head grade of 2.6 (two point six) g/t (3PGE+Au), producing 2 882 kg (two thousand eight hundred and eighty two kilograms) of metals in concentrate.

The mine's operating cash and costs were R688 (six hundred and eighty eight Rand) and R527 (five hundred and twenty seven Rand) per tonne respectively. This is not a realistic reflection of the performance of Booysendal as the current year's unit costs were lower owing to the processing of the pre-production stockpile. More realistic unit costs are expected as the mine ramps up to steady state production, which is expected by October 2015.

Other assets

Northam had an 80% (eighty percent) shareholding in NCP, at 30 June 2014, but the group has acquired a further 20% (twenty percent) of NCP for R50 000 000 (fifty million Rand) effective 1 August 2014, bringing its total holding to 100% (one hundred percent).

Prospects

Social and economic uncertainty is expected to continue to influence the fortunes of the platinum industry in the near future. Barring any further disruptions to Northam's operations in F2015 and F2016, Zondereinde's mine is expected to continue in steady state production and the Booysendal mine to reach steady state production by October 2015. The stable financial performance of the group therefore is largely dependent on improved industrial relations, improved demand for PGMs in the global economy (which could result in higher US dollar metal prices), achieving production targets and benign cost inflation. A weakening R/US dollar exchange rate as well as above average increases in administered prices such as Eskom's power tariffs pose a risk to cost inflation.

22. SHARE CAPITAL

Authorised and issued share capital

The authorised and issued no par value share capital of Northam prior to the proposed Northam share capital increase and share issue is as follows:

Authorised
545 000 000 shares
Issued
397 586 090 shares*

The authorised and issued no par value share capital of Northam immediately after the proposed Northam share capital increase and share issue will be as follows:

Authorised
2 000 000 000 shares
Issued
509 781 212 shares

* The company's subsidiaries do not hold any treasury shares, however, the Northam shares held by BEE SPV will be treated as unissued in Northam's consolidated financial statements.

Share price history

A table setting out the share price history of Northam shares on the exchange is included in this circular as annexure 7 to this circular.

23. INFORMATION RELATING TO DIRECTORS

Details and experience of directors and senior management

Biographical details of the directors and senior management of Northam and its major subsidiary are set out in annexure 9 to this circular.

Directors' remuneration

The total aggregate remuneration and benefits paid to the directors for the year ended 30 June 2014 is set out on pages 153 and 155 of the Northam 2014 annual integrated report, which can be found on the company's website (http://northam.integrated-report.com/2014/downloads/NHM-IR14.pdf).

The company does not pay any pension contributions on behalf of the non-executive directors, nor have they received any material benefits. No commission, gain or profit-sharing arrangements are in place with non-executive directors.

None of the directors are remunerated by any of Northam's subsidiaries, associates or joint ventures. The Directors' remuneration will not be varied as a result of the transaction.

Directors' service contracts

Mr PA Dunne, the chief executive, has a service contract with the company which is subject to a notice period of 1 (one) year. Mr AZ Khumalo, the chief financial officer, has a service contract with the company which is subject to a notice period of 3 (three) months.

Shareholdings of the directors

The interest of the directors and their associates in the shares, as at the last practicable date is:

	Direct beneficial interest	Indirect beneficial interest	Total
ME Beckett	30 000	–	30 000

There have been no changes to the shareholdings of the directors since the Northam 2014 annual integrated report.

Northam share option scheme and share incentive plan

A summary of the share option scheme and the share incentive plan can be found on pages 147 – 150 of the Northam 2014 annual integrated report, which can be found on the company's website (http://northam.integrated-report.com/2014/downloads/NHM-IR14.pdf).

The directors' interests in the share option scheme are as follows:

Grant date	Expiry date	Exercise price (R)	
			AZ Khumalo
1 July 2010	30 June 2017	45.59	125 000
12 October 2010	11 October 2017	46.57	125 000

The directors' interests in the share incentive plan are as follows:

	AZ Khumalo	
Award date	Retention shares	Performance shares
6 November 2012	–	98 000

Since the date of Northam's integrated report for the year ended 30 June 2014, Mr A Khumalo had 149 000 performance and retention shares held by him cancelled or settled in cash. A further 121 000 performance and retention shares have been offered to Mr A Khumalo but have not yet been accepted by him.

Directors' interests in transactions

Apart from the directors stated as related parties in section 13 of this circular, no other director has a direct or indirect interest in this transaction or any other transaction by the company, that was effected during the current or 2 (two) immediately preceding financial years.

The direct and indirect interest of the directors in the transaction is as follows:

	Interest in Northam shares following the implementation of the transaction	
	Direct beneficial ('000)	Indirect beneficial* ('000)
PL Zim	–	9 604
TE Kgosi	–	635
CK Chabedi	–	204

* All these interests are held via BEE SPV.

Variation of remuneration

The remuneration receivable by the directors of Northam will not be varied as a consequence of the transaction.

Authority over the authorised but unissued share capital

As at the last practicable date the directors have the authority over the authorised but unissued Northam shares.

24. MAJOR SHAREHOLDERS

In so far as it is known to the directors, the shareholders (other than directors) that, directly or indirectly, are beneficially interested in 3% (three percent) or more of the issued shares, together with each such shareholder's interest, as at 31 December 2014 are as follows:

	Number of shares	Percentage holding
Coronation	96 822 030	24.35%
PIC	73 184 166	18.41%
Eurasian Natural Resources Corporation	51 732 782	13.0%
Foord Asset Management	28 547 767	7.18%

25. MATERIAL CONTRACTS

Other than the contracts entered into in the ordinary course of business and the contracts in relation to the transaction, there were no material contracts entered into by Northam, either verbally or in writing, within the 2 (two) preceding years.

Further, there were no contracts entered into at any time which contain an obligation or settlement that is material to Northam or its subsidiaries as at the date of this circular.

26. MATERIAL CHANGE

There have been no material changes in the financial or trading position of the group since the publication of its audited annual financial statements incorporated in the annual integrated report for the year ended 30 June 2014.

27. LITIGATION

The company is not aware of any legal or arbitration proceedings including the proceedings that are pending or threatened, of which the issuer is aware, that may have or have had in the recent past, being the previous 12 (twelve) months, a material effect on the financial position of the company and its subsidiaries.

28. MATERIAL LOANS

Save as disclosed in the Northam 2014 annual integrated report, the company has no material loan borrowings or material loan receivables out of the ordinary course of business.

29. CORPORATE GOVERNANCE

Details of Northam's corporate governance structures and practices are set out on pages 24 – 32 of the Northam 2014 annual integrated report, which can be found on the company's website (http://northam.integrated-report.com/2014/downloads/NHM-IR14.pdf).

30. EXPENSES

It is estimated that the total expenses for the transaction amount to R120 000 000 (one hundred and twenty million Rand) (including VAT). Payment will be made to the following parties:

	R'000 (excluding VAT)
Sole bookrunner, corporate advisor and sponsor fees – One Capital [1]	90 000
Attorneys to Northam – Bowman Gilfillan Inc.	5 000
Attorneys to sole bookrunner, corporate advisor and sponsor – Cliffe Dekker Hofmeyr Inc.	5 000
Independent expert fees – KPMG Inc.	480
Independent sponsor fees – KPMG Inc.	75
Independent auditors and reporting accountant fees – Ernst & Young Inc.	600
Verification of BEE participant details – Ernst & Young Advisory Services (Proprietary) Limited	998
JSE documentation inspection fee	28
JSE listing fee	503
Printing and publishing costs – INCE	110
Transfer secretaries – Computershare	100
Total	**103 434**

Note:

1. The fee has not been split as it is charged in terms of a single mandate.

31. SHAREHOLDER APPROVAL AND GENERAL MEETING

The general meeting of Northam shareholders will be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa at 10:00 on Thursday, 19 March 2015 to consider and, if deemed fit, pass the resolutions set out in the notice of general meeting attached to this circular, with or without modification.

The notice of general meeting and a form of proxy for use by certificated shareholders and dematerialised shareholders with "own name" registration who are unable to attend the general meeting in person, are attached to this circular. A duly completed form of proxy must be received by the transfer secretaries by no later than 24 (twenty four) hours prior to the general meeting, being 10:00 on Wednesday, 18 March 2015 or handed to the chairman of the general meeting before the appointed proxy exercises any of the relevant shareholder's rights at the general meeting (or any postponement or adjournment of the general meeting).

In addition to the resolutions relating to the transaction, shareholders are further requested to approve the general authority to repurchase issued shares. The reason for this special resolution is, and the effect thereof, will be to grant directors the general authority to acquire the company's own shares, or acquire the company's shares through a subsidiary of the company, in terms of the provisions of the Companies Act, listings requirements and the terms embodied in the relevant special resolution.

32. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on page 13 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, no facts that have been omitted which would make any statement in this circular false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the listings requirements.

33. CONSENTS

Each of the sole bookrunner, corporate advisor and sponsor; independent auditors and reporting accountants; independent expert and independent sponsor; attorneys to Northam; attorneys to the sole bookrunner, corporate advisor and sponsor and the transfer secretaries have consented and have not, prior to the last practicable date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this circular.

