

# NORTHAM

PLATINUM LIMITED



*Annual Results Presentation*

*25 August 2008*

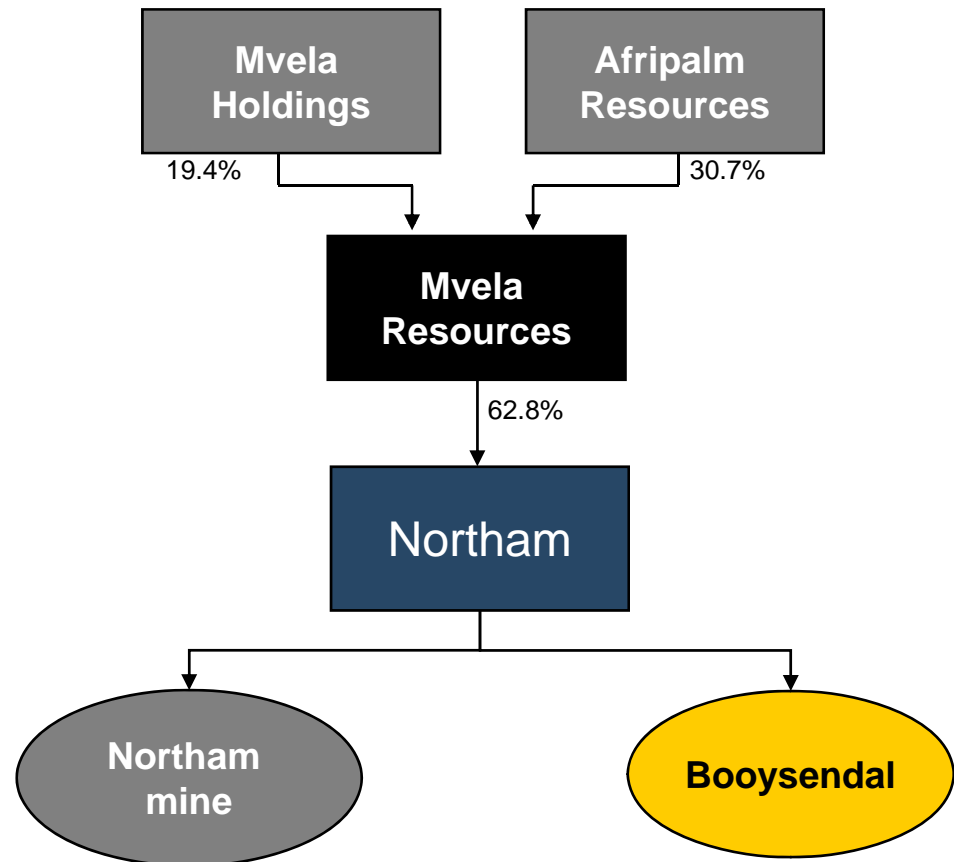
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# A year of fundamental change

- Booyseendal transaction consummated, growth path secured
  - size – 103Moz, 14.5km strike length
  - access from surface, with shallower growth prospects
  - lower quartile cost profile
- Northam mine continues to generate strong cash flows
- Offtake agreement signed with Pilanesberg Platinum Mines – will facilitate mining flexibility.
- Exceptional PGM markets – sound fundamentals remain in place

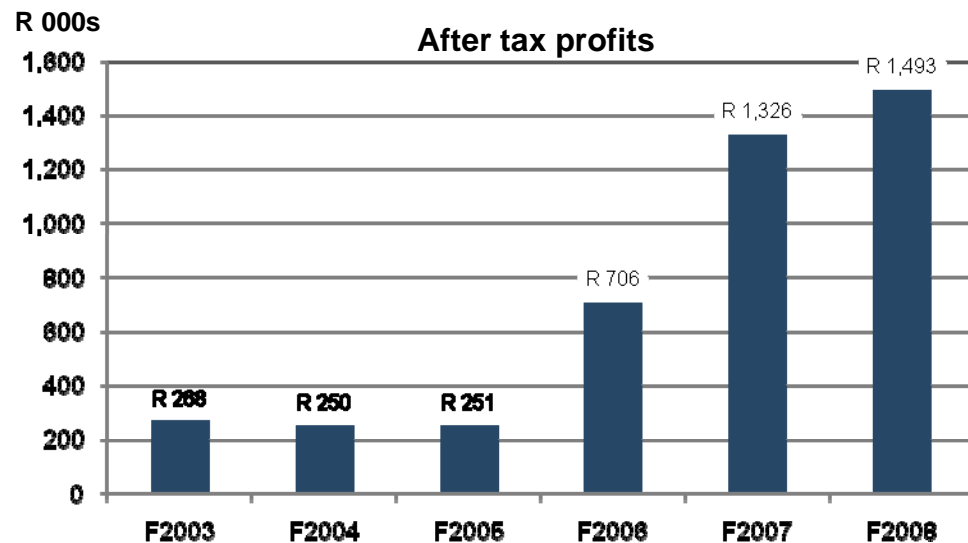
# Simplified corporate structure

- Strategic alignment with major shareholder
- New structure creates corporate flexibility
- BEE credentials firmly in place



# Taking empowerment to the workplace

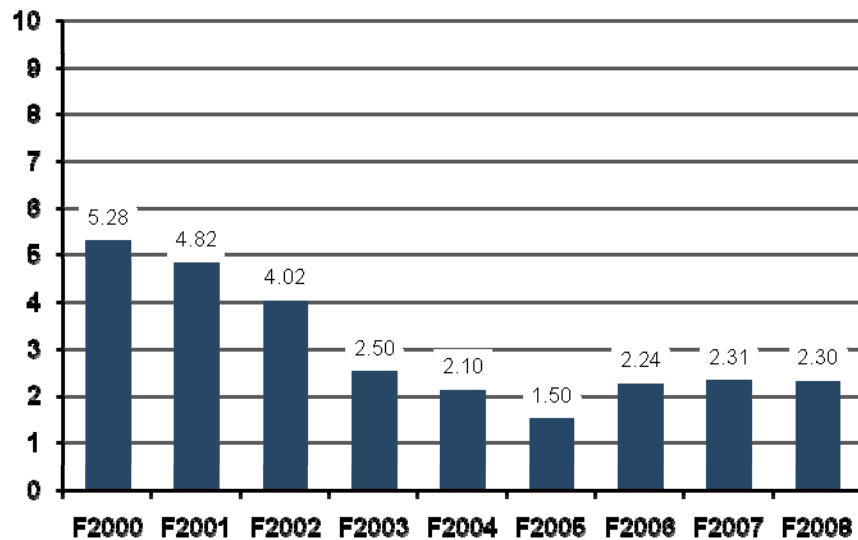
- EETF (Employee empowerment trust fund)
  - extensive consultation process with all unions
  - 4% of after tax profits allocated to trust
  - first payout after five years
  - beneficiaries protected from share price volatility



