REPORT SCOPE AND BOUNDARY

This sustainable development report addresses the governance, social, economic and environmental performance of the group.

It forms part of a suite reports prepared for stakeholders listed on page 13 of this report. Other reports include the:

- Summarised financial statements and the notice of meeting 2011, which was posted to shareholders.
- Northam's first annual integrated report 2011, which addresses the financial and non-financial performance of the company in a holistic way.
- Northam sustainable development report 2011.

These reports are all available on our website – *www.northam.co.za*, and in a printed format on request.

Northam's primary listing is on the JSE Limited in South Africa, and the company reports in line with the JSE's listing requirements. Reporting is also in line with International Financial Reporting Standards (IFRS), the new South African Companies Act (No 71 of 2008), and SAMREC's guidance in respect of the reporting of mineral reserves and ore resources. Northam is committed to reporting in line with the King Report on Governance for South Africa 2009 (King III) and has reported on the application of these guidelines in the corporate governance section of its annual integrated report. Northam has adopted the Global Reporting Initiative's G3 (version 3.1) guidelines as the basis of reporting, and has declared a B+ level of reporting. The report has also been submitted to GRI for review (see page 51).

Northam has in place a significant level of internal and external controls. The internal audit function is undertaken by KPMG Services (Proprietary) Limited (KPMG) on an outsourced basis, to provide an independent appraisal function with specific responsibility for examining and evaluating the group's systems of internal control in the mitigation of business risks, and to assist members of management to effectively discharge their duties. The group's consolidated annual financial statements have been audited by external auditor, Ernst & Young Inc. (E&Y), and the independent auditor's statement may be found on page 57 of the annual integrated report. Certain non-financial key performance indicators (KPIs) have been assured by independent assurance provider, Environmental Resources Management Limited (ERM) in respect of Northam's application of the Global Reporting Initiative (GRI) G3 application, alignment with AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and selected key performance indicators (KPIs). ERM's statement of assurance may be found on page 49 of the sustainable development report.

Northam's previous sustainable development report was released in October 2010. Information in this report pertains to F2011, the period from 1 July 2010 to 30 June 2011. Data for previous years is provided in certain instances for comparative purposes. Data is collated on a monthly basis and reviewed by management. Quarterly KPI trends are reported to and reviewed by the SHE committee. Data pertaining to the water figures for 2007 to 2009 has been restated due to improved accuracy of measurement methods. There have not been any significant restatements of data or information during the year. The company will incrementally report on the Booysendal project, which is currently under development, and undertakes to fully incorporate this operation into its sustainability reporting by F2012 once the mine comes into production, and when reporting will become more meaningful.

Unless otherwise specified, Northam reports on its production, reserves and resources as 3PGE+Au – which is made up of a basket of platinum, palladium, rhodium and gold.

This report covers Northam's core, managed operations – namely the Zondereinde mine and metallurgical complex, and the Booysendal project – see the group structure on page 2.

For more information on sustainability reporting at Northam, please contact:

Derek Wolstenholme
Tel: +27 11 759 6000
Fax: +27 11 325 4795
Email: Derek.Wolstenholme@norplats.co.za