

The new Northam: continuing to create value for all stakeholders

Annual integrated report
30 June 2021

Rhodium – the rose

Rhodium is considered the rarest and most valuable precious metal in the world.

In its pure form it is silvery-white and the most reflective of all metals. It was, however, first isolated from a rosey-red coloured chloride salt in 1803 by the English scientist, William Hyde Wollaston. This led to him naming it after the Greek word for rose, "rhodon".

The photograph on the front cover of this report shows powdered rhodium chloride.

Rhodium has in the past been lesser known in comparison to its sister metals, platinum and palladium. It has become more prominent in recent times as a result of its very special application when it comes to human health – rhodium is used extensively in the automotive sector to control the emissions of nitrous oxides (NOx) which are deleterious to pulmonary health.

Only around 30 tonnes of rhodium are sold each year, but its price over the past year averaged over R9 million per kilogram. This is important for South Africa and particularly for South African Platinum Group Metal (PGM) miners, as over 85% of the world's rhodium comes from the Bushveld, predominantly from our UG2 orebodies. The remainder is derived from Norilsk in Russia, and from the Sudbury Complex in Canada.

In the past, the world was generally at a loss to find significant uses for rhodium, as it was with all of the PGMs. We had to wait for the disciplines of chemistry and engineering to evolve.

Rhodium's physical properties were harnessed in its earliest uses. These include a high melting point, extreme hardness, durability, lustre (or reflectivity) and resistance to corrosion. Alloying rhodium with other PGMs also increases their hardness and lustre.

Uses included pen nibs and razor blades, high-temperature laboratory instruments such as crucibles and thermometers (termed thermocouples) and low resistance electrical contacts in motors and electronic circuits. Durability, along with reflectivity led to its application as a thin, electroplated coating to platinum jewellery, giving lustre to what would otherwise be a relatively dull surface. This property is also employed in the reflective surfaces required for powerful searchlights and lighthouse beacons.

Only in the 1950s was it found that rhodium acted as a catalyst in numerous organic reactions. This has had profound positive implications for our modern world.

Catalysts are defined as substances that either increase the rate, or lower the activation energy of a chemical reaction without the catalysts themselves being consumed or undergoing any permanent chemical change. This leads to significant energy and cost savings in industrial processes.

One of the earliest catalytic applications for rhodium was in the Monsanto process, in which acetic acid is produced from methanol. A second and by far the most important application of the metal, accounting for over 90% of global consumption, is in the reduction of NOx emissions from vehicle exhausts. Developments in modern organic chemistry are leading to the discovery of an ever increasing number of catalytic applications.

Environmental legislation in Europe, China, India and more recently, the United States, is heavily focussed on NOx gases. This is creating significant demand-pull. In addition, since the global financial crisis of 2008, there has been significant under investment in PGM mining assets. This has negatively impacted the ability of South African primary producers to meet the growing demand. This, in turn, led to price appreciation, with a consequent flow-through to the basket price received by miners of UG2 ore. Current weak pricing is related to silicon chip supply constraints restricting automotive manufacturing. This is expected to be a short-term event and the prices should rebound once supplies are restored.

At Northam, rhodium represents only around 8% by mass of all of the precious metals we produce and sell. However, for the past year it contributed on average 50% of our revenue. This contribution will increase as our UG2 dominated production growth strategy plays out and automotive supply normalises.

We believe in the metals that we produce, including rhodium. They are special. Our counter-cyclical investment in various growth projects demonstrates this confidence.

Northam will continue to produce many roses for years to come.