34. DOCUMENTS AVAILABLE FOR INSPECTION

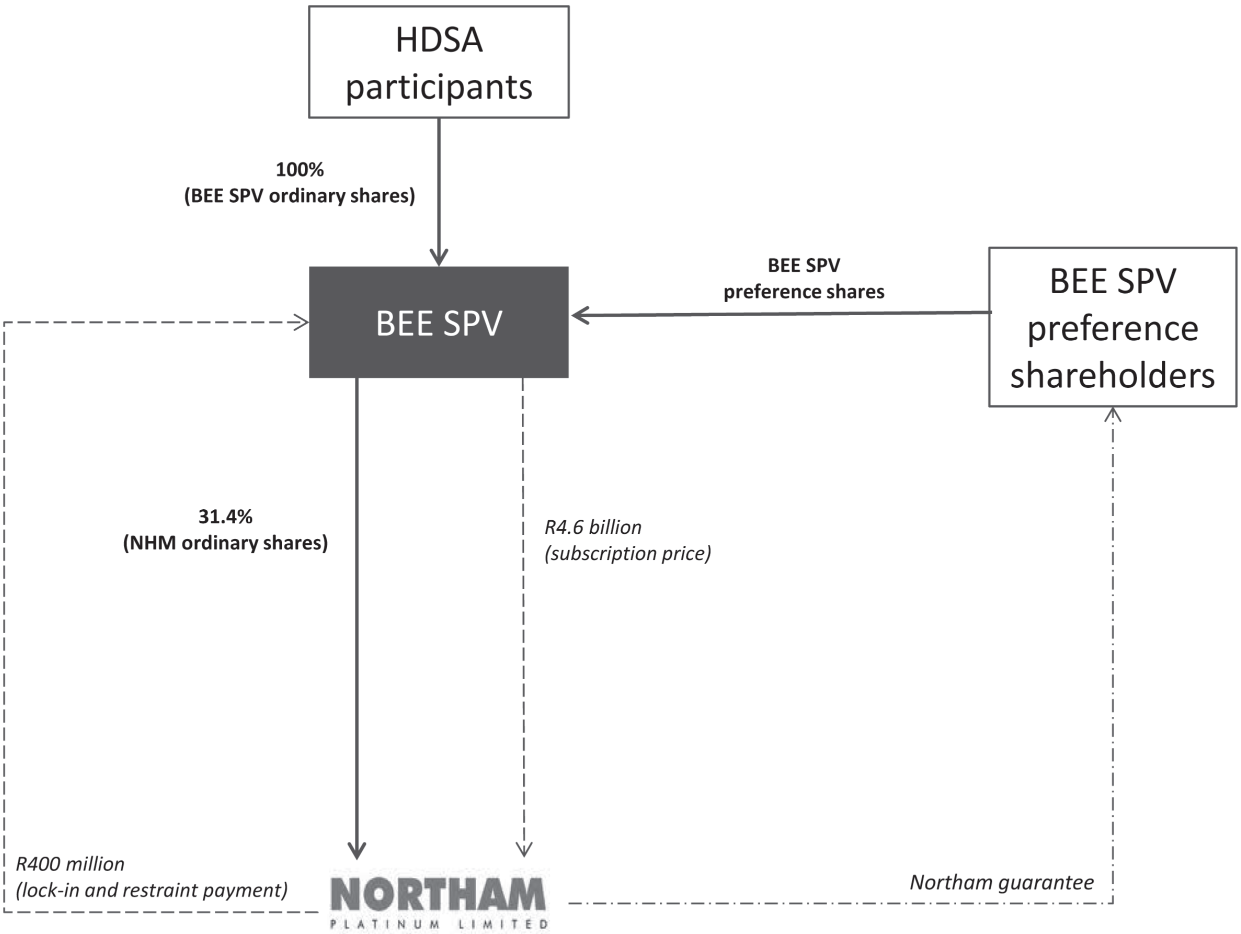
The following documents or copies thereof, are available for inspection at the registered office of the company, from the date of issue of this circular, up to and including Thursday, 19 March 2015:

- transaction agreements;
- material contracts;
- the new MOI, the existing MOI and the memoranda of incorporation in respect of Northam's subsidiaries;
- the draft BEE SPV MOI;
- the audited financial statements of Northam for the 3 (three) financial years ended 30 June 2012, 30 June 2013 and 30 June 2014;
- the independent auditors and reporting accountants' limited assurance report on the *pro forma* consolidated financial information, the text of which included as annexure 6 to this circular;
- the independent expert opinion, the text of which included as annexure 4 to this circular;
- the latest competent person's report;
- copies of the directors' service contracts;
- the written consents of the company's professional advisors; and
- signed copies of this circular, the notice of general meeting and the form of proxy.

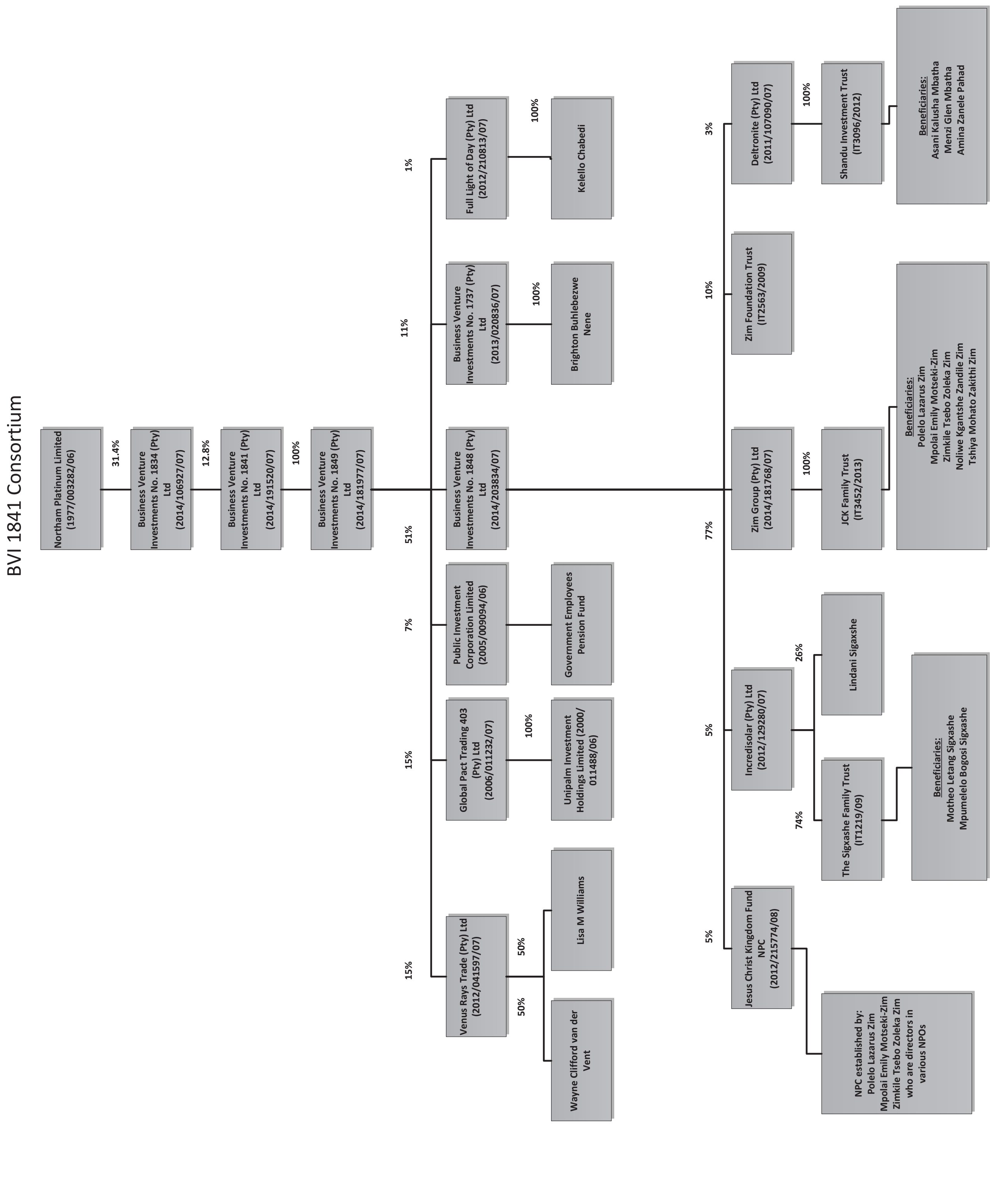
Signed at Dunkeld West on 17 February 2015 for and on behalf of all the directors, in terms of a board resolution dated 12 February 2015.