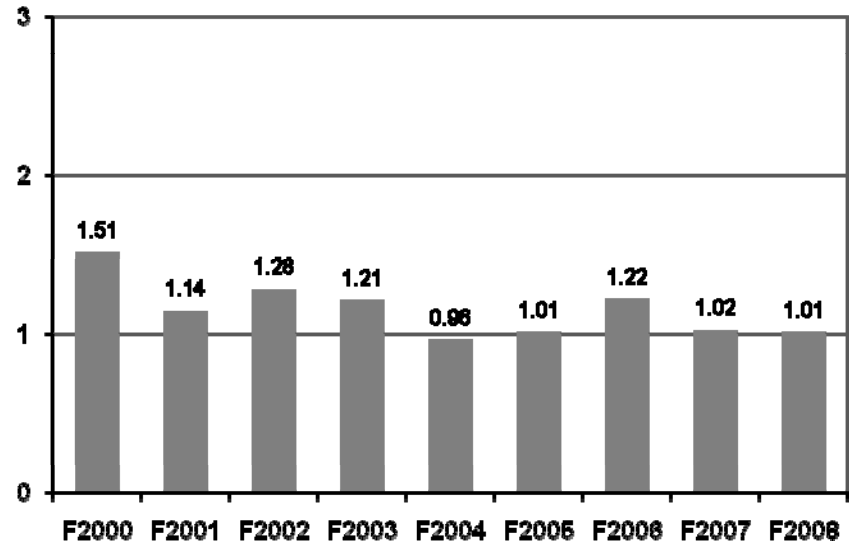


# Safety review

## Annual injury rates per 200 000 man hours



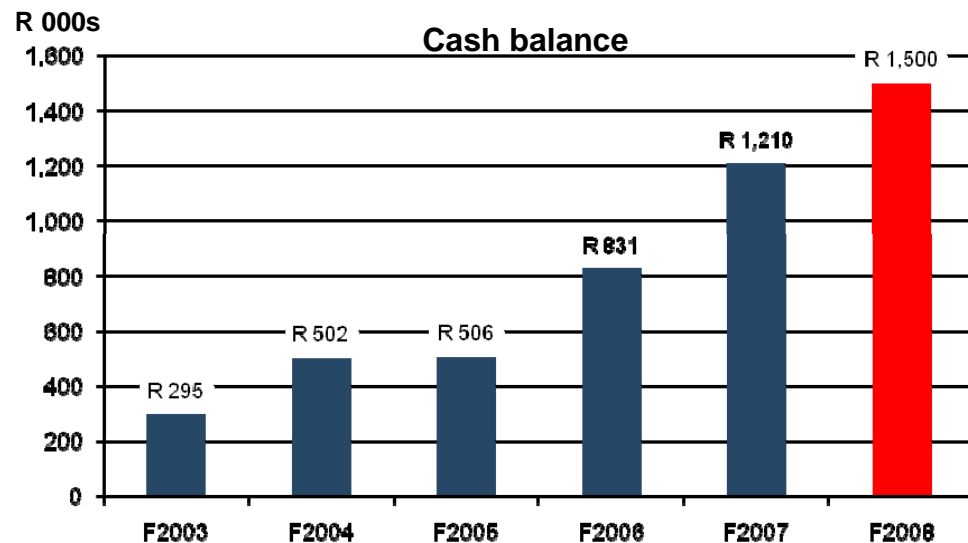
LTIIR (per 200 000 man hours)



RIIR (per 200 000 man hours)

# Positive performance in tough operating year

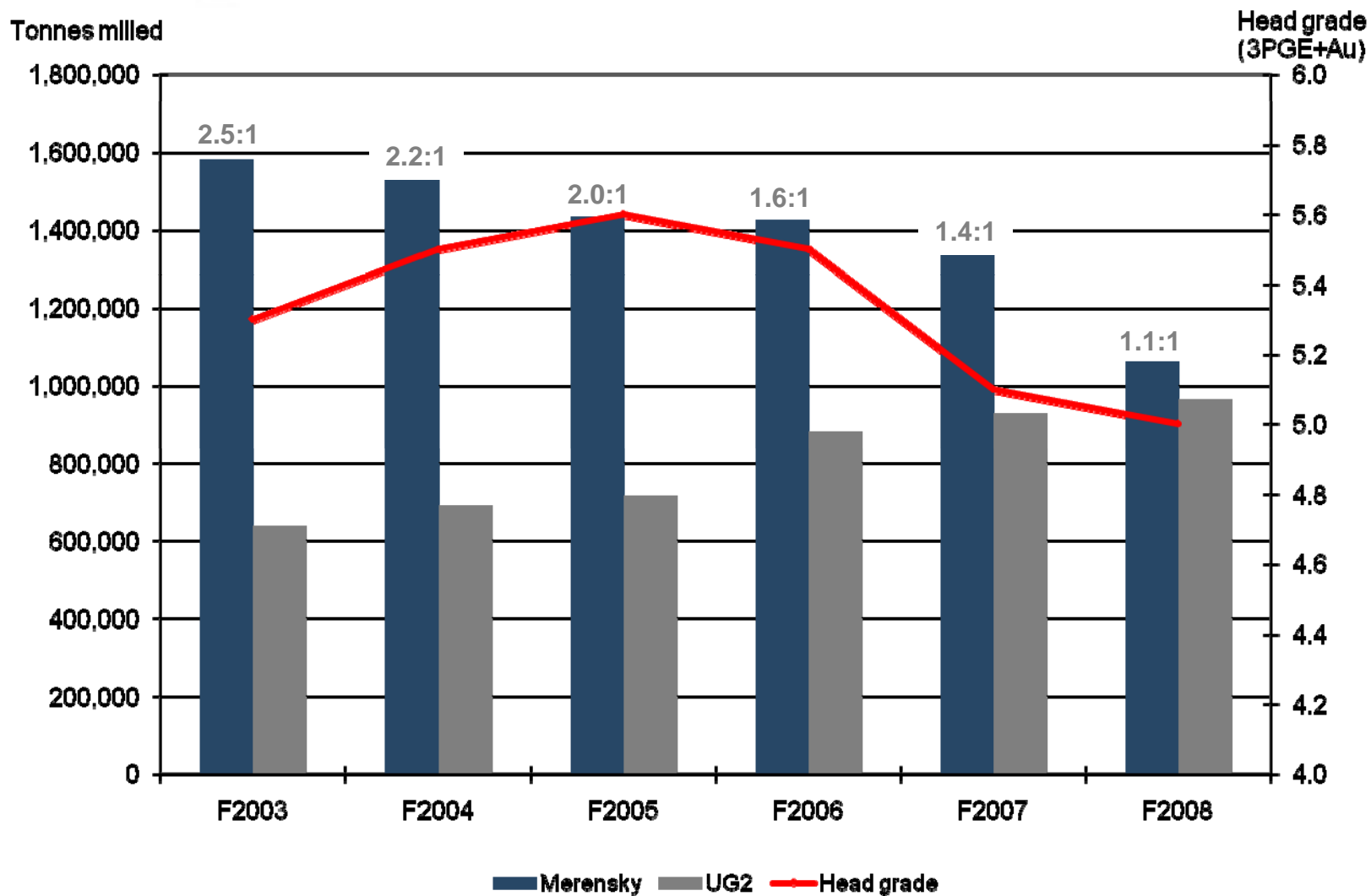
- 12.6% increase in after tax profits to R1.5 billion
- 12.0% increase in headline earnings to 627 cents per share
- Cash on hand of R1.5 billion
- Final dividend of 185 cps (330 cps for the year)
- Strong balance sheet – no gearing



