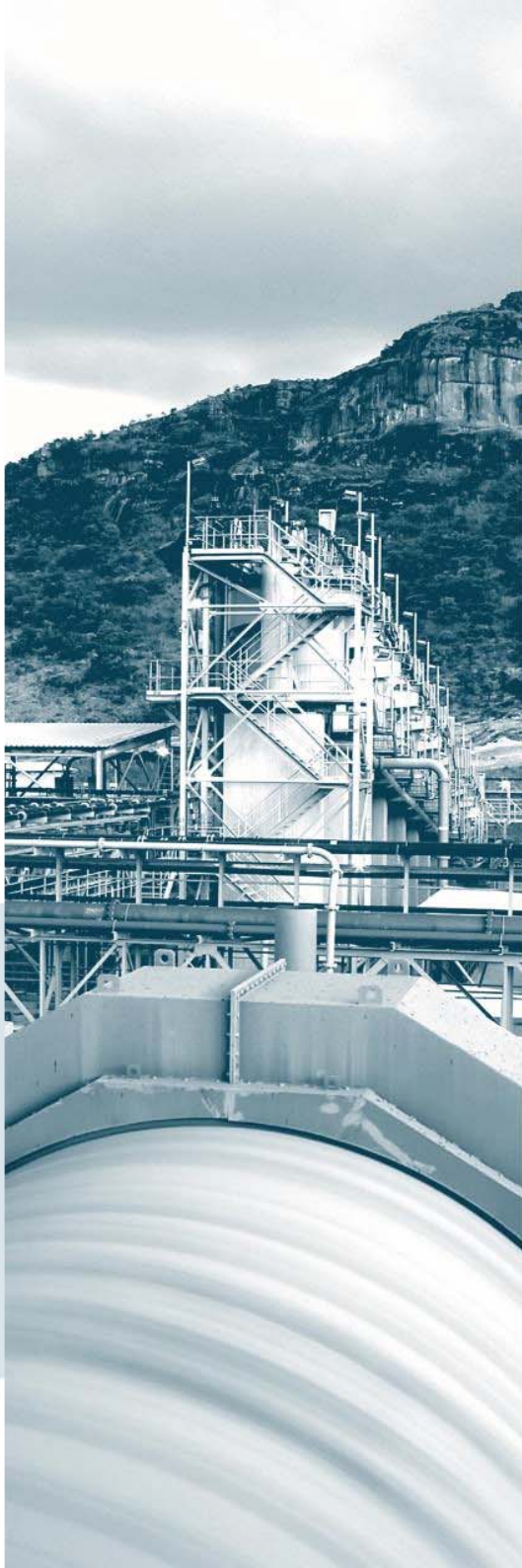




NORTHAM

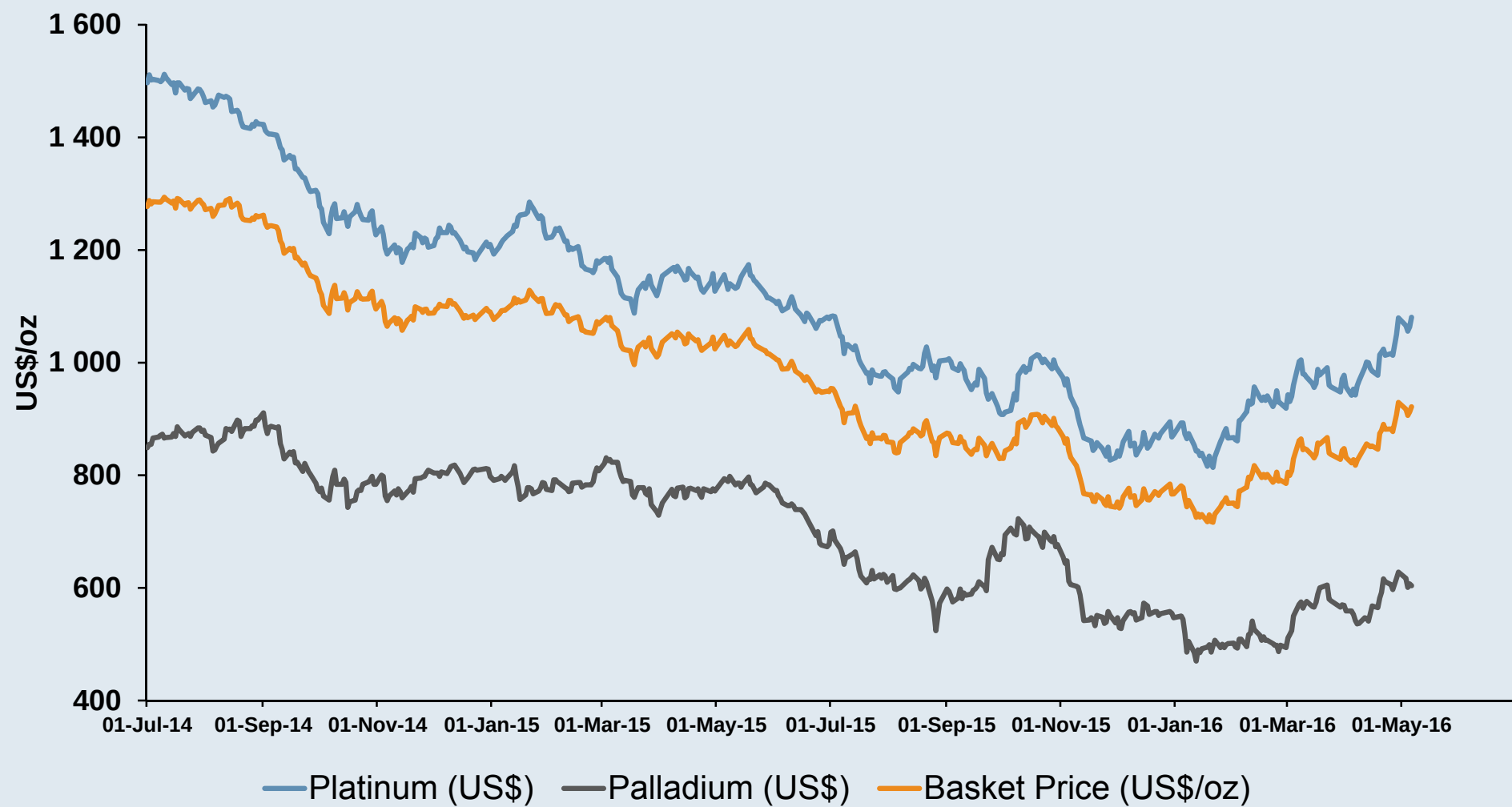
P L A T I N U M L I M I T E D

CRITICAL INVESTMENT SUCCESS FACTORS FOR TOMORROW

Paul Dunne
The Oxford Platinum Lectures 2016
13 May 2016



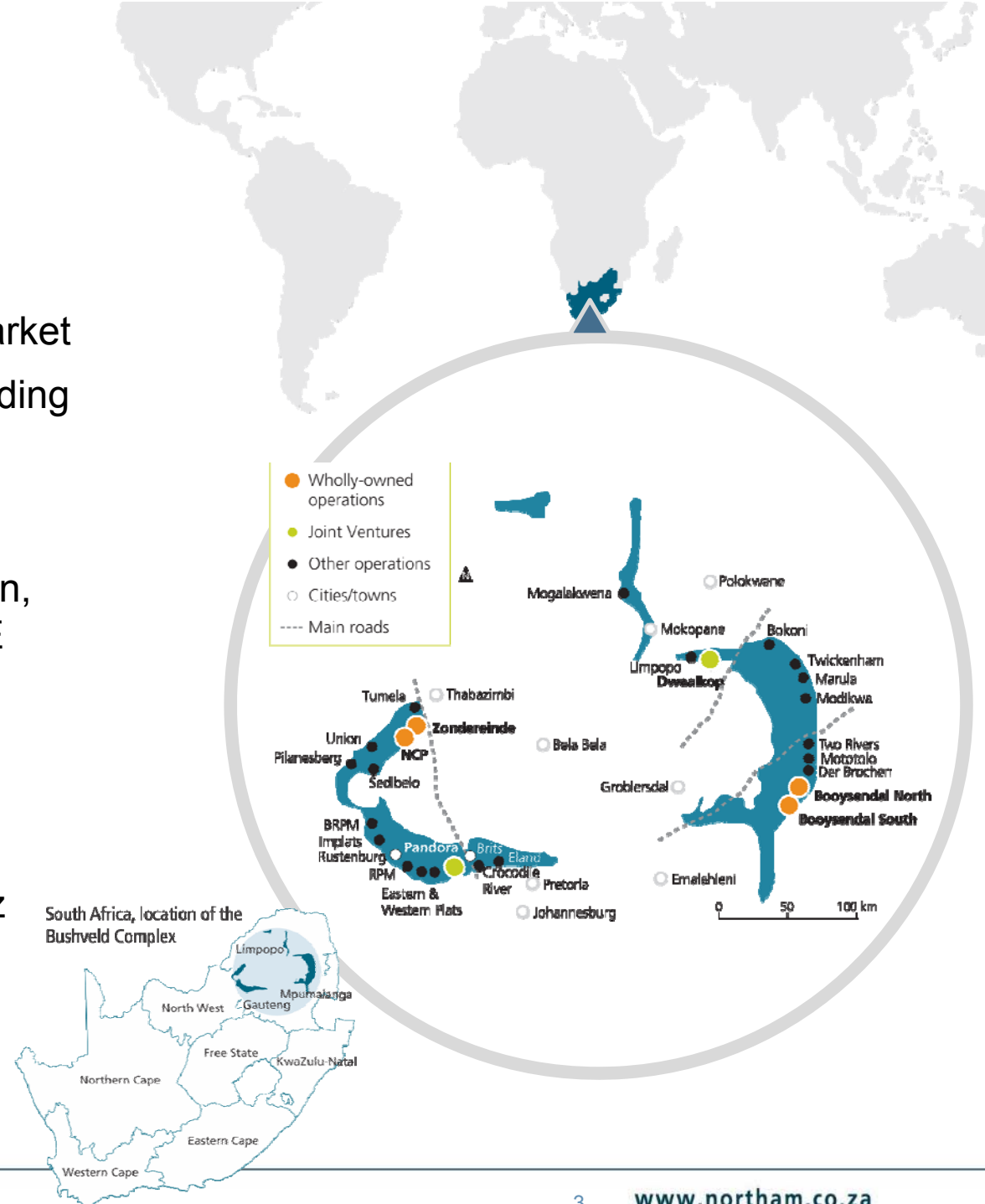
RECENT METAL PRICES



NORTHAM

WHO WE ARE

- Mid-tier, integrated PGM producer
 - full control of metal from mine to market
- Fully empowered with 31.4% HDSA holding
- Strong balance sheet
- Diverse operating assets
 - Booyseindal North – shallow, modern, mechanised, producing 160 000oz 4E (90 000oz Pt)
 - Zondereinde – established, stable, reliable producer of ~280 000oz 4E (170 000oz Pt) annually
 - combined resource base of 196Moz
- Growth path secured with acquisition of Everest (Booyseindal South)



ZONDEREINDE ESTABLISHED PRODUCER

Mature, reliable, long-life operation

- Twin shaft system
- Mining both Merensky and UG2, producing ~280 000oz 4E annually
- Highest average grades in the industry
- Pioneers of low environmental impact hydropowered mining technology
- 20 year LoM
- Deepening project at R130 million capex over five years
- 2016 SIB capex at R303 million (including deepening project)
- Labour complement:
 - 6 800 permanent employees



BOOYSENDAL UG2 NORTH MODERN, MECHANISED

Shallow, mechanised, scaleable operation

- Infrastructure completed for steady state production
- UG2 reef
- Shallow ounces, surface outcrop
- 2016 capex of R363 million (R113m stay in business; R250m project capex)
- Excellent safety record
- Labour complement: 2 000