PA Dunne
Chief Executive Officer

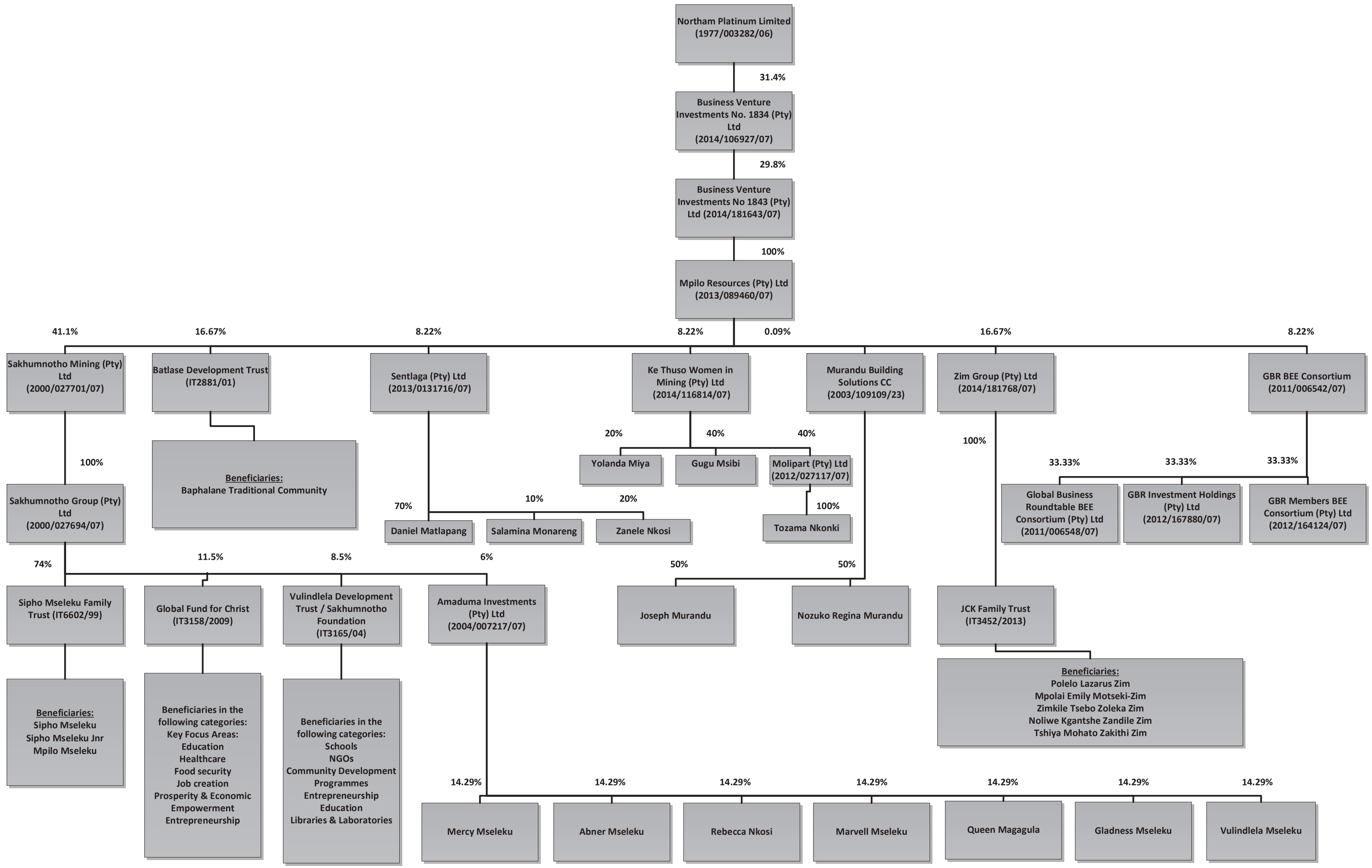
PROPOSED TRANSACTION OVERVIEW



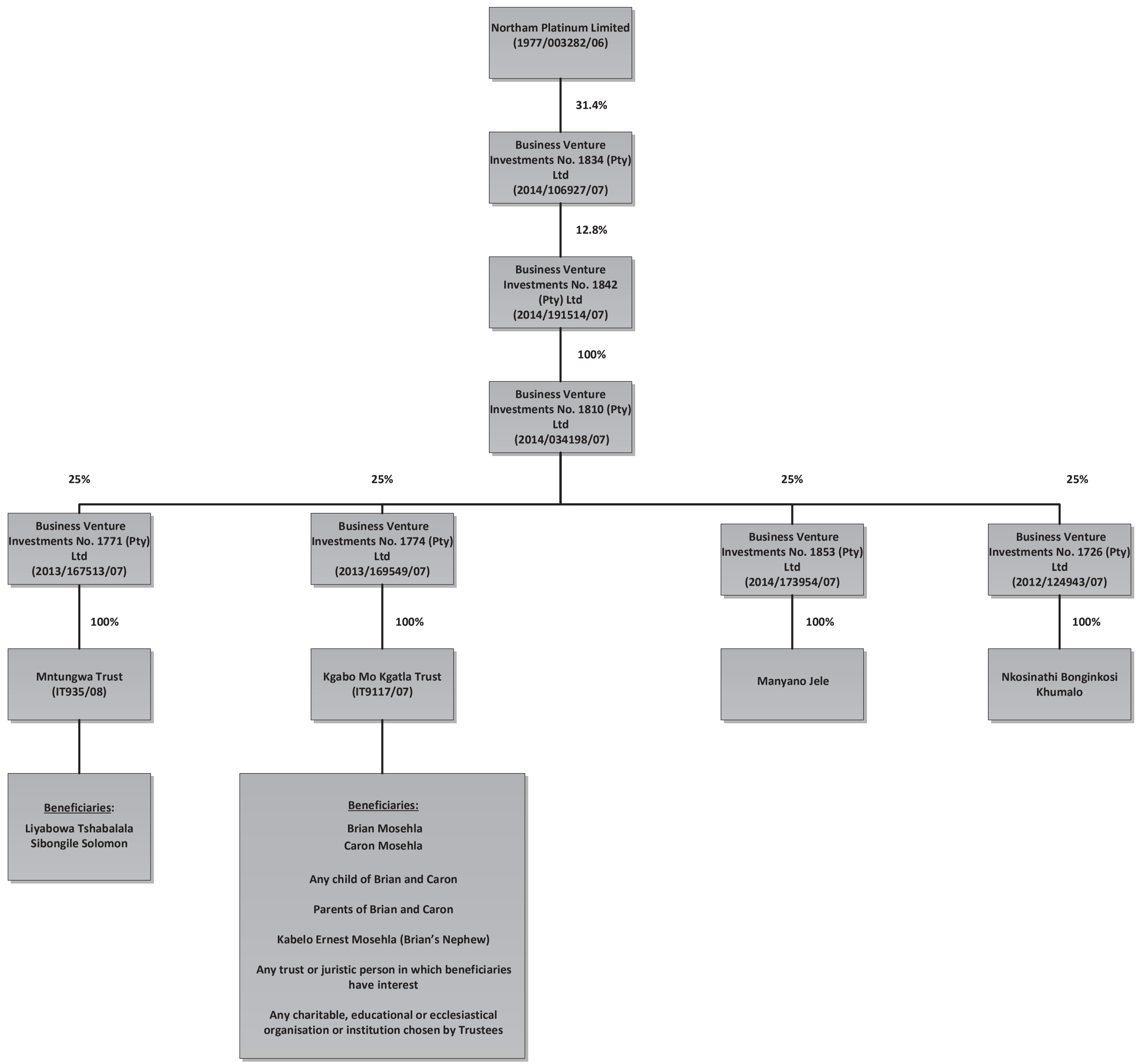
STRATEGIC PARTNERS STRUCTURES



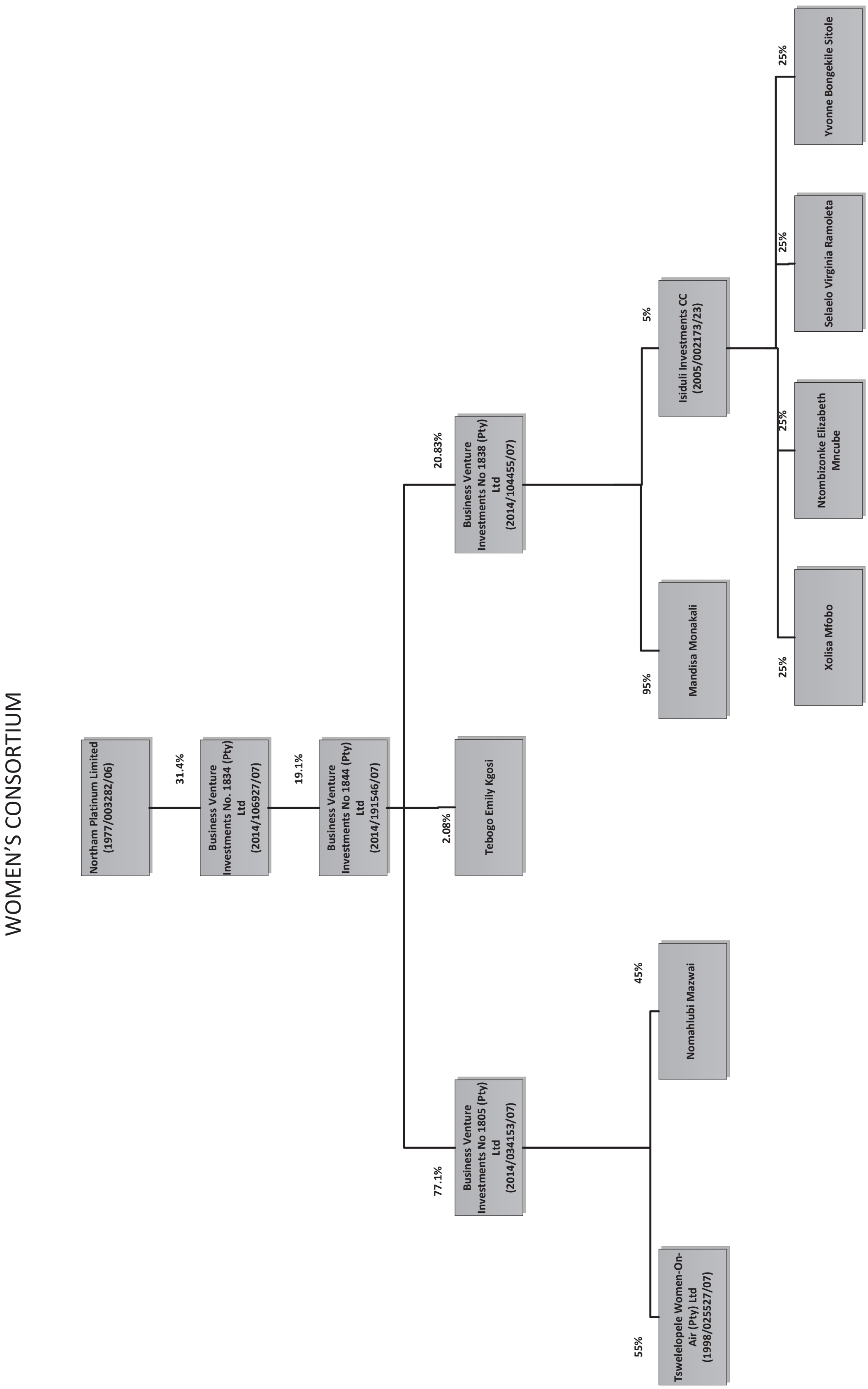
MPILO CONSORTIUM



MALUNDI RESOURCES CONSORTIUM



WOMEN'S CONSORTIUM STRUCTURE



INDEPENDENT EXPERT FAIRNESS OPINION

The Board of Directors
Northam Platinum Limited
Block 1A Albury Park
Magalieszicht Avenue
Dunkeld West
Johannesburg
2196