# Operating performance

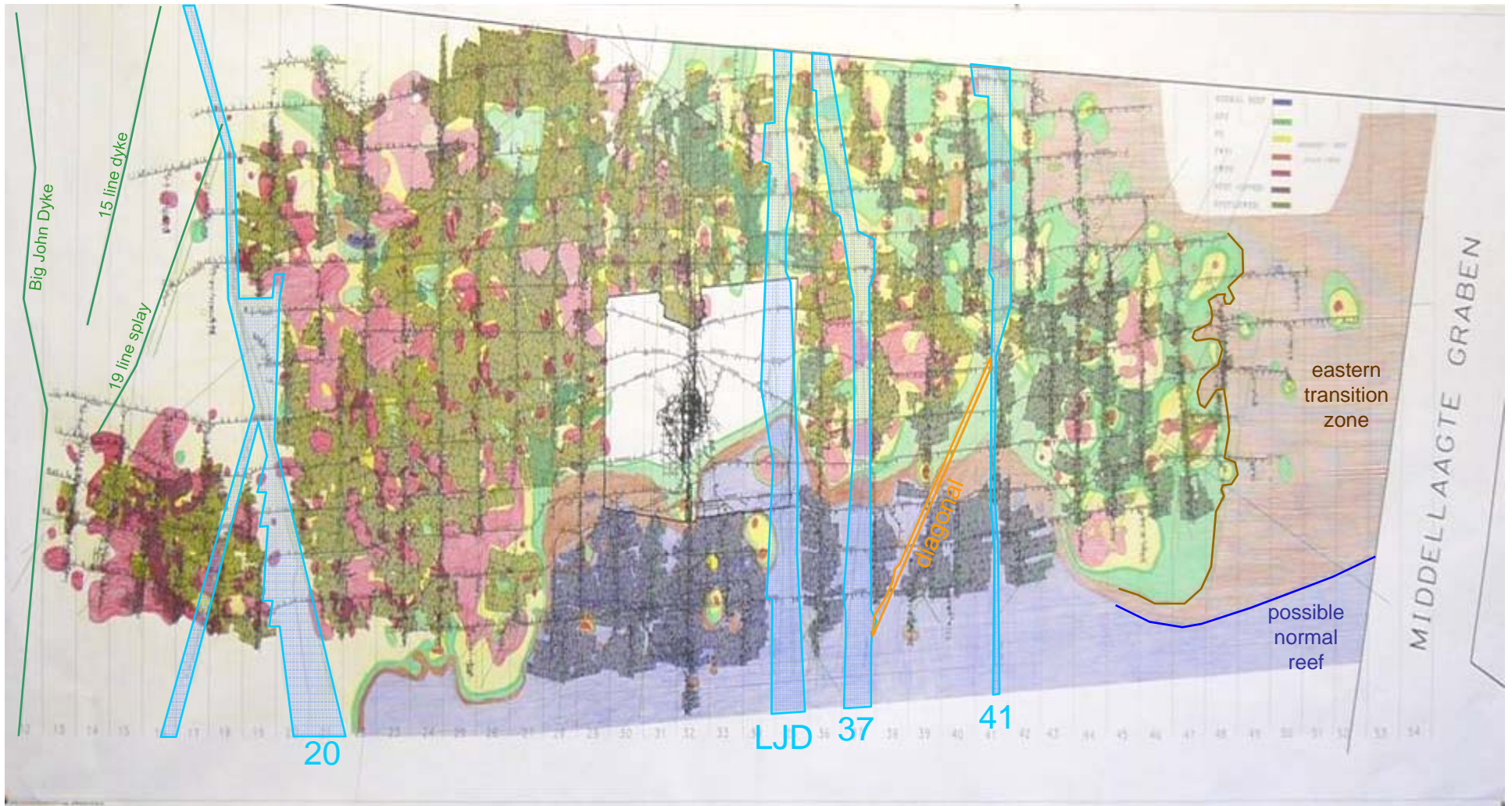
	F2008	F2007	Change
Total development metres	12 732	14 822	-14.1%
Merensky square metres	205 251	249 812	-17.8%
Merensky head grade (g/t)	5.6	5.6	-
UG2 square metres	158 294	146 698	7.9%
UG2 head grade (g/t)	4.4	4.4	-
Total square metres mined	363 545	396 510	- 8.3%
Total tonnes milled	2 022 656	2 269 206	-10.9%
Average combined head grade (g/t)	5.0	5.1	-2.0%
PGMs in concentrate produced (kg)	9 113	10 087	-9.7%

# Merensky / UG2 production ratio





# Mining operations – optimising the ore reserves



# Key focus on metallurgical operations

- UG2 plant modifications
  - installation of HPGR crusher
  - improved throughput
  - reduced power consumption
  - convert rod mill to ball mill
  - better grind
- Overall effect:
  - better recoveries, lower operating costs
- Smelter shutdown in October /November
  - duration – two months
  - cost of rebuild – R50 million