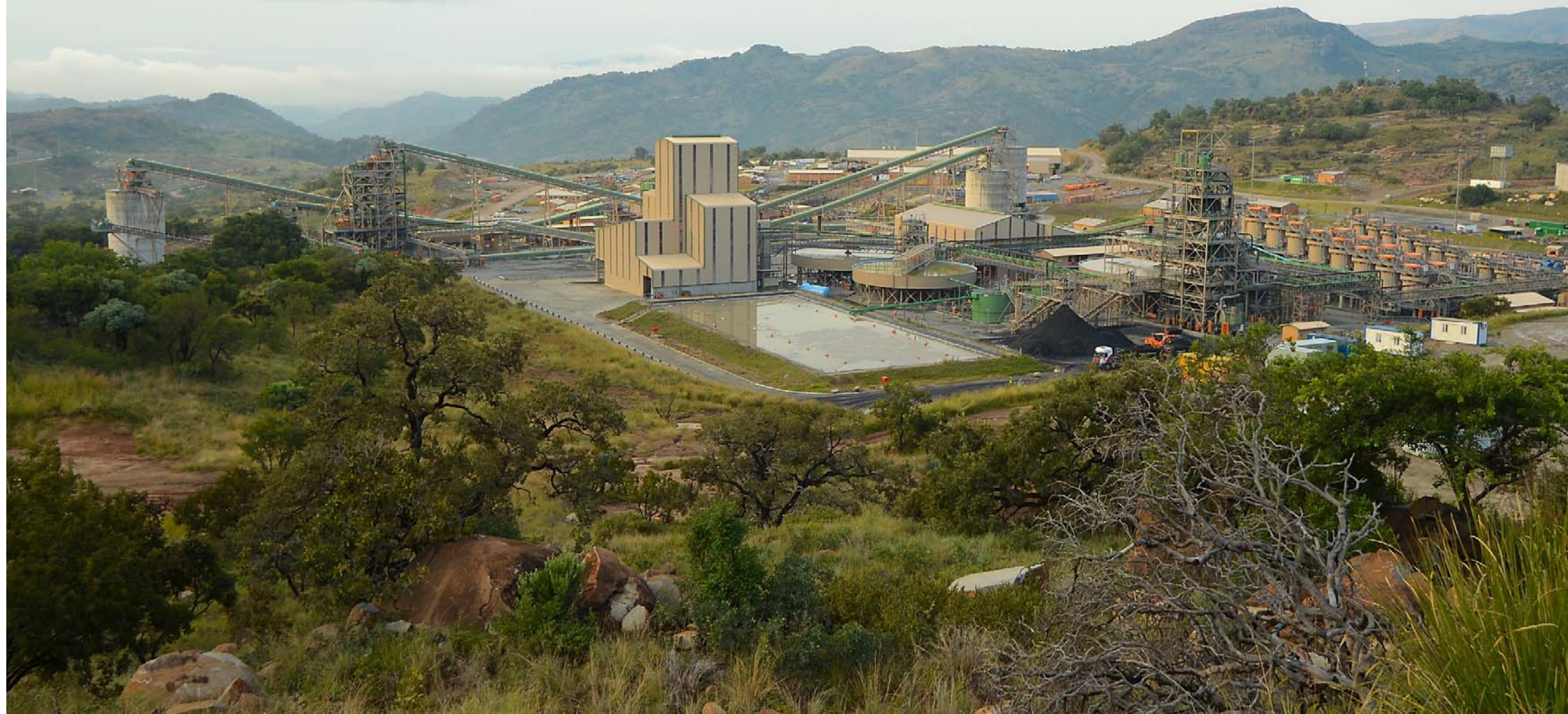
PROCESSING CAPACITY INTEGRATED METALS PROCESSING

- Two concentrators, smelter, base metals removal on site at Zondereinde
- Long-standing partnership with Heraeus for precious metals refining