11 February 2015

Dear Sirs

INDEPENDENT EXPERT REPORT REGARDING THE SPECIFIC ISSUE OF NEW NORTHAM SHARES FOR CASH AND THE PROVISION OF FINANCIAL ASSISTANCE BY NORTHAM TO BEE SPV WHOSE SHAREHOLDERS INCLUDE PARTIES RELATED TO NORTHAM

INTRODUCTION

On 22 October 2014, Northam Platinum Limited ("Northam") announced on SENS that it intended to conclude a transaction to increase its historically disadvantaged South Africans ("HDSA") ownership levels to 31.4% ("the Transaction") with a view to establishing a sustainable HDSA shareholding in the company in order to comply with the HDSA ownership requirements set by the Mining Charter and, at the same time, raise R4.6 billion to support Northam's strategic intent to grow its business.

The Transaction effectively comprises 2 (two) primary inter-conditional elements:

- the simultaneous subscription and purchase by BEE SPV of the BEE shares pursuant to the subscription agreement entered into between Northam and BEE SPV ("the Subscription and Relationship Agreement") and the PIC sale of shares agreement entered into between BEE SPV, Northam and the PIC ("the PIC Sale of Shares Agreement"); and
- the funding of the consideration payable by BEE SPV for the BEE shares through: (i) the offer of BEE SPV preference shares to qualifying shareholders pursuant to the offer and (ii) the issue of BEE SPV preference shares to the PIC.

In accordance with the Subscription and Relationship Agreement, a total of 112 195 122 new Northam shares (the "subscription shares") will be issued to the BEE SPV by Northam at a price of R41 per Northam share amounting to an aggregate subscription price of R4 600 000 002 (the "subscription price") (the "Share Issue"). The subscription price per subscription share is at a premium to the 30-day VWAP of a Northam share.

In order to fund the subscription price, BEE SPV and Northam will jointly undertake a capital raising which will be implemented by way of an offer by Northam (on behalf of BEE SPV) to Northam qualifying shareholders to subscribe for 112 195 122 BEE SPV preference shares in proportion to their shareholding in Northam, at a subscription price of R41 per BEE SPV preference share, through the issue of LAs. Northam will guarantee payment of all amounts which BEE SPV has contracted to pay (but failed to pay on the due date therefor) in respect of the BEE SPV preference shares. Northam can elect to settle the payments due under the Northam guarantee in cash and/or by issuing Northam shares.

Following the implementation of the Subscription Agreement and the PIC Sale of Shares Agreement, BEE SPV will beneficially hold 159 905 453 Northam shares, which will amount to approximately 31.4% of the total issued share capital of Northam.

Full details of the Transaction and of the Share Issue including definitions are contained in the circular to Northam shareholders ("the Circular") to be dated on or about 17 February 2015, which will include a copy of this letter.

SCOPE

An independent expert report is required to be obtained by the board of directors of Northam ("the Northam Board") in respect of sections 5.51 and 10.4 of the Listings Requirements of the JSE Limited ("the JSE Listings Requirements").

Mr PL Zim, Ms TE Kgosi and Mr CK Chabedi are directors of Northam and participate in the Transaction and in the Share Issue through the HDSA participants. Accordingly, Mr PL Zim, Ms TE Kgosi and Mr CK Chabedi are considered related parties to the Transaction and to the Share Issue, in terms of sections 10.1(b)(ii) and 10.1(b)(vii) of the JSE Listings Requirements.

PIC, as a major shareholder and a BEE SPV preference share subscriber of the Transaction, is considered a related party to the transaction. However, the PIC is not a related party in terms of the capital commitments provided.

KPMG Services Proprietary Limited ("KPMG") has been appointed by the Northam Board as the independent expert to advise on whether the terms and conditions of the Transaction and the Share Issue as it relates to the BEE SPV are fair to the shareholders of Northam.

RESPONSIBILITY

The compliance with the JSE Listings Requirements is the responsibility of the Northam Board. Our responsibility is to report on the terms and conditions of the Transaction and the Share Issue, as the transaction incorporates a specific issue of shares for cash and the provision of financial assistance to BEE SPV whose shareholders include parties related to Northam.

DEFINITION OF THE TERM "FAIR"

A transaction will generally be considered fair to a company's shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the costs thereof.

The assessment of fairness is primarily based on quantitative issues. In the case, the Transaction and the Share Issue may be considered fair if the quantifiable benefits received by Northam shareholders from the Transaction and the Share Issue is considered to be equal to or greater than the value surrendered by Northam in terms of the Transaction and the Share Issue.

In terms of schedule 5.6 of the Listings Requirements, our opinion relates only to the fairness of the Transaction and the Share Issue.

INFORMATION UTILISED AND PROCEDURES PERFORMED

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Transaction and the Share Issue:

- obtained an understanding of the Transaction and of the Share Issue;
- reviewed the Transaction Agreements as defined in the Circular;
- considered the audited financial statements of Northam for the financial years ended 30 June 2011 to 2014 including the Reserve and Resources statement therein and the unaudited management accounts for the six-month period to 31 December 2014;
- held discussions with the directors and management of Northam to establish its strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the PGM industry;
- evaluated the risks and expected returns associated with Northam;
- considered the implications of the Mining Charter and amended Broad-Based BEE Codes of Good Practice ("the Codes") on the business of Northam, as well as the regulatory environment and, in particular, Northam's licensing requirements in respect of BBBEE;
- reviewed Northam's financial model ("the financial model") and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management;

- reviewed the reasonableness of material assumptions in the financial model relating to commodity prices; production volumes, grades and recoveries, operating expenses and capital expenditure;
- reviewed certain publicly available information relating to Northam, including company announcements, analyst reports and media articles;
- compared the 12-month historical share price movement of Northam shares to shares of comparable companies in order to assess the relative trading activities, liquidity and volatility of Northam shares;
- considered the "costs" of the Transaction to Northam being the lock in and restrain payment, the liquidity fees, the Northam guarantee the IFRS 2 cost and other transaction costs as detailed in the Circular and to the extent possible compared these to market norms;
- Considered that if the lock-in and restraint payment is deducted from the amount paid by BEE SPV for the NHM shares, it results in the NHM shares being issued at a discount at the date of the subscription.
- considered the quantifiable benefits to Northam of implementing the Transaction and the Share Issue, as well as management's assessment of the potential business risk, impact on cash flows and hence, shareholder value of not implementing the Transaction and the Share Issue; and
- considered any other anticipated effects of the Transaction and the Share Issue to the extent that they represent additional net quantifiable benefits to the shareholders.

Valuation

KPMG performed a valuation of Northam shares to determine whether the Transaction and the Share Issue is fair to the current Northam shareholders. We performed a valuation of Northam shares pre-Transaction and a valuation of Northam shares post-Transaction.

The discounted cash flow methodology was the primary valuation methodology employed for the valuation of Northam. The valuation approach and methodology comply with the South African Code for the Reporting of Mineral Asset Valuation ("the SAMVAL Code").

Pre-Transaction

We performed a desktop valuation of the Northam shares. The valuation was performed taking cognisance of risk and other market and industry factors affecting Northam. The key external value drivers and the respective ranges thereof in the explicit forecast period are: platinum prices (range: US$ 1,505/oz to US$ 1,725/oz), palladium prices (range: US$882/oz to US$986/oz), R/US$ exchange rate (range: R/US$11.24 to R/US$13.29) and annual inflation rate (range: 5.0% to 5.4%). The key internal value drivers to the valuation include volume of PGM sold, operating margins and capital expenditure. Adjustments which we deem to be appropriate were made to the value drivers discussed above.

In determining an appropriate valuation range for Northam shares, we performing our sensitivity analysis and stress tested the following key value drivers: the R/US$ exchange rate, commodity prices and the volume of PGM sold by varying the base case for each of these value drivers 5% higher and 5% lower. A stronger Rand against the US$, lower commodity prices and lower volumes of PGM sold resulted in the low end of the value range whilst a weaker Rand against the US$, higher commodity prices and higher volumes of PGM sold resulted in the high end of the value range. .

Post-Transaction

We determined the value of the Northam shares post-Transaction by adjusting the value of the pre-Transaction Northam shares with the costs and quantifiable benefits of the Transaction and the Share Issue.