Contents

Introduction	About our report
1 Our reporting suite	
2 Introducing our report	
Business overview	Overview of our business, the market, our operating model and stakeholder needs
4 How we create value for all stakeholders	
6 A 12 year window into our business	
8 The year at a glance	
10 The Composite Transaction: Empowering Northam for the future	
12 Our growing operations	
14 Mineral Resources and Mineral Reserves	
20 Breathing new life into a mature mine	
22 On track to deliver Booyensdal's medium-term growth target	
24 Full mine-build programme in progress	
26 Upgrading for the future	
28 Our key stakeholder relationships	
Governing our business	How we govern our business
36 A message from our independent chairman	
40 Board of directors	
42 Executive committee	
44 Q&A with the chief executive officer, Paul Dunne	
Material issues, risks and opportunities	Challenges and opportunities in our business
46 COVID-19 and beyond	
48 Material issues	
50 Managing risks and opportunities	
Value through delivery	Our financial performance creates value to stakeholders
64 CFO statement: A recap on our strategy and beliefs	
Other information	Other information
68 Glossary	
78 Analysis of Northam shareholders	
79 Administration and contact information	

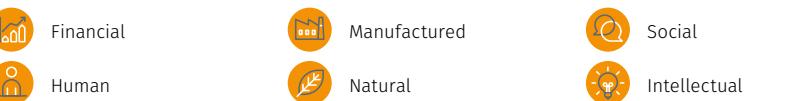
We believe in the positive impact of mining, mining that benefits our employees, our communities, the environment and our investors. Our strategy is underpinned by our belief in our country, our company, our people and our product.

Our value creating business model is underpinned by these beliefs. They drive our vision to be the reliable PGM producer of choice and inform our strategy of growing production down the cost curve. It is supported by our enablers and delivered through our unique operating model.

Navigation icons

We use the capitals concept to convey quantitative and qualitative information. The degree and nature of the impact that our material issues have upon our business and the various capitals have also been considered throughout the report.

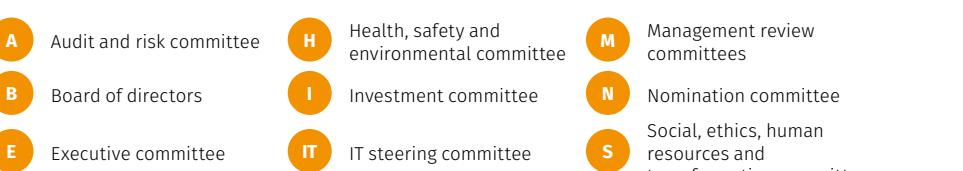
Capitals



Stakeholders



Board and committees



Subsequent to year end a Remuneration committee was established

Links

- Refers to other pages in our reporting suite
- 🌐 Refers to supporting documents on the website: www.northam.co.za
- 🕒 COVID-19 issue

Our reporting suite

Our integrated report is supplemented by a full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting. These can be accessed on our website at www.northam.co.za

Annual integrated report

Prepared in accordance with:

- International <IR> Framework of the International Integrated Reporting Council (IIRC)
- International Financial Reporting Standards (IFRS)
- South African Companies Act No. 71 2008, as amended (Companies Act)
- Approval by the board of directors

Corporate governance report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- Debt Listings Requirements
- King IV™

Remuneration report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- JSE Listings Requirements
- King IV™

Annual financial statements

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- International Standards on Auditing
- International Accounting Standards
- The South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- Debt Listings Requirements
- King IV™
- Approval by the board of directors
- The chief executive officer and finance director responsibility statement included
- The company secretary's certificate included

Mineral Resources and Mineral Reserves statement

Prepared in accordance with:

- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves 2016 (the SAMREC Code (2016))
- JSE Listings Requirements
- Sign off by the Lead Competent Person

Sustainability report

Prepared in accordance with:

- Core requirements of Global Reporting Initiative (GRI) Standards

Summarised financial results and group statistical information

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- International Accounting Standards
- SAICA Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- JSE Listings Requirements
- Debt Listings Requirements
- Approval by the board of directors

Notice of the 2021 Annual General Meeting

Prepared in accordance with:

- Companies Act
- Companies Regulations
- JSE Listings Requirements
- Debt Listings Requirements
- Company's Memorandum of Incorporation

Introducing our report

This report is prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC) and provides our stakeholders with a concise and transparent assessment of our ability to use our financial expertise to do good and create sustainable value.