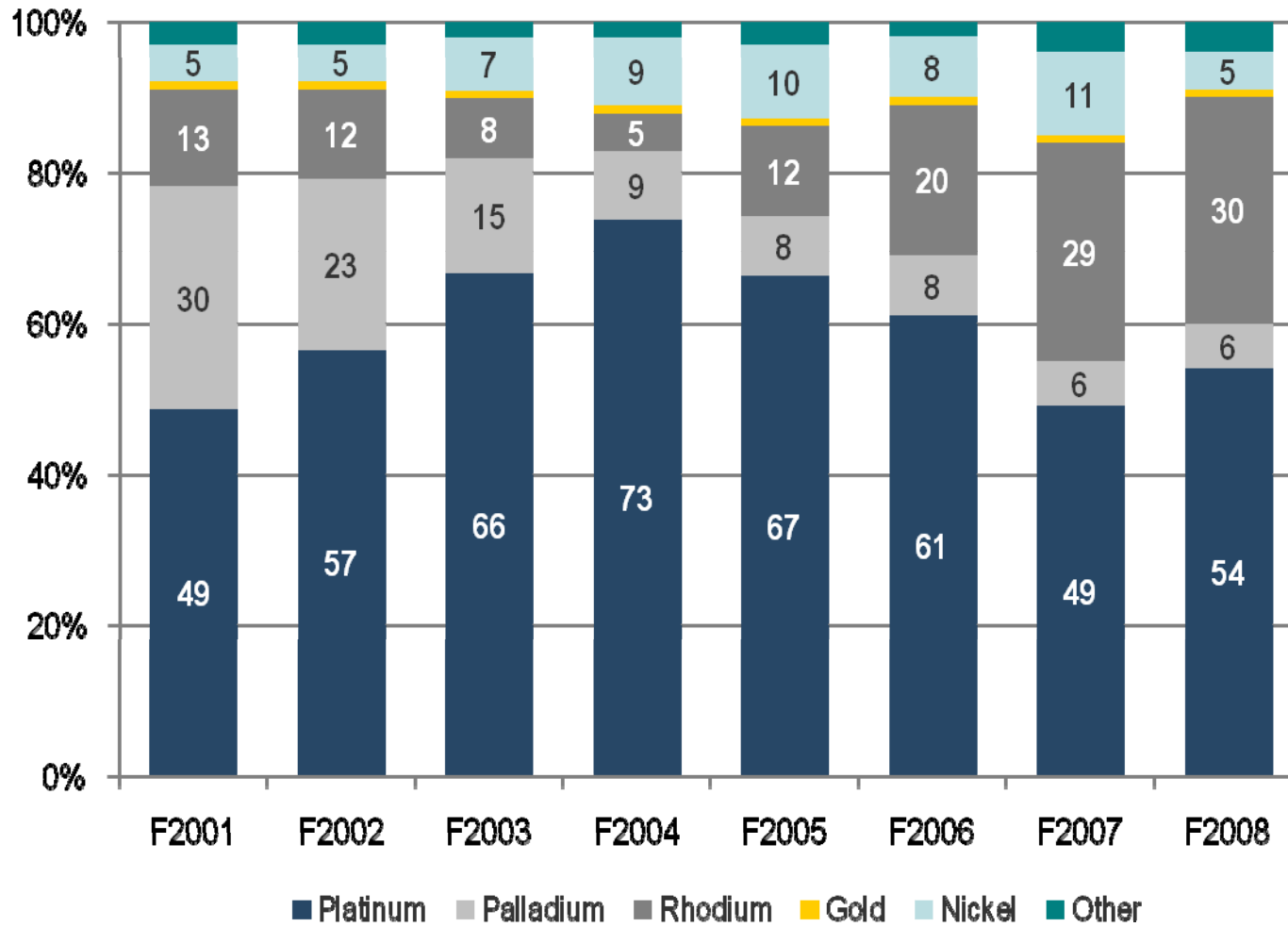
# Income statement

	F2008 (R000)	F2007 (R000)	Change
Sales revenue	3 886 137	3 739 805	3.9%
Cost of sales	1 608 648	1 727 945	-6.9%
Operating profit	2 277 489	2 011 860	13.2%
Investment income	97 507	83 643	15.0%
Net sundry income	1 824	5 287	-65.5%
Booyse dal expenditure	(17 969)	-	
Profit before tax	2 358 851	2 100 806	12.3%
Tax	866 040	774 562	11.8%
Profit attributable to shareholders	1 492 811	1 326 244	12.6%
Headline earnings – cents	627.2	560.2	12.0%
Operating margin	58.9%	53.8%	9.5%

# Sales volumes

	F2008 (kg)	F2007 (kg)	Change
Platinum	5 275	6 609	-20.2%
Palladium	2 523	3 013	-16.3%
Rhodium	643	877	-26.7%
Gold	146	204	-28.4%
<b>Total (3PGE+Au)</b>	<b>8 586</b>	<b>10 702</b>	<b>-19.8%</b>
Ruthenium	1 059	1 046	1.2%
Iridium	208	270	-23.0%
Copper (tonnes)	573	733	-21.8%
Nickel (tonnes)	1 110	1 301	-14.7%

# Revenue contributions





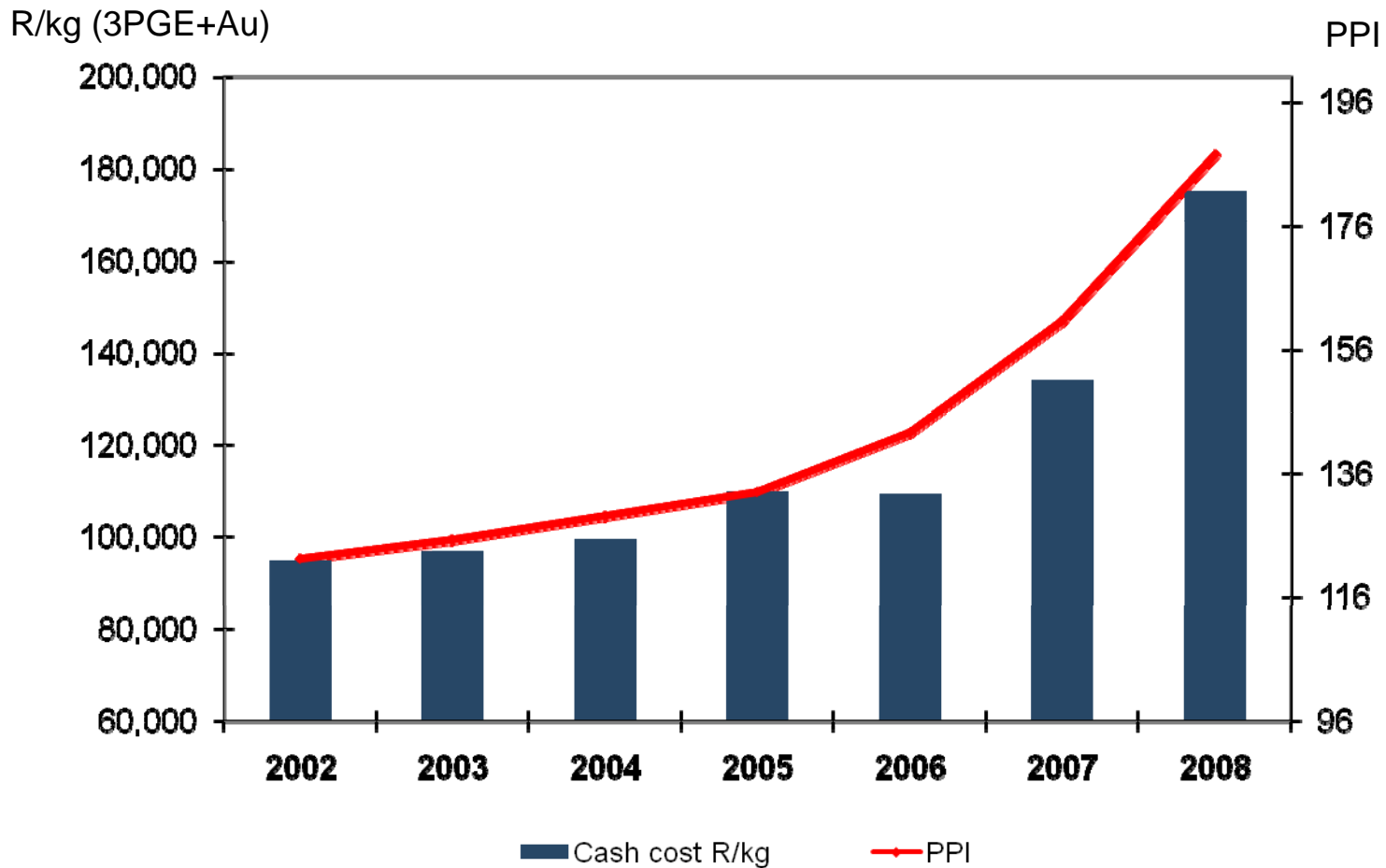
# Cost of sales

	2008 (R000)	2007 (R000)	Change
Cost of sales	<b>1 608 648</b>	1 727 945	(6.9%)
Operating costs	<b>1 626 610</b>	1 360 818	19.5%
Concentrates purchased	-	106 447	
Refining and realisation	<b>75 540</b>	91 816	(17.7%)
Depreciation	<b>149 325</b>	129 040	15.7%
Change in metal stocks	<b>(242 827)</b>	39 824	(709.8%)