- Independent marketing to established global customer base
- Planned smelter expansion (capex R750 million)



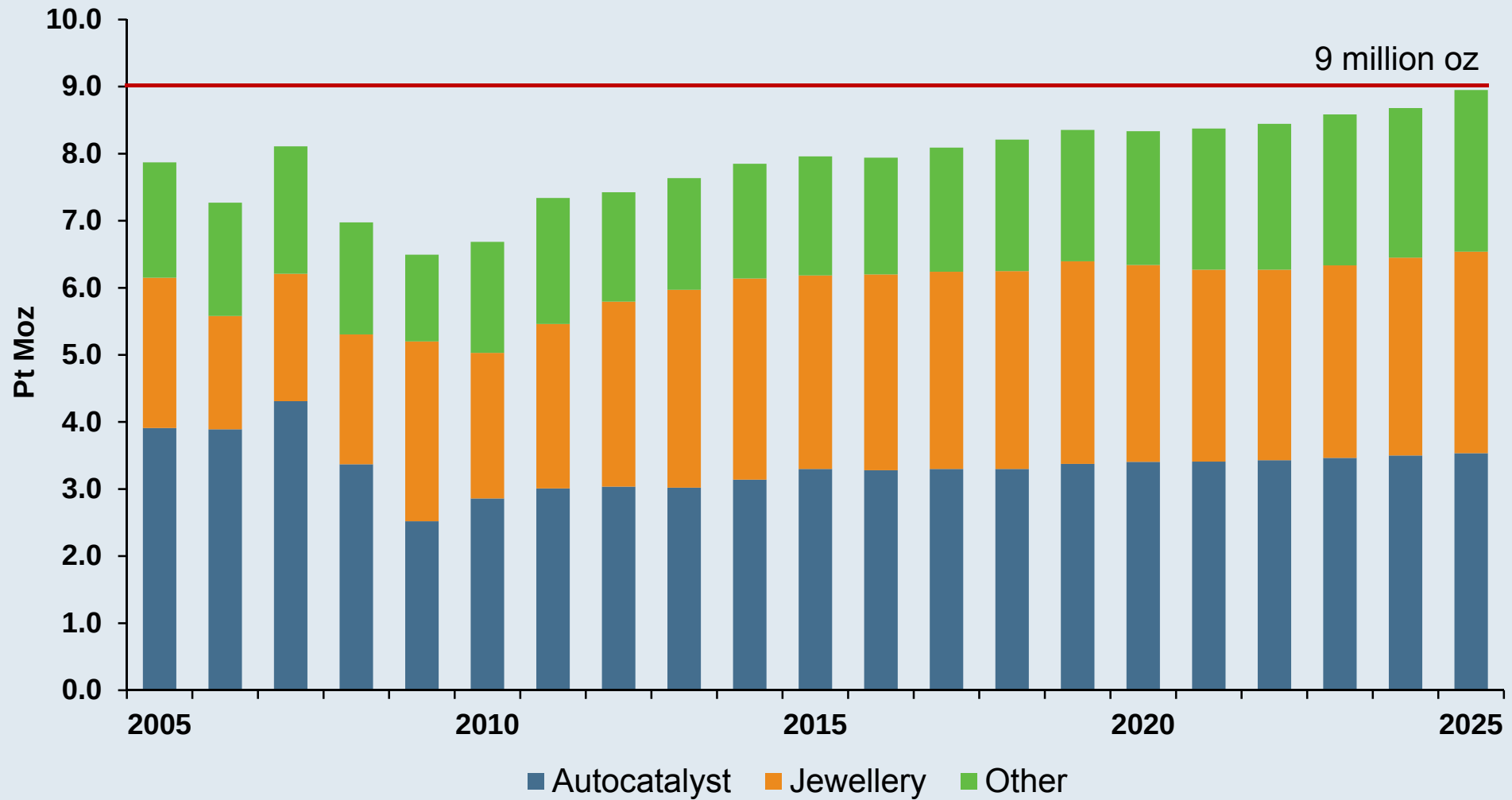
WHY IS NORTHAM INVESTING?

