

# The Booyesdal Project

Revised transaction



January 2008



MVELAPHANDA HOLDINGS  
(PROPRIETARY) LIMITED



**NORTHAM**  
PLATINUM LIMITED



MVELAPHANDA RESOURCES  
LIMITED

## Introduction – Lazarus Zim



2



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## Introduction

- Revisions to transaction announced in September 2007
- We said it was a 'win-win' transaction – it still is
- Agenda for today
  - Transaction update – Pine Pienaar
  - Project update - Glyn Lewis
  - Questions

3

## Transaction update – Pine Pienaar



4

## Progress to date

### Completed

- Agreement reached with Anglo Platinum on ancillary assets:
  - Electrical power (16MVA) ✓
  - Water (7 Megalitres per day)
  - Tailings dam sites (Der Brochen or Booyseendal)
  - Access to Booyseendal (over Der Brochen) ✓
- Competition Board approval obtained

### Outstanding

- CPR in progress – completion by begin Feb 2008
- Shareholders' approval – April 2008

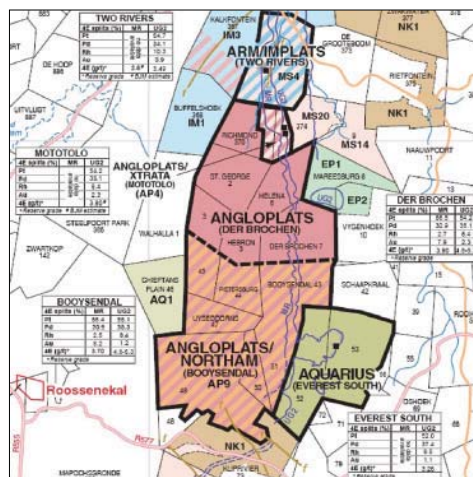
IN PROGRESS

5

Ensuring the viability and sustainability of Booyseendal

## Amendments to the transaction

- Northern limit extended by 1.3km (Booyseendal extension)
- Northam shares to Mvela Resources reduced to 121 million from 125 million shares



Source: BJM

## Time line to completion

Circular to shareholders	March 2008
Shareholders' meetings	April 2008
Conclusion of transaction	May 2008

7

## Exploring the upside at Booyendal – Glyn Lewis



8

## To recap... Booyendal brings to Northam

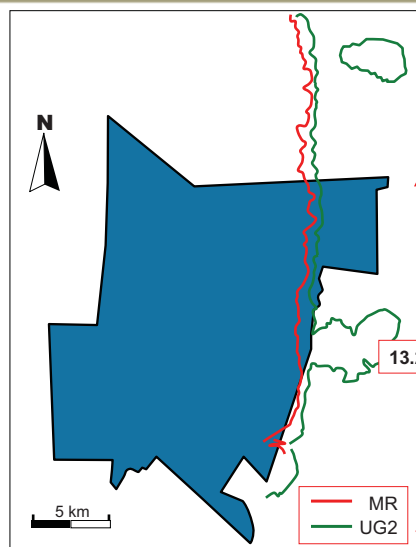
- Larger, more diverse asset base - significantly reducing risk profile
- Potential to at least double production
- Mineral resource  $\pm$  100 yrs LOM
- Reduction of average unit costs
- Control of fully independent beneficiation stream mine to market
- Solid BEE credentials



9

## Revisions to the transaction

- Independent due diligence commissioned by Northam
- Verified a total mineral resource of 94Moz (4PGE), compared with the 112Moz (4PGE) agreed on originally



10

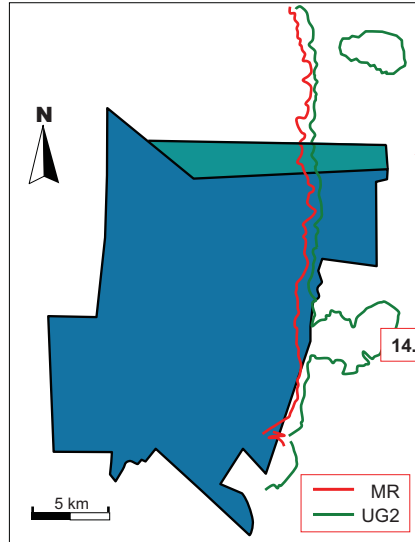
## Revisions to the transaction

### So:

- Northern boundary extended by 1.3km (Booyesendal extension) – preliminary estimates suggest that this area may contain an additional Mineral Resource of 9.0Moz 4PGE.