# Unit cash costs

	F2008	F2007	Change
Rand / tonne mined	<b>683.37</b>	526.00	29.9%
Rand / tonne milled	<b>789.34</b>	601.19	31.3%
Rand / kilogram (3PGE+Au) produced	<b>175 197</b>	135 248	29.5%

# Unit cash costs



# Capital expenditure

	Actual F2008 R million	F2009 R million
Deepening project	68.8	106.0
Metallurgical plants	32.7	65.5
Access infrastructure to 1 level	21.2	3.5
Ventilation	-	12.0
Development	18.9	20.2
Backfill reticulation	11.0	13.2
Underground equipment	23.1	13.9
Power management	15.8	11.0
Employee amenities	24.0	36.3
Routine	49.4	58.6
<b>Total</b>	<b>264.9</b>	<b>340.2</b>

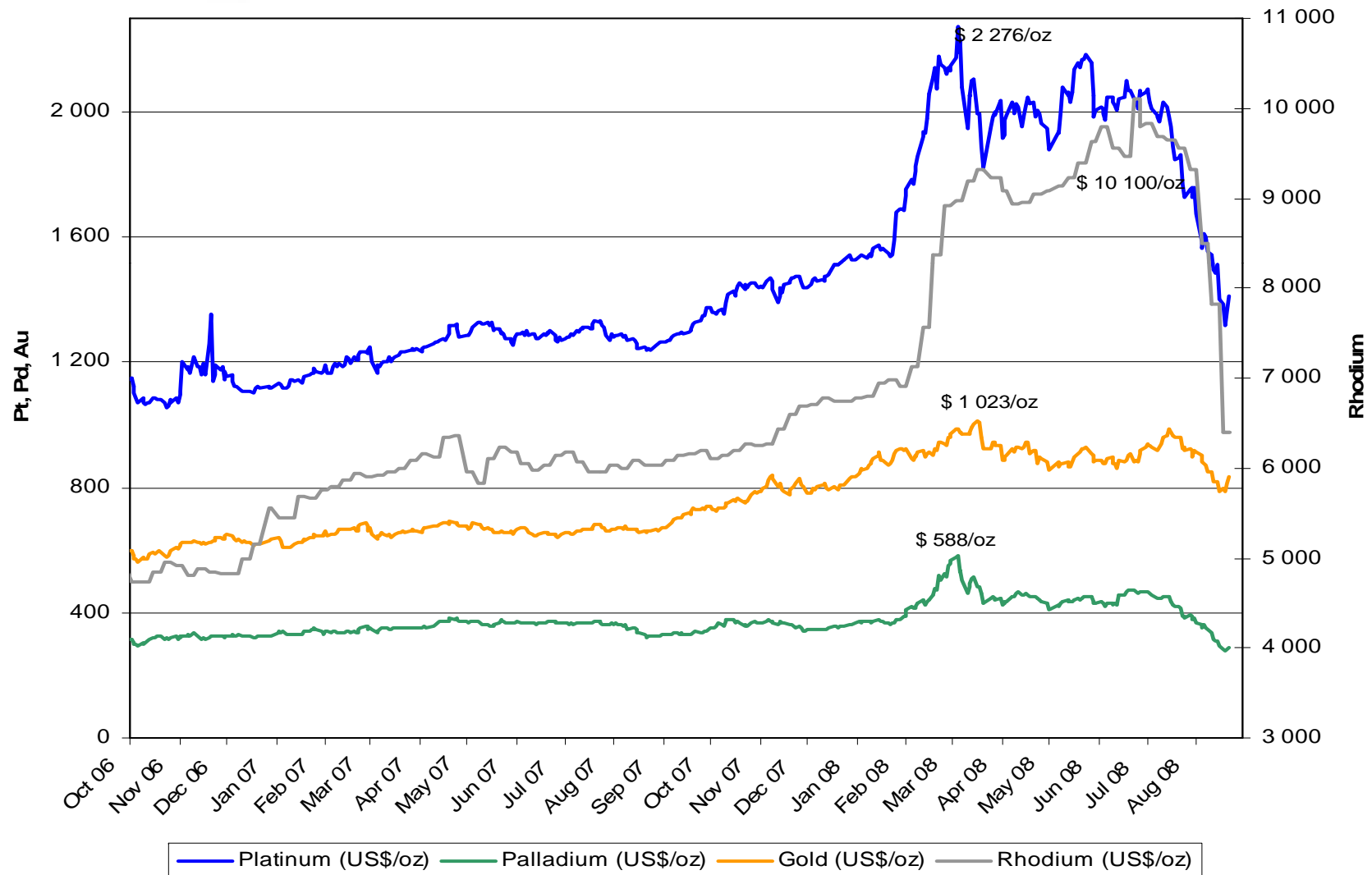
# NORTHAM

A close-up portrait of a woman's face, focusing on her eyes and a diamond ring on her finger. The woman has dark hair and is wearing red lipstick. The ring is a wide, textured band with a wavy pattern and is set with numerous small diamonds. The background is a soft, out-of-focus white.