- Steady demand growth
- Diminishing SA supply



PLATINUM DEMAND

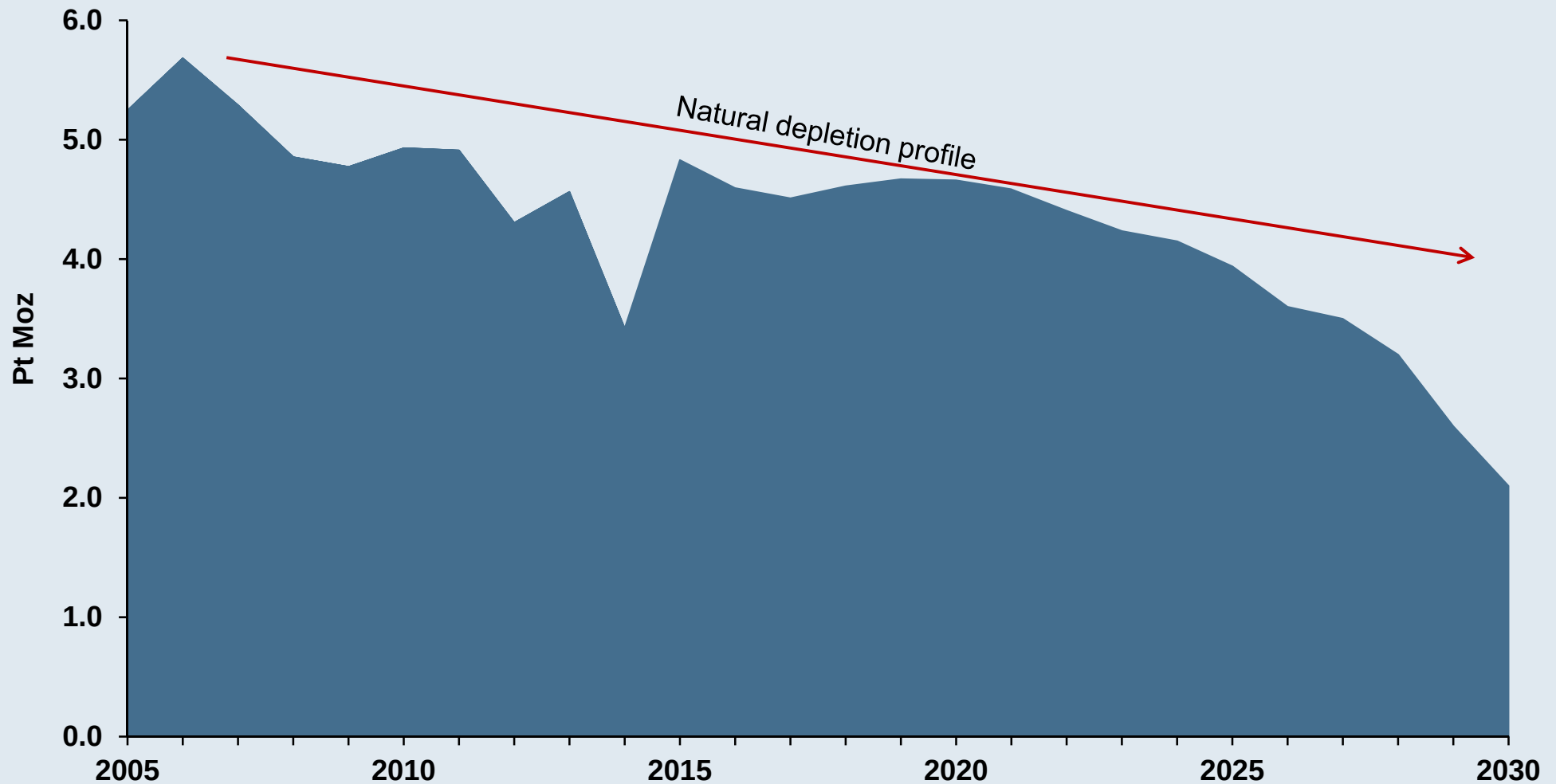
STEADY GROWTH



Source: SFA (Oxford) Ltd