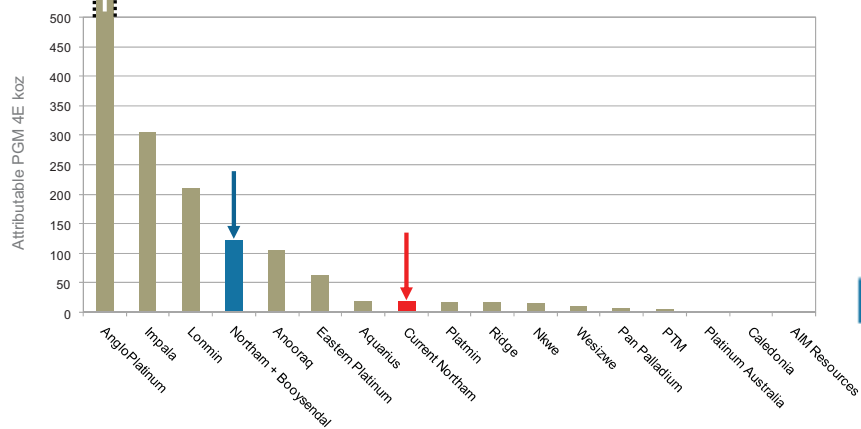
### And:

- 121 million Northam shares to Mvela Resources



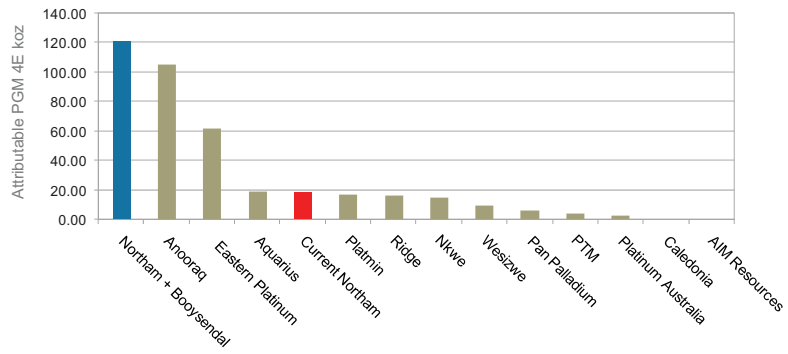
11

## Project context: mineral resources



12

## Project context: mineral resources



13

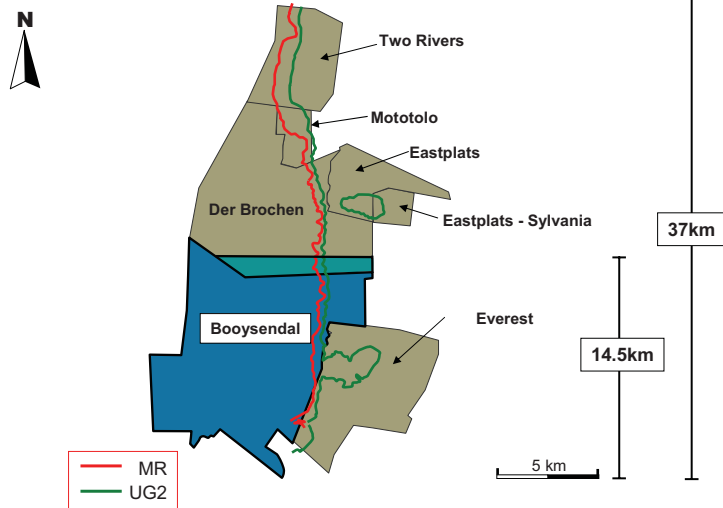
## Good progress to date

- Ancillary agreements
  - Electrical power
  - Water
  - Tailings dam sites waste
  - Access to Booyssendal
- CPR nearing completion