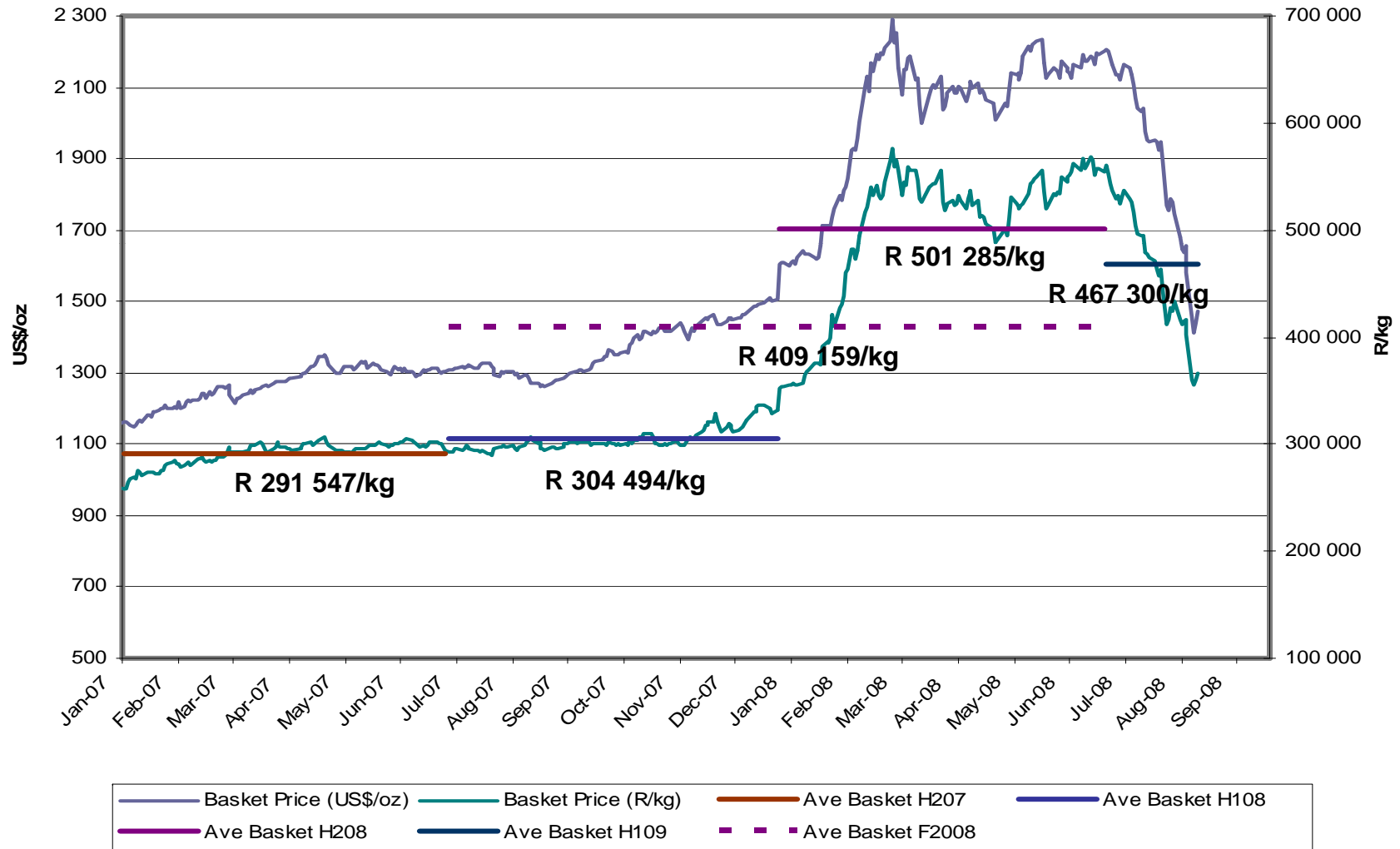
## ***Markets***



# Metal prices



# Basket price



# F2008: robust metal demand

F2008	
<b>Pt</b> 54%	<ul style="list-style-type: none"> <li>• Increased autocat demand                             <ul style="list-style-type: none"> <li>• diesel vehicles, particulate filters, after treatment applications</li> </ul> </li> <li>• Growth in industrial applications                             <ul style="list-style-type: none"> <li>• electrical, electronic, glass, petroleum refining</li> </ul> </li> <li>• Further support for ETFs</li> </ul>
<b>Pd</b> 6%	<ul style="list-style-type: none"> <li>• Increased autocat demand                             <ul style="list-style-type: none"> <li>• new vehicles and substitution for Pt in gasoline vehicles</li> </ul> </li> <li>• Demand driven by growth in electronics sector, investment in ETFs</li> </ul>
<b>Rh</b> 30%	<ul style="list-style-type: none"> <li>• Increased autocat demand                             <ul style="list-style-type: none"> <li>• new vehicles has outweighed manufacturers efforts to thrift</li> </ul> </li> <li>• Market has again remained in deficit</li> </ul>
<b>Ni</b> 5%	<ul style="list-style-type: none"> <li>• Stainless steel production cutbacks,</li> <li>• High LME stocks</li> <li>• Sluggish demand                             <ul style="list-style-type: none"> <li>• prices eased to \$21 900/mt by June 2008</li> </ul> </li> </ul>

## Outlook remains sound

- Recent slump in prices – negative autocat sentiment, disinvestment
  - global decrease in vehicle sales appears inevitable
  - recycling, thrifting and substitution to continue
  - but, sell off in speculative positions on TOCOM and NYMEX as well as in ETFs appears to have ended
- However – outlook for fundamental demand for PGMs remains sound
  - on-going tightening of emissions legislation
  - potential for increased vehicle sales in developing (BRIC) countries
  - recovery in demand from jewellery sector
  - continued growth of demand from electronics sector
- PGM prices likely to remain buoyed by supply-side risks