We reviewed the transaction agreements and held discussions with management and their advisors as part of the procedures to determine the costs of implementing the Transaction and the Share Issue being the lock in and restraint payment, the liquidity fees, the Northam guarantee, the IFRS 2 cost and other transaction costs as detailed in the Circular.

In assessing the quantifiable benefits, we held discussions with management to identify and understand the impact on Northam if the Transaction and the Share Issue were not concluded. We also considered the cash injection from the Share Issue and the dilutive impact of the Share Issue associated with this Transaction.

Fairness assessment conclusion

Based on the procedures above, we assessed the fairness of the Transaction and the Share Issue by comparing the pre-Transaction value per Northam ordinary share to the post-Transaction value per ordinary share.

Opinion

KPMG has considered the terms and conditions of the Transaction and the Share Issue as it relates to the BEE SPV and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Transaction and the Share Issue as it relates to the BEE SPV are fair to the Northam shareholders.

Our opinion is necessarily based upon the information available to us up to 9 February 2015, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Transaction in its entirety have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to the Northam Board in connection with and for the purposes of the Transaction and the Share Issue. This opinion is prepared solely for the Northam Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Northam shareholders. Should a Northam shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Northam shareholder's decision as to whether to vote in favour of any transaction may be influenced by his particular circumstances. The assessment as to whether or not the Northam Board decides to recommend the Transaction in its entirety is a decision that can only be taken by the Northam Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Northam, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia,* the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of Northam relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Northam will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Northam. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Transaction and the Share Issue will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Northam and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Transaction and the Share Issue will be legally enforceable.

Independence

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in Northam shares or in the Transaction in its entirety.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Transaction in its entirety.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the shareholders of Northam in the form and context in which it appears.

Yours faithfully

Neeraj Shah
Director – Deal Advisory (Valuations)

KPMG Services Proprietary Limited
KPMG Crescent
85 Empire Road
Parktown
2193

PRO FORMA CONSOLIDATED COMPREHENSIVE INCOME AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The definitions commencing on page 4 of this circular apply, *mutatis mutandis,* to this annexure 5.

This *pro forma* consolidated financial information has been prepared for illustrative purposes only, in order to provide information about how the transaction might have affected shareholders had the transaction been implemented on the dates indicated in the notes below. Due to its nature, the *pro forma* consolidated financial information may not fairly present Northam's financial position and results of neither operations, nor the effect and impact of the transaction going forward.

The *pro forma* consolidated statement of comprehensive income and consolidated statement of financial position have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the published audited financial statements of Northam for the financial year ended 30 June 2014.

The directors are responsible for the compilation, contents and preparation of the *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 *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Northam; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the listings requirements.

The independent reporting accountants' limited assurance report on the *pro forma* financial information relating to the transaction is set out in annexure 6 to this circular.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Before the transaction[1] R'000	BEE transaction[1],[2] R'000	*Pro forma* after the BEE transaction R'000
Sales revenue	**5 339 397**	**–**	**5 339 397**
Cost of sales	**5 277 915**	**–**	**5 277 915**
Operating costs	3 536 002	–	3 536 002
Concentrates purchased	918 605	–	918 605
Refining and other costs	267 117	–	267 117
Depreciation and write offs	445 875	–	445 875
Change in metal inventories	110 316	–	110 316
Operating profit	**61 482**	**–**	**61 482**
Share of earnings from associate and joint venture	3 464	–	3 464
Investment revenue	59 963	–	59 963
Finance charges (ii)	(176 124)	(835 906)	(1 012 030)
Sundry expenditure	(26 724)	–	(26 724)
Sundry income	123 735	–	123 735
Restraint payment expense (iii)	–	(400 000)	(400 000)
Transaction costs: Liquidity fee (iv)	–	(16 390)	(16 390)
Transaction costs: Other (v)	–	(120 000)	(120 000)
Share-based payment expense (vi)	–	(850 769)	(850 769)
Profit before tax	**45 796**	**(2 223 065)**	**(2 177 269)**
Taxation (iii)(v)	26 199	(128 800)	(102 601)
Profit for the year	**19 597**	**(2 094 265)**	**(2 074 668)**
Other comprehensive income	**–**	–	**–**
Items that will be reclassified subsequently to profit and loss	**(1 327)**	**–**	**(1 327)**
Share of associate's exchange differences on translating foreign operations	(1 738)	–	(1 738)
Share of associate's remeasurements of post-employment benefit obligations net of tax	418	–	418
Share of associate's fair value adjustment on available-for-sale financial assets	(7)	–	(7)
Total comprehensive income for the year	**18 270**	**(2 094 265)**	**(2 075 995)**
Profit attributable to:			
Owners of the parent	9 486	(2 094 265)	(2 084 779)
Non-controlling interests	10 111	–	10 111
Profit for the year	**19 597**	**(2 094 265)**	**(2 074 668)**
Total comprehensive income attributable to:			
Owners of the parent	8 159	(2 094 265)	(2 086 106)
Non-controlling interests	10 111	–	10 111
Total comprehensive income for the year	**18 270**	**(2 094 265)**	**(2 075 995)**

	Before the transaction[1] R'000	BEE transaction R'000	*Pro forma* after the BEE transaction[2] R'000
Reconciliation of headline earnings per share information			
Profit/(Loss) attributable to shareholders	9 486	(2 094 265)	(2 084 779)
Loss on sale of property, plant and equipment	1 118	–	1 118
Profit on sale of associate's property, plant and equipment	(2 347)	–	(2 347)
Tax effect on above	344	–	344
Headline earnings	**8 601**	**(2 094 265)**	**(2 085 664)**
Earnings per share – cents	2	(609)	(607)
Fully diluted earnings per share – cents	2	(609)	(607)
Headline earnings per share – cents	2	(610)	(608)
Fully diluted headline earnings per share – cents	2	(610)	(608)
Weighted average number of shares in issue	390 969 652	(47 710 331)	343 259 321
Fully diluted number of shares in issue	390 969 652	(47 710 331)	343 259 321
Number of shares in issue	397 586 090	(47 710 331)	349 875 759

Notes:

1. The figures included in the "Before the transaction" column have been extracted, without adjustment, from Northam's financial results for the financial year ended 30 June 2014
2. The "*BEE transaction*" column has been prepared on the basis of the following assumptions:
   (i) For purposes of the statement of comprehensive income, it is assumed that the transaction occurred on 1 July 2013.
   (ii) The issue of BEE SPV preference shares results in the occurrence of BEE SPV preference dividends to be accounted for as a finance charge over the 10 year term of the BEE SPV preference shares.
   (iii) The lock-in and restraint payment of R400 million is expensed together with the related reduction in tax payable of R112 million.
   (iv) Liquidity fees payable by Northam of R163 million are deemed to be a component of the borrowing costs and are recognised as a finance charge over the 10 year term of the BEE SPV preference shares.
   (v) Estimated transaction costs of R120 million have been expensed together with a related reduction in taxation of R17 million as the assumption has been made that only half of the transaction costs will be deductible for tax purposes.
   (vi) The issue of ordinary shares in BEE SPV to the HDSA participants other than the employee and community trusts, results in the need to account for a share-based payment charge in accordance with IFRS 2. This share-based payment charge has been estimated to equal R851 million and has been expensed in full. The actual share-based payment charge will be calculated according to market information available as at the actual issue date of the BEE Northam shares. This may result in the actual quantum of the share base payment charge varying materially from the amount reflected in the consolidated *pro forma* financial effects of the transaction.
   (vii) Taxation is comprised of the amounts deductible in terms of (iii) and (v) above.
   (viii) The *pro forma* adjustments described in (ii) and (iv) above will have a continuing effect on the company.
   (ix) BEE SPV will be consolidated in accordance with IFRS 10

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The *pro forma* consolidated statement of financial position set out below presents the effects of the transaction on the financial position of Northam as at 30 June 2014 based on the assumption that the transaction was effective 30 June 2014.

	Before the transaction[1] R'000	BEE transaction[1, 2] R'000	*Pro forma* after the BEE transaction R'000
ASSETS			
Non-current assets	**12 745 424**	**–**	**12 745 424**
Buttonshope Conservancy Trust	10 702	–	10 702
Deferred tax asset	96 074	–	96 074
Environmental Guarantee Investment	51 024	–	51 024
Interest in associate and joint venture	496 509	–	496 509
Investments held by Northam Platinum Restoration Trust Fund	46 468	–	46 468
Land and township development	10 204	–	10 204
Long-term receivables	94 047	–	94 047
Mining properties and mineral resources	5 653 328	–	5 653 328
Property, plant and equipment	6 287 062	–	6 287 062
Unlisted investments	6	–	6
Current assets	**1 995 572**	**3 916 097**	**5 911 669**
Inventories	1 076 853	–	1 076 853
Trade and other receivables	244 672	–	244 672
Cash and cash equivalents (ii)	666 174	3 916 097	4 582 271
Tax receivable	7 873	–	7 873
TOTAL ASSETS	**14 740 996**	**3 916 097**	**18 657 093**
EQUITY AND LIABILITIES			
Equity			–
Stated capital and share premium (iii)	9 178 688	4 600 000	13 778 688
Retained earnings (iv)	2 223 135	(1 241 969)	981 166
Share of other comprehensive income from associate	(15 340)	–	(15 340)
Treasury shares (iii)	–	(6 556 124)	(6 556 124)
Share-based payment reserve (v)	–	850 769	850 769
Equity attributable to owners of the parent	**11 386 483**	**(2 347 324)**	**9 039 159**
Non-controlling interests	5 389	–	5 389
Total equity	**11 391 872**	**(2 347 324)**	**9 044 548**