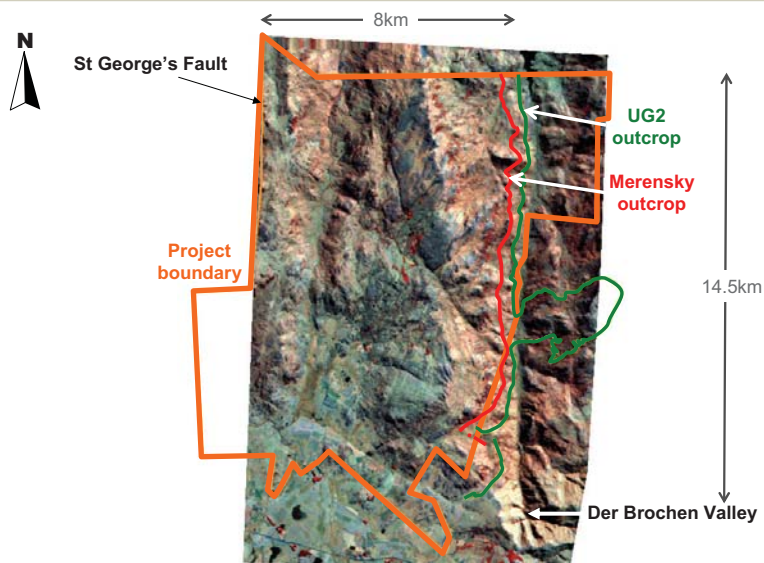
14

## Project context: the neighbourhood



15

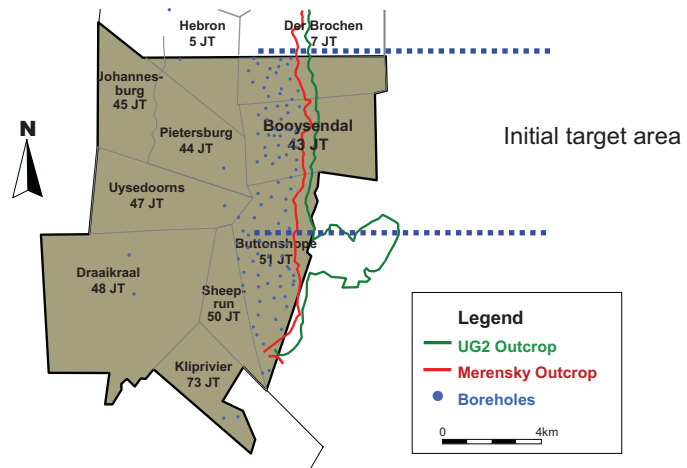
## Getting to know the project



16

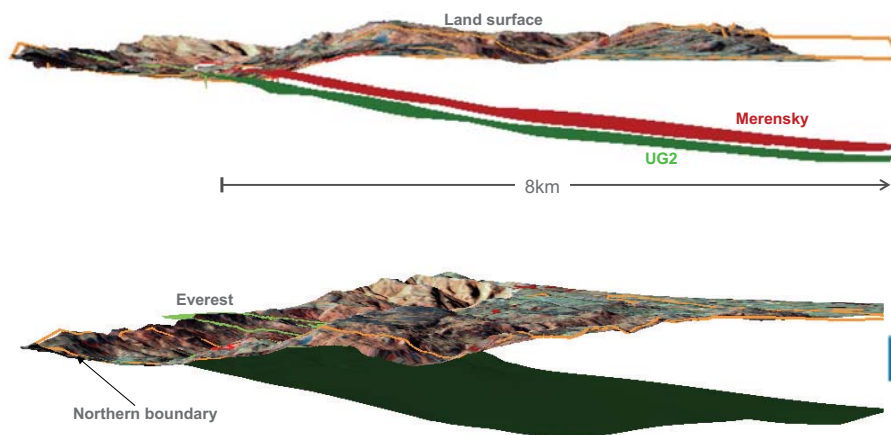


## Project context: completed drilling



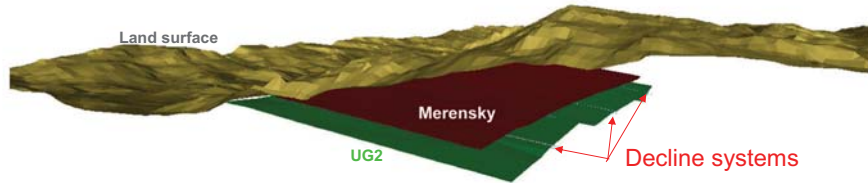
17

## Merensky & UG2 reefs



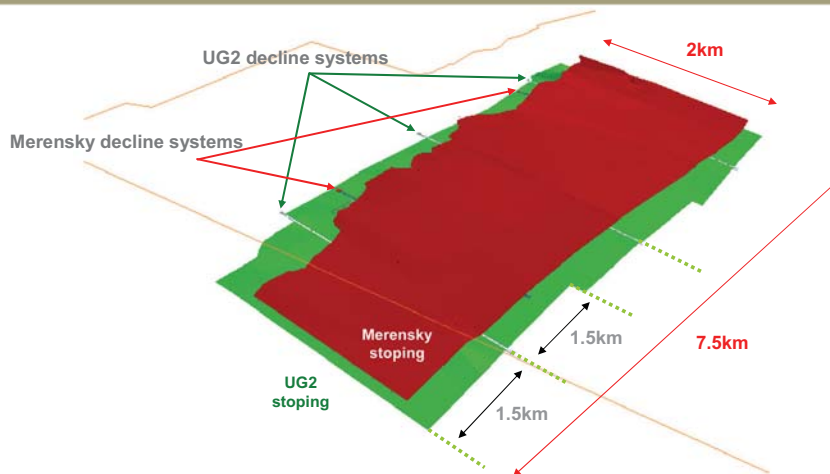
18

## Indicative mine planning – initial target area



19

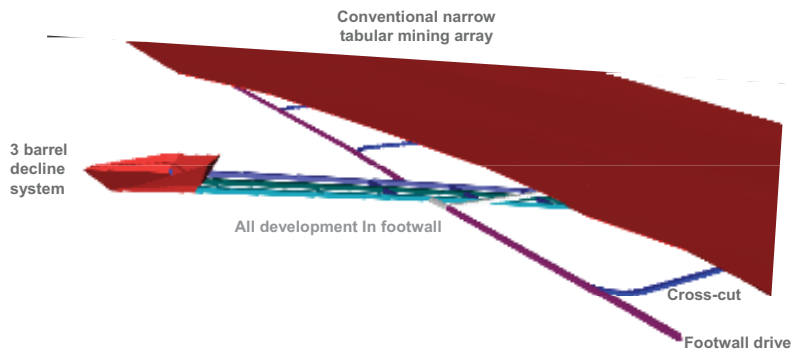
## Indicative mine planning – initial target area