# NORTHAM



## *The Booysendal transaction*

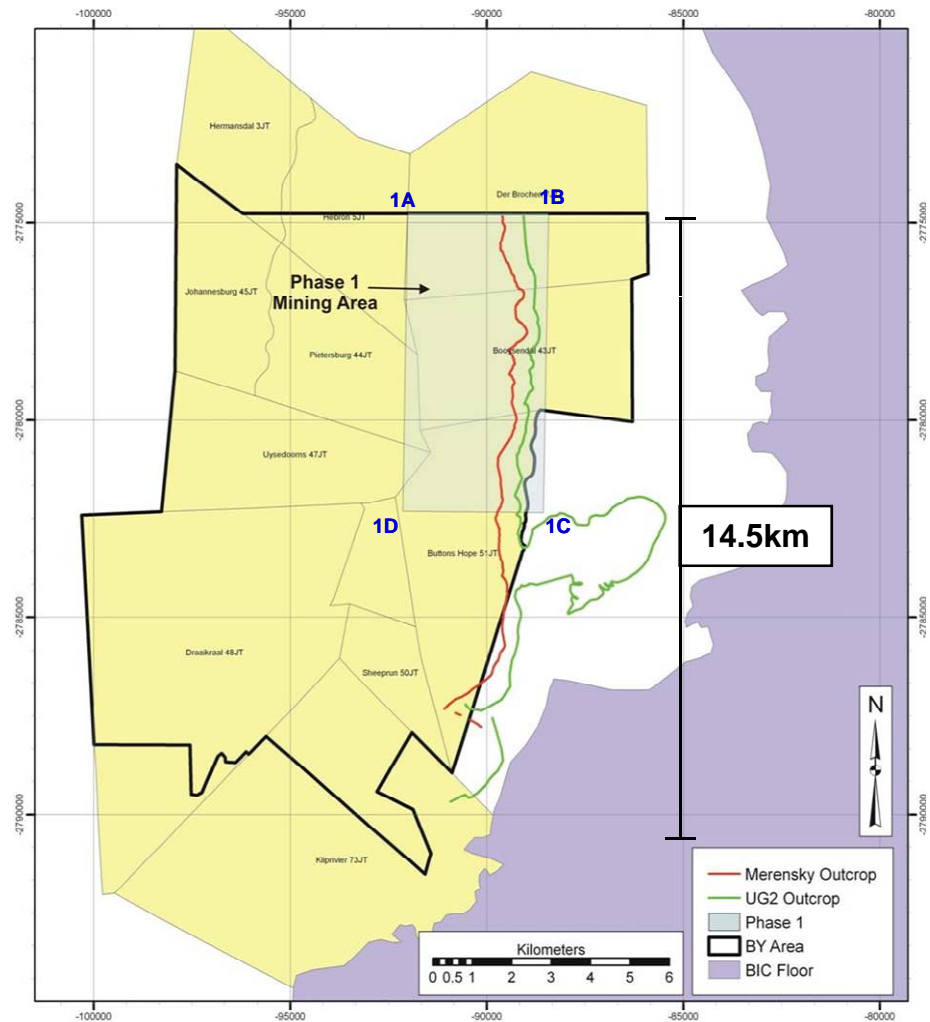
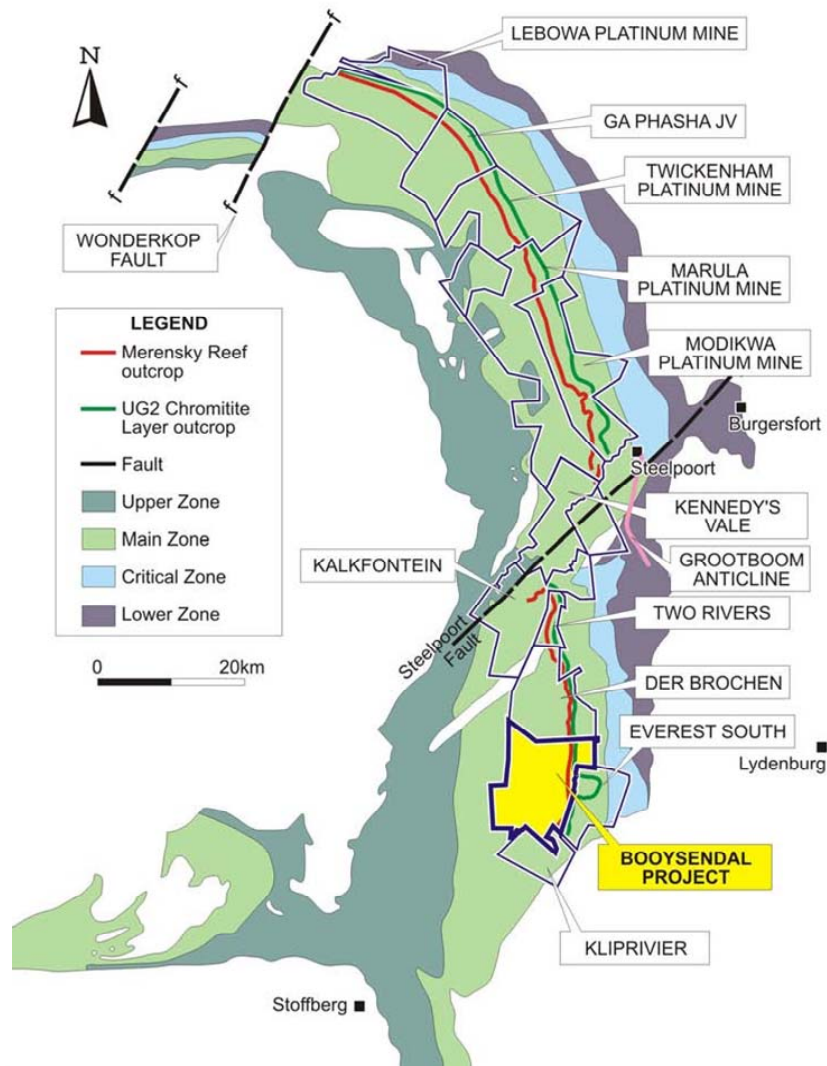
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23

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# To recap – locality



## To recap – Booysendal brings to Northam

- Larger, more diverse asset base - significantly reducing risk profile
- Potential to at least double production
- Mineral resource  $\pm$  100 yrs LOM
- Phase 1 mine only extracts 15% of orebody over 30 years
- Reduction of average unit costs
- Control of fully independent beneficiation stream mine to market
- Solid BEE credentials

## Where are we now...

- Transaction concluded
- Established project team in place
- Application for mining authorization lodged
- Pre-feasibility review complete
- Baseline environmental studies updated
- Bankable feasibility study underway
- Site establishment planning underway



# Pre-feasibility review complete

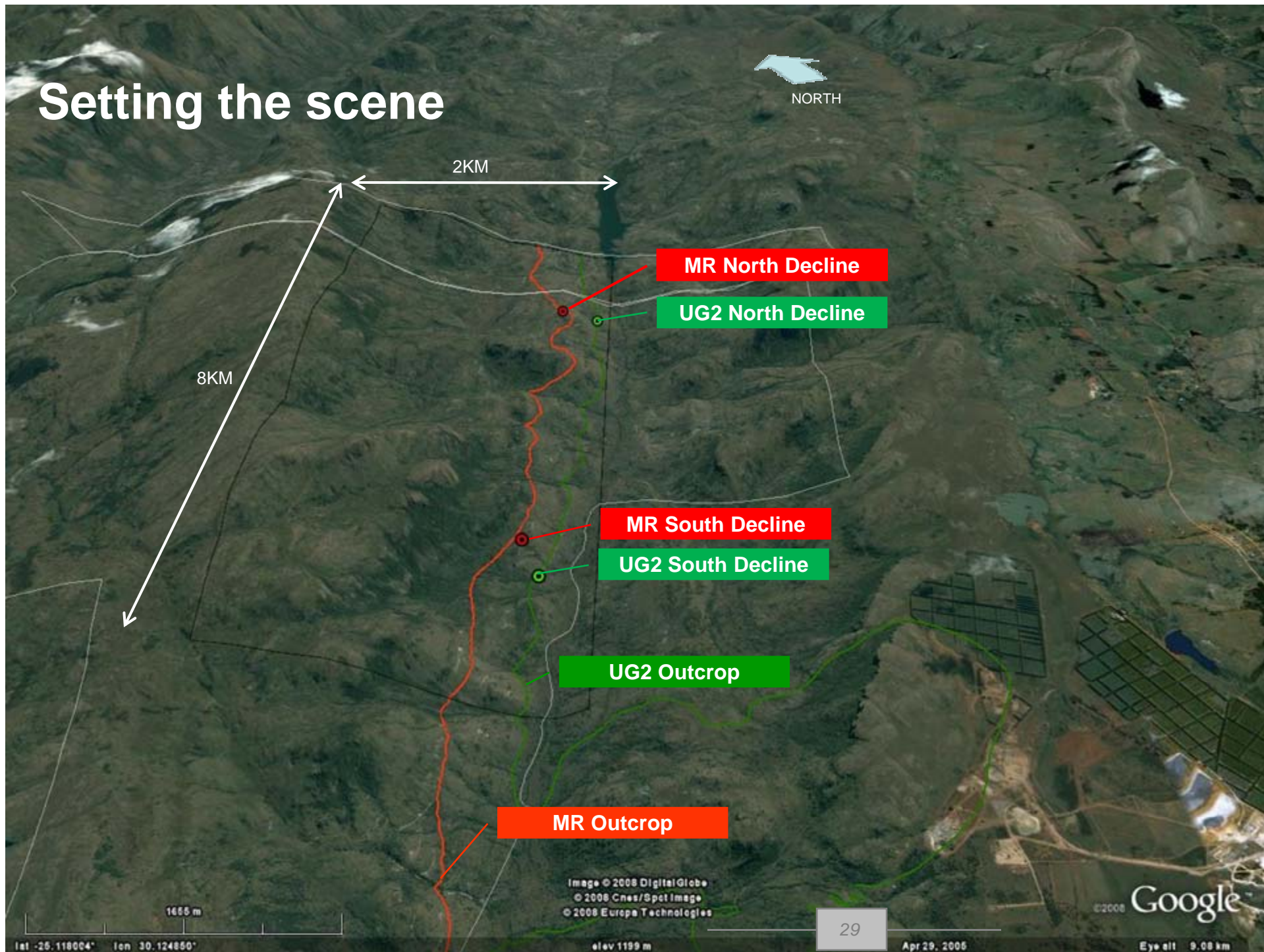
- Objectives of the three month review:
  - consolidate and review prior studies
  - review geology and mineral resources
  - investigate mining method and production options
  - determine principal project elements:
    - metallurgy
    - bulk infrastructure, engineering, access and services
    - human resources
    - environmental issues and permitting
- Develop the foundation for the subsequent bankable feasibility study