SOUTHERN AFRICAN MINE SUPPLY

EXISTING PRODUCING SHAFTS



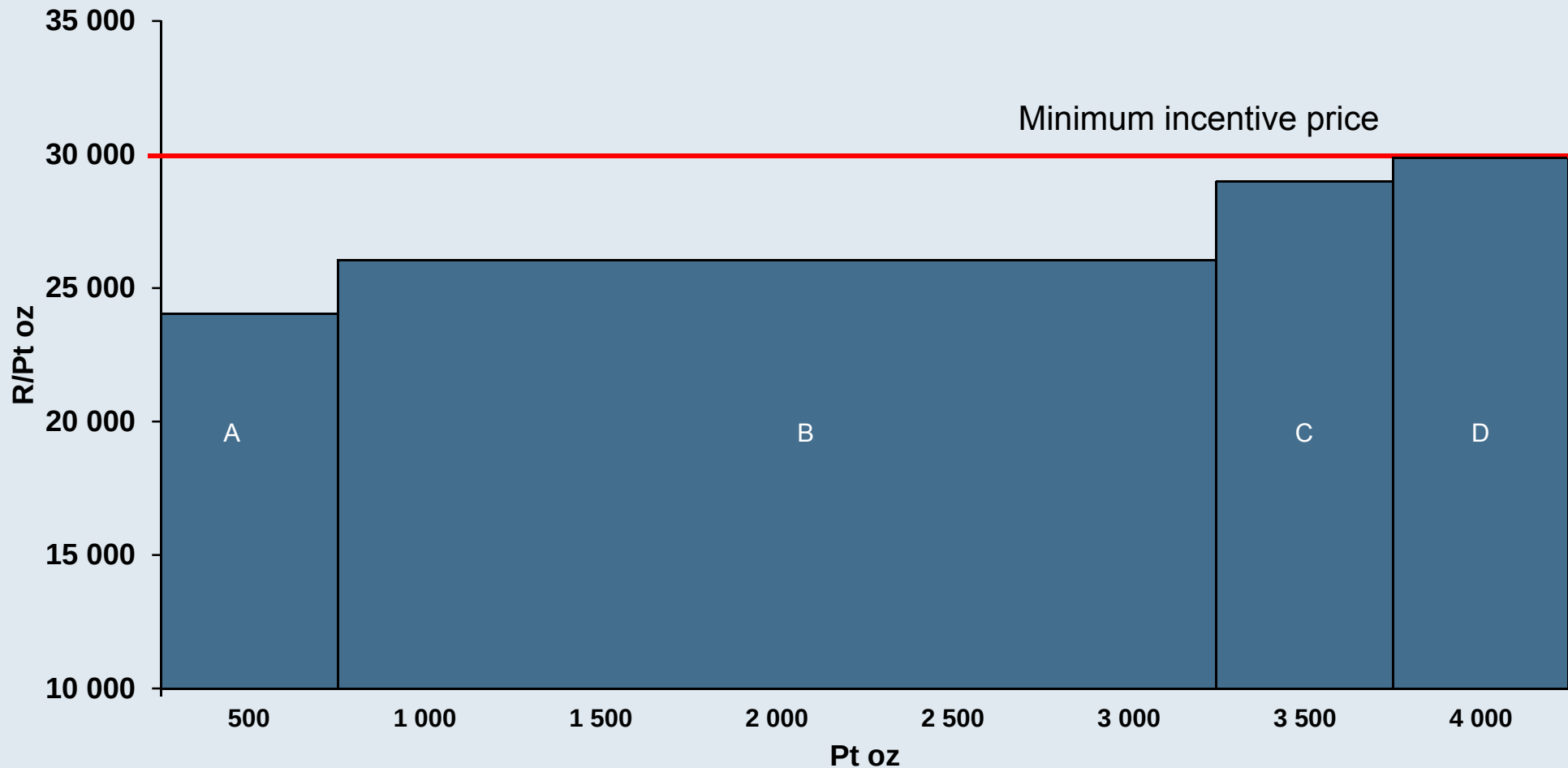
Source: SFA (Oxford) Ltd, Northam, company reports