20

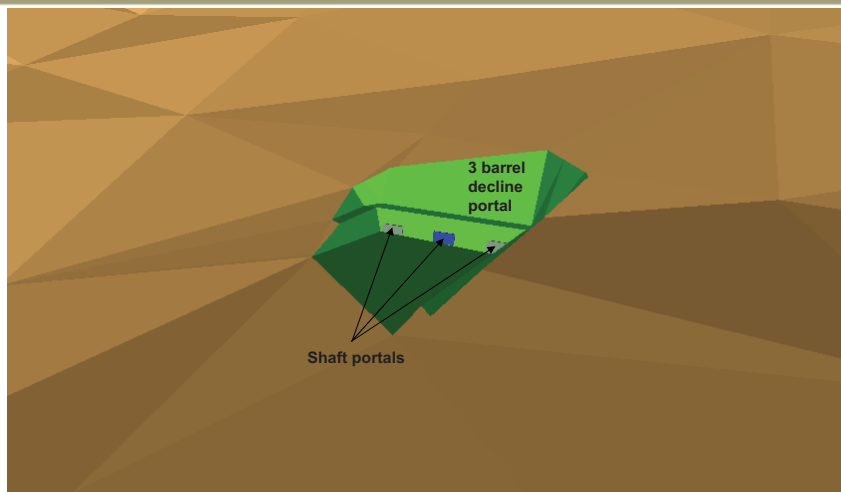
Initial target area – 30 year life

## Merensky mining layout



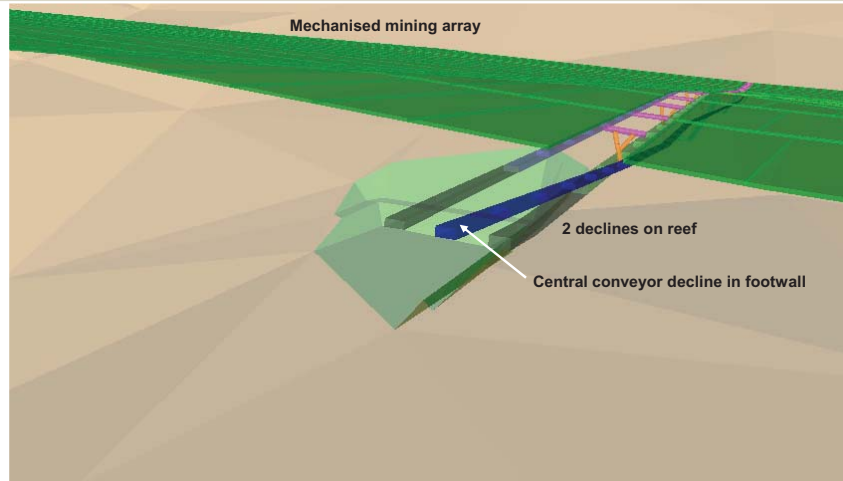
21

## UG2 mining layout

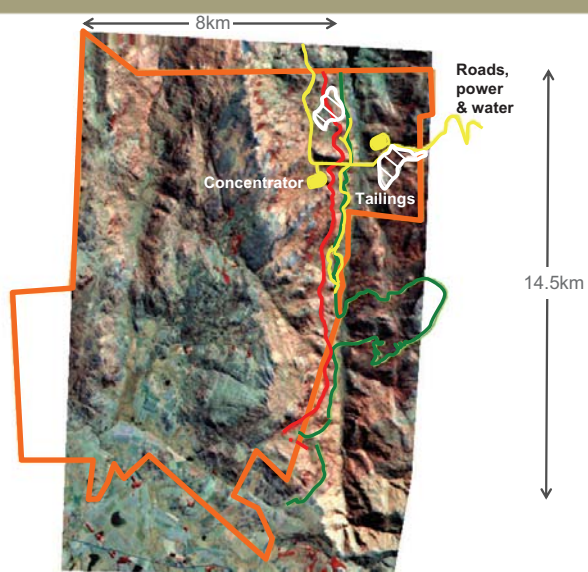


22

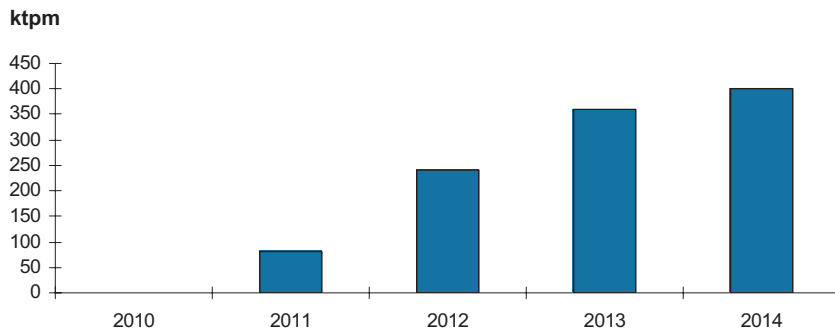