# Pre-feasibility review findings

- Eleven production scenarios ranging in scale from 120ktm to 480ktm considered and based on:
  - 120ktm production modules
  - standalone Merensky reef mine
  - standalone UG2 reef mine
  - combinations of UG2 and Merensky reef production
- Review results suggest:
  - UG2 production should be prioritized
  - Modular production build-up in 120ktm units offers flexibility and ameliorates risk related to power and water from the De Hoop dam

# Setting the scene



# Bankable feasibility study

- Experienced project team
  - 25 members with combined experience of over 500 years
- Duration 12 to 15 months – expect to be complete during H2 2009
- Budget R50 million



# Key issues for F2009

- Northam mine
  - wage negotiations
  - deepening project
  - implementing EETF
- Booyseendal project
  - complete BFS
  - construction to start in 2010
- Corporate
  - evaluate optimal Booyseendal funding mechanism
  - strengthen offshore shareholder base
  - explore potential for further corporate activity

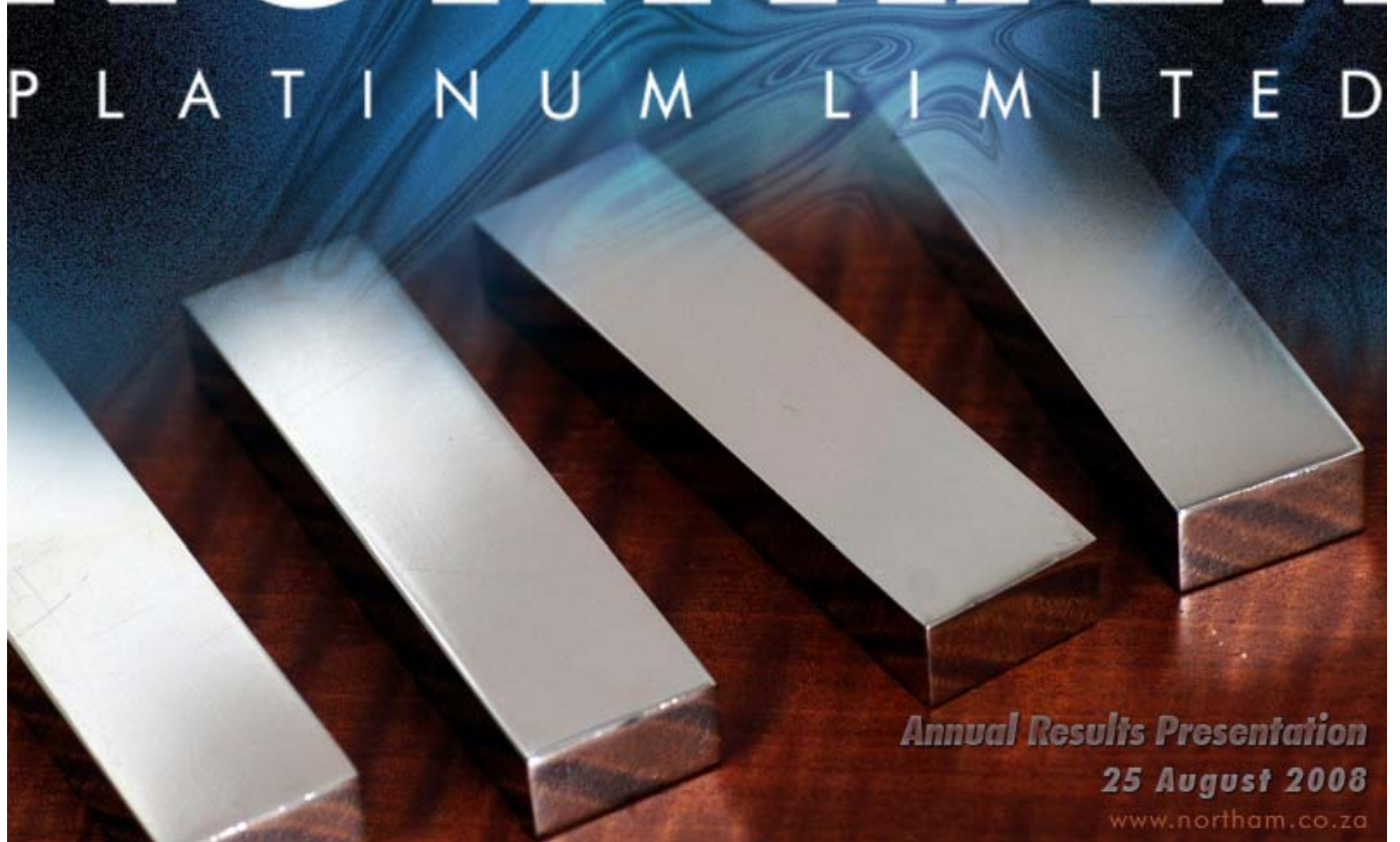


# Northam – growth you can count on

- Track record of consistent delivery to shareholders
- Experienced PGM mine operators
- Cash generative and ungeared
- Near-term expansion through acquisition of world-class asset
- Processing solutions for emerging producers
- Further value unlocking opportunities through corporate activity

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# Sales revenue

	2008 (R000)	2007 (R000)	Change
Platinum	2 093 212	1 837 462	13.9%
Palladium	239 379	238 849	0.2%
Rhodium	1 151 946	1 074 565	7.2%
Gold	28 662	30 826	-7.0%
<b>Total (3PGE+Au)</b>	<b>3 513 199</b>	<b>3 181 702</b>	<b>10.4%</b>
Ruthenium	105 123	87 308	20.4%
Iridium	21 427	25 221	15.0%
Copper	30 769	36 851	-16.5%
Nickel	211 089	403 744	-47.7%
Other	4 530	4 979	-9.0%
<b>Total</b>	<b>3 886 137</b>	<b>3 739 805</b>	<b>3.9%</b>