	Before the transaction[1] R'000	BEE transaction[1], [2] R'000	*Pro forma* after the BEE transaction R'000
Non-current liabilities	**2 157 462**	**6 312 421**	**8 469 883**
Deferred tax liability [vi]	502 097	(79 800)	422 297
Long-term provisions	142 709	–	142 709
Long-term loans	43 763	–	43 763
Share-based payment liability	98 893	–	98 893
Domestic medium term notes	1 370 000	–	1 370 000
Liquidity fee liability [vii]	–	(163 903)	(163 903)
Preference share liability [viii]	–	6 556 124	6 556 124
Current liabilities	**1 191 662**	**(49 000)**	**1 142 662**
Current portion of long-term loans	3 801	–	3 801
Short-term share-based payment liability	69 942	–	69 942
Bank overdraft	118	–	118
Tax payable	121 481	(49 000)	72 481
Trade and other payables	877 365	–	877 365
Short-term provisions	118 955	–	118 955
TOTAL EQUITY AND LIABILITIES	**14 740 996**	**3 916 097**	**18 657 093**
Net asset value – cents per share	2 865	(281)	2 584
Tangible net asset value – cents per share	2 865	(281)	2 584
Number of shares in issue	397 586 090	(47 710 331)	349 875 759

Notes:

1. The figures included in the "Before the transaction" column have been extracted, without adjustment, from Northam's financial results for the financial year ended 30 June 2014.
2. The "BEE transaction" column has been prepared on the basis of the following assumptions:
   - (i) For the purposes of the consolidated statement of financial position, it is assumed that the transaction occurred on 30 June 2014.
   - (ii) Northam shall receive cash in an amount of R4.6 billion through the issue of Northam shares to BEE SPV, however, no income earned from the application or investment of these funds has been included in the consolidated *pro forma* financial effects of the transaction. The total cash received will be used to pay the lock-in and restraint payment of R400 million, the liquidity fee of R163 million and all other transaction costs of R120 million.
   - (iii) BEE SPV will be consolidated in accordance with IFRS 10 and is therefore accounted for as a subsidiary of Northam resulting in the 160 million BEE Northam shares, valued at approximately R6.5 billion (collectively, the subscription shares of R4.6 billion and the PIC sale shares of R1.9 billion), held by BEE SPV being treated as unissued and the number of Northam shares in issue, as disclosed in Northam's financial results for the financial year ended 30 June 2014, being reduced by the 47 million issued Northam shares acquired by BEE SPV.
   - (iv) Retained income is the after tax loss resulting from the lock-in and restraint payment of R400 million, other transaction costs and the share based payment expense.
   - (v) The issue of ordinary shares in BEE SPV to the HDSA participants other than the employee and community trusts, results in the need to account for a share-based payment charge and related reserve in accordance with IFRS 2. This share-based payment reserve has been estimated to equal R851 million and has been expensed in full. The actual share-based payment charge and related reserve will be calculated according to market information available as at the actual issue date of the BEE Northam shares. This may result in the actual quantum of the share base payment charge varying materially from the amount reflected in the consolidated *pro forma* financial effects of the transaction.
   - (vi) Deferred tax liability is calculated on the temporary differences resulting from the lock-in and restraint payment.
   - (vii) Liquidity fees payable by Northam of R163 million are deemed to be a component of the borrowing costs and are recognised as a finance charge over the 10-year term of the BEE SPV preference shares.
   - (viii) The BEE SPV preference shares are treated as a liability of Northam (R6.6 billion) and the BEE SPV preference share dividends accrued thereon (R836 million) are accounted for as an interest expense with no related tax deduction The BBE SPV preference shares and related BEE SPV preference share dividends will be accounted for using the effective interest method over the 10-year term of the preference shares.
   - (ix) BEE SPV will be consolidated in accordance with IFRS 10

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION

The Directors
Northam Platinum Limited
1A Albury Park
Magalieszicht Avenue
Dunkeld West
2196

11 February 2015

To the Directors of Northam Platinum Limited

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Northam Platinum Limited by the Directors. The *pro forma* financial information, as set out in annexure 5 on pages 52 – 56 of the circular, consists of the *pro forma* consolidated statement of financial position (the "*pro forma* financial information") and the consolidated statement of comprehensive income. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and the South African Institute of Chartered Accountants (SAICA) Guide on *Pro Forma* Financial Information.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate actions or events, described in annexure 5 of this circular, on the Group's financial position as at 30 June 2014, as if the corporate action or event had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's annual financial statements for the year ended 30 June 2014, on which an auditor report was issued on 25 September 2014.

DIRECTORS' RESPONSIBILITY FOR THE *PRO FORMA* FINANCIAL INFORMATION

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information and described in annexure 5 of this circular.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *pro forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2014 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the group, the corporate actions or events in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information described in annexure 5 of this circular.

Ernst & Young Inc.

Mike Herbst
Capacity: Director
Reporting Accountant Specialist

SHARE PRICE HISTORY OF NORTHAM ON THE EXCHANGE

Daily

Day ended	High (cents)	Low (cents)	Volume	Value (R)
24/12/14	3 749	3 601	127 387	4 630 019
29/12/14	3 733	3 601	911 322	33 242 980
30/12/14	3 747	3 600	837 485	30 400 922
31/12/14	3 839	3 621	472 288	17 248 482
02/01/15	3 771	3 675	575 010	21 312 336
05/01/15	3 777	3 600	552 679	20 269 001
06/01/15	3 720	3 610	641 428	23 379 326
07/01/15	3 812	3 673	618 746	23 267 115
08/01/15	3 912	3 630	847 666	32 696 665
09/01/15	3 911	3 801	87 231	3 339 235
12/01/15	3 905	3 799	307 656	11 815 293
13/01/15	3 994	3 818	710 475	27 997 776
14/01/15	3 970	3 715	658 108	25 105 975
15/01/15	3 911	3 726	2 338 886	89 421 295
16/01/15	3 930	3 802	2 710 341	104 680 219
19/01/15	4 017	3 874	380 812	15 038 515
20/01/15	4 135	3 973	987 931	39 777 951
21/01/15	4 170	4 062	1 048 451	43 143 740
22/01/15	4 234	4 150	666 497	27 874 281
23/01/15	4 300	4 030	1 081 937	45 086 306
26/01/15	4 200	3 860	988 482	38 715 511
27/01/15	4 180	3 891	205 750	8 307 673
28/01/15	4 275	3 890	419 885	16 957 058
29/01/15	4 180	3 875	250 946	9 798 436
30/01/15	3 904	3 875	1 091 305	42 390 909
02/02/15	4 064	3 930	513 084	20 519 242
03/02/15	4 120	3 967	472 013	19 107 781
04/02/15	4 180	4 017	420 967	17 377 364
05/02/15	4 300	4 149	467 766	19 854 544
06/02/15	4 397	4 200	709 555	30 758 078

Monthly

Month ended	High (cents)	Low (cents)	Volume	Value (R)
28/02/14	4 375	3 901	14 105 373	584 161 340
31/03/14	4 222	3 801	14 548 039	576 679 400
30/04/14	4 221	3 804	12 225 313	481 402 250
31/05/14	4 607	4 064	17 690 276	770 790 680
30/06/14	4 789	4 157	12 317 521	558 336 410
31/07/14	4 632	4 253	12 612 913	570 475 220
31/08/14	4 741	4 054	8 681 212	387 753 170
30/09/14	4 331	3 654	9 374 372	377 207 920
31/10/14	3 900	3 201	25 870 816	894 841 130
30/11/14	3 695	3 096	72 824 024	2 528 925 770
31/12/14	3 850	3 150	22 302 439	784 044 110
31/01/15	4 300	3 600	17 170 222	670 374 620

SUMMARY OF THE NEW MOI

1. The board wishes to adopt a new memorandum of incorporation ("**new MOI**"). The new MOI has been approved by the board and the JSE. The board recommends that shareholders vote in favour of the resolution for the adoption of the new MOI.

2. This summary of the new MOI is not exhaustive, and should be read with the new MOI. A copy of the new MOI will be available on the company's website, www.northam.co.za, and copies will also be available for inspection at Northam's registered office, from Tuesday, 17 February 2015 up to and including the date of the general meeting.

3. Article 5 states that the company is a public company governed by the Companies Act and the new MOI.

4. Articles 6 states that the company have all of the legal powers and capacity of an individual.

5. Articles 8 to 21 regulate the securities of the company:

5.1 each Northam share ranks *pari passu* with each other (article 9);

5.2 the board may not increase, decrease, classify or reclassify shares – these powers are to be exercised by shareholders (article 10);

5.3 the Northam shares are freely transferrable (article 11);

5.4 the company may issue securities (or be party to a disposal by a third party of securities) to a person in terms of an agreement in which that person undertakes:

5.4.1 to not dispose of, and/or not encumber, all or any of those securities for a specified or ascertainable period of time; or

5.4.2 that it may only dispose of and/or encumber all or any of those securities in certain specified or ascertainable circumstances (article 11);

5.5 if the board wishes to issue equity securities, it must first offer them to existing holders of the class of securities concerned *pro rata* in proportion to their existing holdings of that class of securities; provided that there is no such requirement to the extent shareholders so resolve, or if the securities are issued in consideration for the acquisition by the company of any non-cash asset or property (article 11);

5.6 securities may not be subject to any lien in favour of the company (article 15);

5.7 the company may take, and exercise its rights and obligations under, a pledge and cession in *securitatem debiti* over specified securities in the company in terms of an agreement between, *inter alia*, the company and another person (article 15);

5.8 the company may issue capitalisation shares so long as there is compliance with the Companies Act and the listings requirements (article 16);

5.9 the company has the power to acquire its own securities (article 17);

5.10 the company may issue debt instruments (article 18);

5.11 only the registered holder of a security is entitled to exercise any of the rights associated with that security, save to the extent the Companies Act confers on another person the right to do so (article 19).