## UG2 mining layout



## Infrastructure



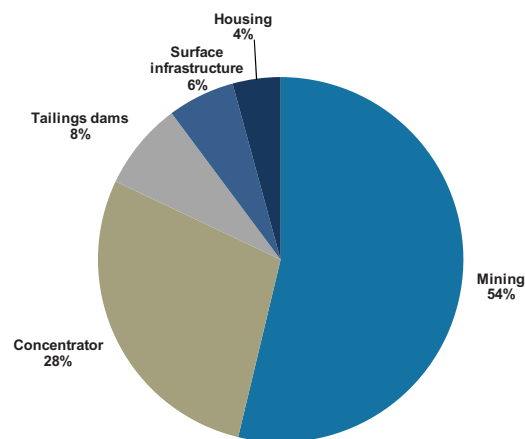
## Indicative production build up



25

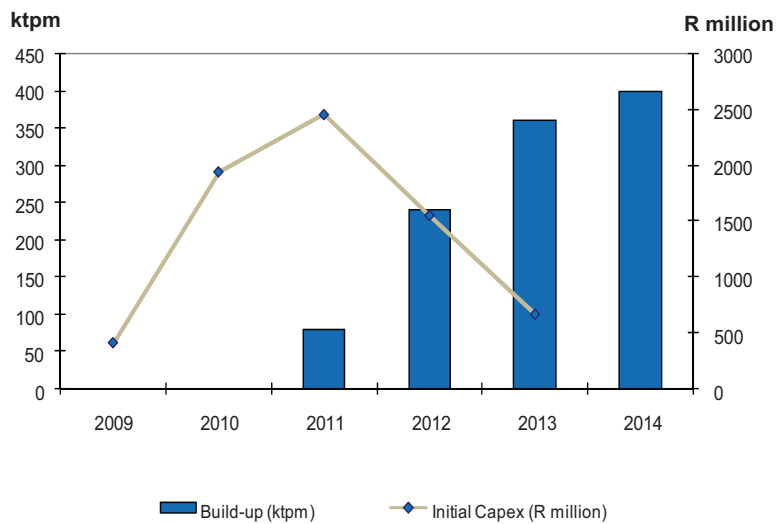
## Conceptual capital forecasts

- Total estimated capex of R7.1 billion (excluding smelting)