WHY INVEST IN NORTHAM?

- Steady PGM demand growth
- Depleting primary mine supply
- Significant organic and greenfields growth options
- Strong balance sheet
- Fully empowered
- Low cost, long life assets



A HYPOTHETICAL 2020 INDUSTRY COST CURVE



BOOYSENDAL NORTH ORGANIC EXPANSION

Merensky expansion

- Bulk sample, trial mining and feasibility study complete
- Initial 22 000 additional 4E oz per annum at capital cost of R300 million
- Potential for 75 000 4E oz per annum

UG2 expansion

- Deepening existing mine by two levels to produce an additional 25 000 4E oz per annum at a capital cost of R270 million



BOOYSENDAL SOUTH (Everest) GROWTH PROJECT

- Acquisition cost of R450 million
- Surface infrastructure includes:
 - 250ktpm concentrator
 - tailings facilities
 - water allocation
 - power allocation
 - offices and workshops
- Target mining area is Booysendal South orebody
 - containing some 60Moz
- Feasibility study in progress
- Five-year development programme

Image source: Aquarius Platinum, Everest



ZONDEREINDE INTERNAL OPTIMISATION

Unlocking the value

- Deepening project on track
- Infrastructure suite to provide good quality Merensky reef
- Underground refrigeration plant on 13 level installed to improve environmental conditions underground
- Shifting the mining mix to:
 - UG2: 65%
 - Merensky: 35%
- Co-processing in Merensky concentrator
- Fine chrome removal in UG2 concentrator
- Expanding smelter capacity