6. Articles 22 to 31 regulate shareholders rights and proceedings:

6.1 a general meeting may not begin (including a resumption of an adjourned meeting or recommencement of a postponed meeting), and:

6.1.1 a matter at a general meeting may not begin to be debated, unless at least three shareholders entitled to attend and vote, present in person or by proxy or represented by an authorised representative, are present; and

6.1.2 the consideration of a matter to be decided at the meeting may not begin, until sufficient persons are present (in person or by proxy or represented by any authorised representative) at the meeting to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting or on that matter, as the case may be;

provided that if such a quorum is not present within thirty minutes of the resumption of an adjourned meeting or re-commencement of a postponed meeting the shareholders present in person or by proxy or by authorised representative will constitute a quorum (article 27);

6.2 general meetings can be conducted in whole or in part by electronic communication (article 28);

6.3 the chairperson of a general meeting does not have a second or casting vote (article 29);

6.4 resolutions at general meetings are decided by a show of hands unless a poll is demanded (article 30);

6.5 to be approved, an ordinary resolution must be supported by a majority of the voting rights exercised on the ordinary resolution. To be approved, a special resolution must be supported by at least 75% of the voting rights exercised on the special resolution. An ordinary resolution or special resolution, required by the listings requirements must meet the thresholds, if any, imposed by the listings requirements (article 30);

6.6 a resolution that could be voted on at a general meeting may instead be adopted by written vote of the shareholders, as contemplated in section 60 of the Companies Act, to the extent permissible under the listings requirements (article 31).

7. Articles 32 to 42 regulate directors' powers and proceedings:

7.1 the business and affairs of the company are managed by or under the direction of the board, which has the authority to exercise all of the powers and perform all of the functions of the company, except to the extent that the Companies Act or the new MOI provides otherwise (article 32);

7.2 the board must comprise not less than four nor more than ten directors (article 33);

7.3 all of the directors are to be elected by an ordinary resolution of the shareholders at a general meeting; provided that the board may appoint a person who satisfies the requirements for election as a director to fill any vacancy on a temporary basis (article 33);

7.4 the chairperson of the board does not have a second or casting vote (article 36);

7.5 the quorum for meetings of the board is a majority in number of the directors. In the absence of a quorum, the meeting is automatically postponed. If at any postponed meeting, a quorum is not present within thirty minutes after the time appointed for the commencement of that meeting, then the directors present will constitute a quorum (article 37);

7.6 each director has one vote on every matter to be decided by the board. A resolution of the board will be passed by a majority of the votes cast (article 37);

7.7 the borrowing powers of the company, and the powers of the company to encumber its undertaking and property or any part thereof, are unlimited and will be exercised by the directors (article 41).

8. Article 44 states that:

8.1 as contemplated in section 44 of the Companies Act and subject to the requirements of that section, the board may authorise the company to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any such securities;

8.2 as contemplated in section 45 of Companies Act and subject to the requirements of that section, the board may, authorise the company to provide direct or indirect financial assistance to a director or prescribed officer of the company, or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

9. Schedule 1 to the new MOI sets out the authorised shares of the company.

INFORMATION ON DIRECTORS

Executive directors

PA Dunne (51) (British)

BSc, MBA

Chief executive officer

Joined the board in 2014

Prior to joining Northam, Mr Dunne was employed by Impala Platinum Holdings Limited (Implats) as executive director responsible for all mining, concentrating and smelting operations at Implats' Rustenburg and Marula mines.

AZ Khumalo (50)

CA(SA)

Chief financial officer

Joined the board in 2010

Mr Khumalo, a chartered accountant by profession, holds a BCompt (Honours) and BComm degree from the University of South Africa and 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.

Non-executive directors

PL Zim (54)

BComm (Honours) MComm

Non-executive chairman

Joined the board in 2007

Mr Zim is a director of Atisa Group Proprietary Limited, Zim Group Proprietary Limited, Sanlam Limited and Sanlam Life Insurance Limited. He is also a previous past President of the Chamber of Mines of South Africa. Previously chairman of Telkom Limited, he has also held senior executive positions at Anglo American South Africa Limited, M-Net Supersport and MTN Group Limited.

ME Beckett (78) (British)

BSc, FIMM

Independent non-executive director

Joined the board in 1999

Mr Beckett is non-executive chairman of Endeavour Mining Corporation, and a director of International Hotels Investment Limited and Petroamerica Oil Corporation. A geologist by training, Mr Beckett was formerly managing director of Consolidated Gold Fields plc.

Member of the audit and risk committee, the health, safety and environmental committee, and the social, ethics and human resources committee.

CK Chabedi (47)

BSc Eng Mining, MSc Eng Mining Engineering, M.D.P

Independent non-executive director

Joined the board in 2009

Mr Chabedi has over 20 (twenty) years' mining experience having worked for Anglo American Coal Division in both their underground and surface mining operations for over 12 (twelve) years. He currently lectures in the School of Mining Engineering at the University of the Witwatersrand.

Member of the health, safety and environmental committee, and the investment committee.

JAK Cochrane (50) (British)

BEng (Honours) MBA

Independent non-executive director

Joined the board in 2011

Mr Cochrane is non-executive chairman of Sable Mining Africa Limited. His previous appointments include executive director of Eurasian Natural Resources Corporation plc (ENRC) responsible for marketing and logistical operations, head of M&A and business development at ENRC, independent director at Jindal Steel Limited, marketing director of Samancor Chrome Limited and operations manager at Implats.

Member of the investment committee.

R Havenstein (58)

MSc (Chemical Engineering), BComm

Independent non-executive director

Joined the board in 2003

Mr Havenstein's current non-executive directorships include Atlatsa Resources Corporation, Hernic Ferrochrome Proprietary Limited, Murray and Roberts Holdings Limited, Omnia Holdings Limited and Reatile Proprietary Limited. He was previously chief executive officer of Anglo American Platinum Limited, prior to which he was an executive director of Sasol Limited responsible for Sasol Chemical Industries.

Member of the audit and risk committee and the social, ethics and human resources committee; chairman of the health, safety and environmental committee and the investment committee.

TE Kgosi (Ms) (60)

BComm (Honours)

Independent non-executive director

Joined the board in 2004

Ms Kgosi is the cluster manager in Supply Chain Operations, Eskom Group Commercial. 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 (New York).

Member of the audit and risk committee; chairperson of the social, ethics and human resources committee.

AR Martin (76)

BComm, CA(SA)

Independent non-executive director

Joined the board in 2009

Mr Martin is a director of Datacentrix Holdings Limited and Trans Hex Group Limited.

Chairman of the audit and risk committee, member of the investment committee and lead independent director.

DIRECTORS OF MAJOR SUBSIDIARY

Micawber 278 Proprietary Limited

PA Dunne (51) (British)

BSc, MBA

Director

Prior to joining Northam in 2014, Mr Dunne was employed by Impala Platinum Holdings Limited (Implats) as executive director responsible for all mining, concentrating and smelting operations at Implats' Rustenburg and Marula mines.

AZ Khumalo (50)

CA(SA)

Director

Mr Khumalo, a chartered accountant by profession, holds a BCompt (Honours) and BComm degree from the University of South Africa and 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.

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)
JSE share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
("**Northam**" or the "**company**")

NOTICE OF GENERAL MEETING

The definitions commencing on page 4 of the circular to which this notice of general meeting is attached apply mutatis mutandis throughout this notice of general meeting.

Notice is hereby given that a general meeting of Northam shareholders will be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Thursday, 19 March 2015 at 10:00 for the purpose of considering and, if deemed fit, passing, the special and ordinary resolutions set out in this notice of general meeting, with or without modification.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION NUMBER 1: ADOPTION OF NEW MOI

"RESOLVED THAT, the amendment of the MOI of the company in terms of section 16 of the Companies Act in the form of its substitution with the new MOI, initialled by the chairman for identification purposes (entailing, without limitation, an increase in the number of the company's authorised shares from 545 000 000 (five hundred and forty five million) Northam shares to 2 000 000 000 (two billion) Northam shares by the creation of an additional 1 455 000 000 (one billion four hundred and fifty five million) Northam shares be and is hereby approved."

**The percentage of voting rights that will be required for special resolution number 1 to be adopted is at least 75% (seventy five percent) of the votes exercised on this special resolution number 1.*

SPECIAL RESOLUTION NUMBER 2: DIRECTORS' AUTHORITY TO ISSUE SHARES IN TERMS OF SECTIONS 41(1) AND 41(3) OF THE COMPANIES ACT

"RESOLVED THAT, in accordance with section 41(1) and section 41(3) of the Companies Act, the company be and is hereby authorised to issue up to 1 000 000 000 (one billion) Northam shares to BEE SPV preference shareholders and/or BEE SPV for purposes of settling claims arising under the Northam guarantee and enabling BEE SPV to redeem the BEE SPV preference shares in accordance with the terms and subject to the conditions of the Northam guarantee, the BEE SPV pledge and cession and any other relevant transaction agreements."