26

## Capex underpinned by production build-up

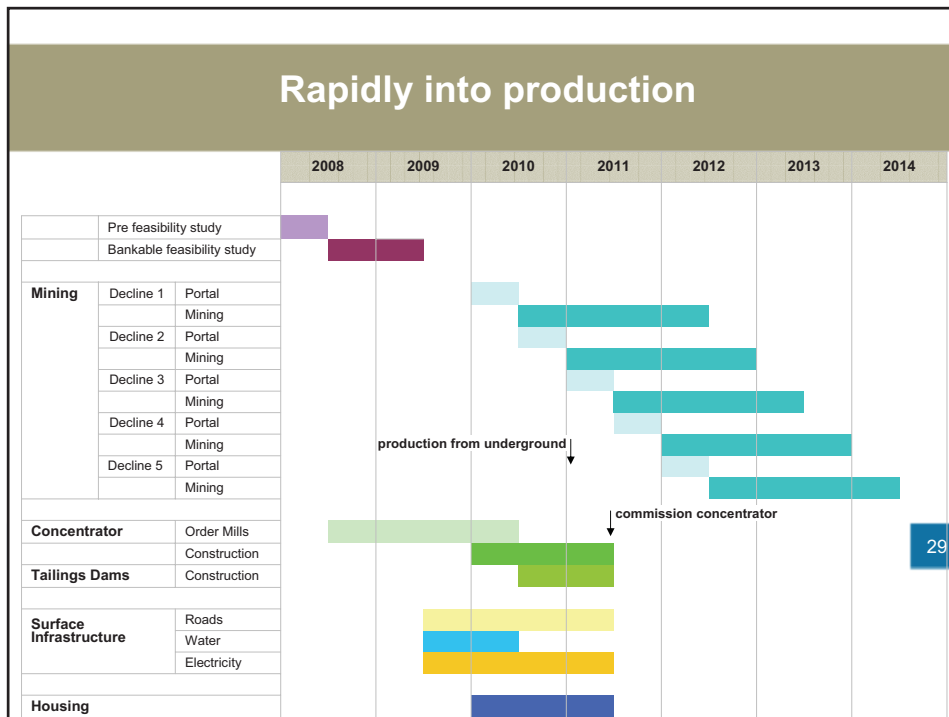


27

## Funding

- Debt or equity, or a combination
- Internal cash flows or resources from Northam and Mvela Resources
- Pool and share possibilities in the north and in the south
- Disposal of southern portion

28



- ## Smelting and refining
- Possible R1 200 million for centralised smelting facility at Northam
  - Base metal removal and nickel refining capacity
  - Second DC ARC furnace to provide flexibility
  - Opportunity to treat additional concentrate
  - Long-term plan to expand the independent Heraeus refinery in Port Elizabeth
- 30

## So, hopefully we have addressed all of your questions

- What is the extent of this orebody
- Is there access to infrastructure?
- How are we going to mine Booyesendal?
- What about smelting and refining?
- How will we fund the project?

31

## Key points

- Additional area secured for Booyesendal – extended outcrop on strike
- Power - 16MVA from Mototolo JV until Booyesendal substation built (dependent on ESKOM)
- Water – 7Ml/day from existing Lebalelo Pipeline, thereafter allocation from De Hoop Dam
- Tailings – potential sites identified on Booyesendal, additional assessment on Der Brochen underway
- Access – possible access over Der Brochen to north or Schaapkraal to east

32



## Key points (continued)

- Throughput of no less than 400ktpm from up to 5 decline systems
- Conceptual capex of R7.1 billion secures life of up to 30 years
- Possible expansion of smelting facility at Northam – additional revenue stream?
- Significant growth potential risk diversification and value accretion.

33

Ushering in a new era for Northam and Mvela Resources

But if you have more questions...



34

  
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