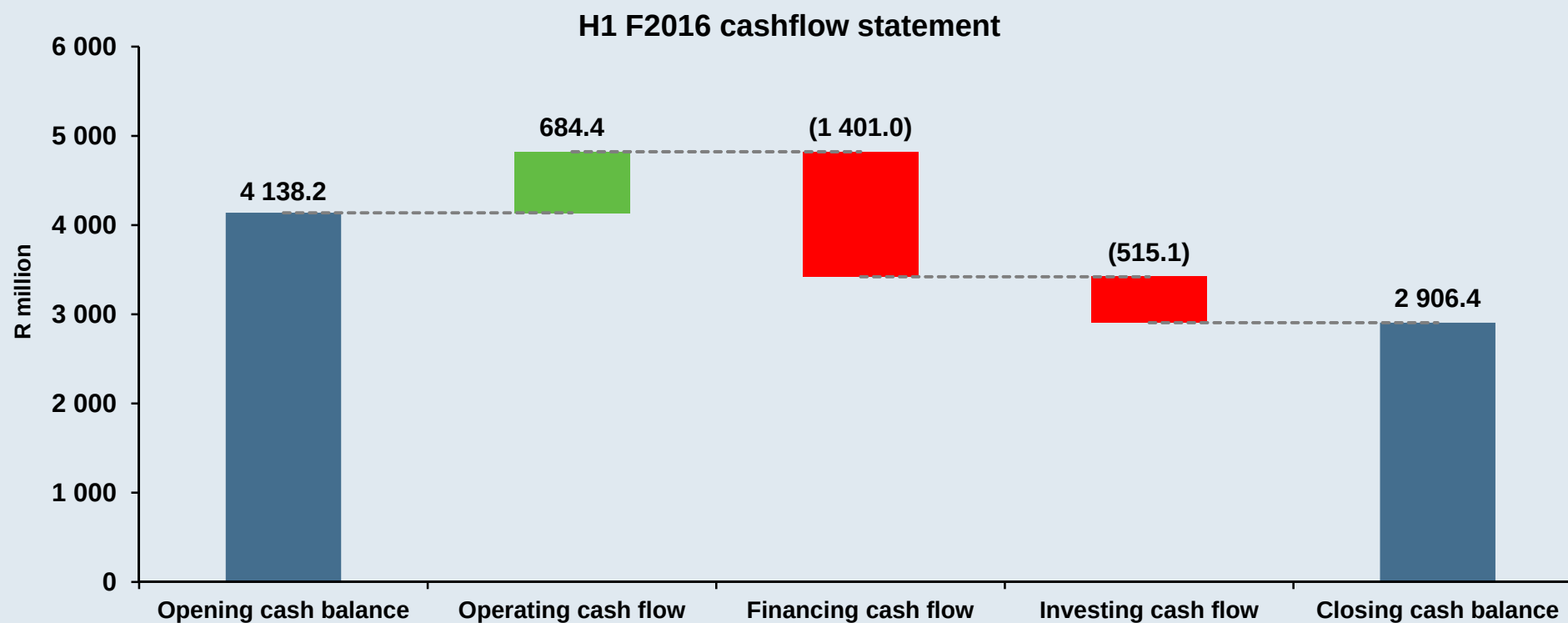
NORTHAM'S RECIPE FOR SUCCESS

- Stability, leadership and team work build self esteem
- Safety, production, morale – a virtuous circle
- Understand the orebody and set the right plan



BALANCE SHEET

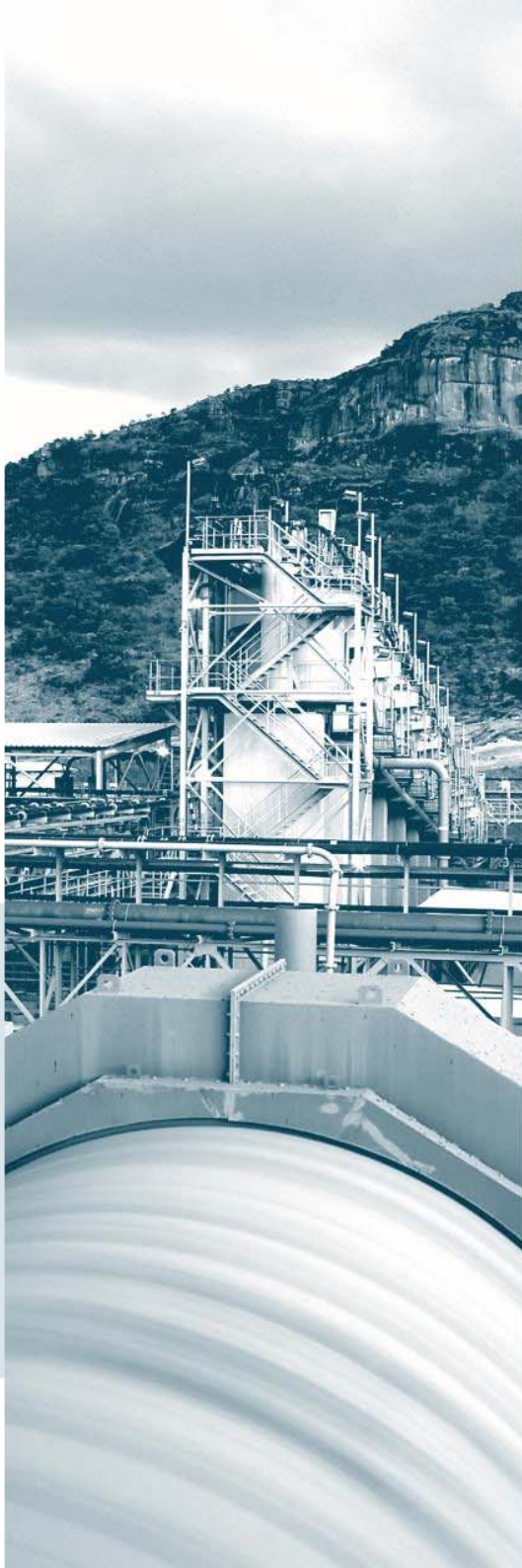
- Operations cash positive
- DMTN capital and interest of R1 393.5 million repaid
- Cash balance of R2 906.4 million at end Dec 2015



CONCLUSION

- Northam is well positioned in a stressed sector
- Growth projects are fully funded
- Intend to be 'first to market'
- Importantly, we believe in our country, our company, our people and our product...
 - very rare and special metals





NORTHAM

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