**The percentage of voting rights that will be required for special resolution number 2 to be adopted is at least 75% (seventy five percent) of the votes exercised on this special resolution number 2.*

SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

"RESOLVED THAT, in accordance with sections 44 and 45 of the Companies Act, Northam be and is hereby authorised to provide financial assistance to BEE SPV and the HDSA participants in terms of the administration services agreement; the Northam guarantee; the relationship agreements; the lock-in and restraint payment and in terms of any other relevant transaction agreements."

**The percentage of voting rights that will be required for special resolution number 3 to be adopted is at least 75% (seventy five percent) of the votes exercised on this special resolution number 3.*

SPECIAL RESOLUTION NUMBER 4: GENERAL AUTHORITY TO REPURCHASE ISSUED SHARES

"RESOLVED THAT, a mandate be and is hereby given to the company (or any one or more of its wholly-owned subsidiaries) providing authorisation, by way of a general authority, to acquire the company's own issued shares, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the new MOI of the company, the Companies Act and the listings requirements, and subject further to the following terms and conditions:

a. Any repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty.
b. At any one time, the company may only appoint one agent to effect any repurchase.
c. This general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from date of passing of this special resolution.
d. An announcement shall be published as soon as the company has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, containing details of such acquisitions.
e. Repurchases by the company and/or its subsidiaries in aggregate in any one financial year may not exceed 20% (twenty percent) of the company's issued share capital as at the date of passing of this special resolution. The Companies Act provides that not more than 10% (ten percent) of the company's issued share capital of a class of shares may be held by subsidiaries of the company.
f. Repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the shares for the five business days immediately preceding the date on which the transaction was effected.
g. The company or its subsidiaries may not repurchase securities during a prohibited period as defined in the listings requirements unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE, in writing, prior to the prohibited period."

**The percentage of voting rights that will be required for special resolution number 4 to be adopted is at least 75% (seventy five percent) of the votes exercised on this special resolution number 4.*

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NUMBER 1: SPECIFIC ISSUE OF SUBSCRIPTION SHARES

"RESOLVED THAT, in accordance with paragraph 5.51(g) of the listings requirements and the new MOI, the company be and is hereby authorised, by way of a specific authority, to issue the subscription shares to BEE SPV for an aggregate subscription consideration of R4 600 000 002 (four billion six hundred million and two Rand), on the terms and subject to the conditions of the subscription agreement and any other transaction agreements."

**The percentage of voting rights that will be required for ordinary resolution number 1 to be adopted is at least 75% (seventy five percent) of the votes exercised on this ordinary resolution number 1 by all shareholders, excluding PIC and its associates.*

ORDINARY RESOLUTION NUMBER 2: SPECIFIC ISSUE OF NEW NORTHAM SHARES

"RESOLVED THAT, in accordance with paragraph 5.51(g) of the listings requirements and the MOI, the company be and is hereby authorised, by way of a specific authority, to issue up to 1 000 000 000 (one billion) Northam shares to BEE SPV preference shareholders and/or BEE SPV for purposes of settling claims arising under the Northam guarantee and enabling BEE SPV to redeem the BEE SPV preference shares in accordance with the terms and subject to the conditions of the Northam guarantee, the BEE SPV pledge and cession and any other relevant transaction agreements."

**The percentage of voting rights that will be required for ordinary resolution number 2 to be adopted is at least 75% (seventy five percent) of the votes exercised on this ordinary resolution number 2 by all shareholders, excluding PIC and its associates.*

Record dates

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the register in order to:

- receive notice of the general meeting is (being the date on which a shareholder must be registered in the company's securities register in order to receive notice of the general meeting) is Friday, 6 February 2015; and
- attend, participate in and vote at the general meeting, is Friday, 13 March 2015 and, accordingly, the last day to trade in order to be eligible to vote at the general meeting is Friday, 6 March 2015.

Important notice regarding attendance at general meeting

A person attending the general meeting must present reasonably satisfactory identification. The chairman 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.

Telephonic participation

For the benefit of shareholders who are unable to attend the general meeting but wish to participate therein, a simultaneous audio link will be available at the following numbers:

South Africa:	+27 11 535 3600/0800 200 648
UK:	0808 162 4061
Other countries:	+27 11 535 3600

Proxy

All shareholders who are entitled to attend, speak and vote at the general meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a member of the company.

Should shareholders, both certificated and dematerialised, be unable to attend the general meeting and wish to be represented thereat, they should appoint one or more proxies to attend, speak and vote in their stead. However, those shareholders who hold dematerialised shares and do not have "own name" registration and wish to attend the general meeting, should timeously arrange with their CSDP or their broker to furnish them with the necessary letter of representation to attend and vote at the general meeting. Should these shareholders not wish to attend they may, pursuant to the terms of the agreement entered into with their CSDP or broker, instruct such CSDP or broker how they wish their votes to be cast in respect of any matter to be considered at the general meeting. Shareholders, who are unsure of their status, or the action they should take, are advised to consult their CSDP, broker or financial adviser.

A form of proxy is attached for use by certificated shareholders and dematerialised shareholders with "own name" registration. A form of proxy must be executed in terms of the company's MOI and in accordance with the relevant instructions set out on the form, and must be lodged with the transfer secretaries not less than 24 (twenty four) hours before the time set down for the general meeting. Should the form of proxy not be delivered to the transfer secretaries by this time, you will be required to furnish copy of such form of proxy to the chairman of the general meeting before the appointed proxy exercises any of your shareholder rights at the meeting (or any adjournment or postponement thereof). If required, additional forms of proxy may be obtained from the transfer secretaries.

Voting

On a show of hands, every shareholder of the company present in person or represented by proxy shall have only one (1) vote. On a poll, every shareholder of the company shall have one vote for every share held in the company by such shareholder. Related parties cannot vote on the resolutions, as stated in paragraph 13 to this circular.

Treasury shares, as defined by the listings requirements, will not have their votes at the general meeting taken into account for purposes of resolutions proposed in terms of the listings requirements.

Proof of identification required

Any shareholder or proxy who intends to attend or participate at the general meeting must be able to present reasonably satisfactory identification at the general meeting for such shareholder or proxy to attend and participate in the general meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

By order of the board

PB Beale

Company secretary

17 February 2015

NORTHAM
PLATINUM LIMITED

NORTHAM PLATINUM LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1977/003282/06)
JSE share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
(“**Northam**” or the “**company**”)

FORM OF PROXY

The definitions commencing on page 4 of the circular to which this form of proxy is attached apply mutatis mutandis throughout this form of proxy.

This form of proxy is **only** for use by:

- certificated shareholders; and
- dematerialised shareholders with “own name” registration,

in respect of the general meeting to be held in at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Thursday, 19 March 2015 at 10:00.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with “own name” registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (Full names in block letters) ____________________

Telephone (work) ____________________ (home) ____________________

(mobile) ____________________ (email) ____________________

being the holder(s) of ____________________ ordinary shares in the company, appoint (see note 1):

1. or failing him/her, ____________________

2. or failing him/her, ____________________

3. the chairman of the general meeting, as my/our proxy to act on my/our behalf at the general meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat (and at any postponement or adjournment thereof) and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the Northam shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	Number of votes (one vote per Northam share)		
RESOLUTIONS	**For**	**Against**	**Abstain**
Special resolution number 1 – adoption of new MOI			
Special resolution number 2 – directors’ authority to issue shares in terms of sections 41(1) and 41(3) of the Companies Act			
Special resolution number 3 – financial assistance in terms of sections 44 and 45 of the Companies Act			
Special resolution number 4 – general authority to repurchase issued shares			
Ordinary resolution number 1 – specific issue of subscription shares			
Ordinary resolution number 2 – specific issue of new Northam shares			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak, and on a poll, vote in place of that shareholder at the general meeting.

Signed at ____________________ on ____________________ 2015

Signature(s) ____________________ Capacity ____________________

Please read the notes on the reverse side hereof.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise;
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to –
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and
- if a company issues an invitation to its shareholders to appoint 1 (one) or more persons named by the company as a proxy, or supplies a form of proxy instrument:
  - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
  - the invitation or form of proxy instrument supplied by the company must:
    - bear a reasonably prominent summary of the rights established in section 58 of the Act;
    - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
    - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
  - the company must not require that the proxy appointment be made irrevocable; and
  - the proxy appointment remains valid only until the end of the meeting at which it was intended to be used.

Notes:

1. A shareholder may insert the name of a proxy or the names of 2 (two) alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder should insert an "X" in the relevant space according to how they wish their votes to be cast. However, if a shareholder wishes to cast a vote in respect of a lesser number of Northam shares than they own in the company, they should insert the number of Northam shares held in respect of which they wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholders' votes exercisable at the general meeting. A shareholder is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the shareholder.
3. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.
4. The chairman of the general meeting may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the general meeting.
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the company.
9. Where there are joint holders of shares:
   - any one holder may sign the form of proxy; and
   - the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the company's register of members, will be accepted.
10. Forms of proxy should be lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 24 (twenty four) hours prior to the general meeting, being 10:00 on Wednesday, 18 March 2015. Should the form of proxy not be delivered to the transfer secretaries by this time, you will be required to furnish a copy of such form of proxy to the chairman of the general meeting before the appointed proxy exercises any of your shareholder rights at the general meeting (or any adjournment or postponement thereof).

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