Compliance and reporting guidelines

This annual integrated report for the year ended 30 June 2021, the company's notice of Annual General Meeting (AGM) and the audited annual financial statements are published in compliance with the JSE Listings Requirements and the provisions of the South African Companies Act No. 71 of 2008.

In compliance with paragraph 7.F.6 of the JSE Listings Requirements, Northam is in compliance with the provisions of the Companies Act No.71 of 2008 and the relevant laws governing its establishment, specifically relating to its incorporation. Furthermore, Northam is operating in conformity with its Memorandum of Incorporation.

Northam is committed to reporting in line with the King IV™.

 Refer to the Application of the King IV™ principles for the year ended 30 June 2021 available on our website at www.northam.co.za for more details on our response to the principles

The application of these guidelines is reviewed in the corporate governance section of this report.

Northam's financial year runs from 1 July to 30 June. In this 2021 financial year (the F2021 reporting period), Northam has continued with its integrated approach to reporting, as first embarked upon in F2011. This approach seeks to present stakeholders with a holistic overview of the group's financial and non-financial performance, using the Integrated Reporting Framework of the International Integrated Reporting Council and the

standards of the Global Reporting Initiative (GRI) as the basis for determining the report content. The report has been prepared in accordance with the GRI Standards Core option. This holistic overview provides a summary of the business, its performance and the value it creates for stakeholders, as well as an assessment of the group's governance, economic, social and environmental impacts and performance during the reporting period.

Our approach to materiality

We apply the principle of materiality in assessing what information should be included in our integrated report, as well as our full suite of publications.

We apply materiality in our reporting to provide the users of these reports with a balanced view of our business and the environment in which we operate.

Material issues

In formulating our strategy and determining our strategic priorities, we continue to consider those issues that are most material to the business and stakeholders, which influence the sustainability of our business, as well as the social, economic and physical environments in which we operate and which fundamentally influence the assessments and decisions of stakeholders.

Auditing and assurance

Northam's internal and external auditing functions are critical areas of governance. The internal audit function is outsourced

to KPMG Services Proprietary Limited (KPMG). KPMG's chief task is to examine and evaluate the group's systems of internal control in the mitigation of business and financial risks.

The group's consolidated and separate annual financial statements have been audited by the external auditor Ernst & Young Incorporated (EY).

 The independent auditor's report can be found in the Annual financial statements 2021 available on our website at www.northam.co.za

EY were engaged to provide a limited assurance report for certain non-financial key performance indicators which are highlighted with an 'LA' throughout the sustainability report. The independent assurance report is included in the sustainability report.

We use a combined assurance model to confirm the information we provide supports the credibility and integrity of our reporting. Execution of our combined assurance plan and reporting is monitored by the audit and risk committee, which reports to the board.

Reporting parameters and definitions

The consolidated annual financial statements include the group's subsidiaries, joint arrangements and associates. The non-financial disclosure relates to all wholly owned operations.

Except where specifically stated otherwise, Northam reports on Mineral Resources, Mineral Reserves, production and ore grades in terms of platinum, palladium, rhodium and gold content. This is expressed as 4E.

Production and grades are also reported in terms of 6E, which includes ruthenium and iridium.

The definitions of time periods within this report are:

Short-term:	Medium-term:	Long-term:
within a period of 12 months	1–5 years	longer than 5 years

Both ZAR and R signify rands, the South African currency. USD refers to the United States dollar and € to the euro.

 Financial and non-financial terms are defined in the glossary on page 68 of this report.

Reference to other reports

Our integrated report is supplemented by a full suite of online publications, which caters for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting.

 These can be accessed through our website at www.northam.co.za

Events subsequent to the reporting period with regards to the Composite Transaction

The disclosures included in the various Northam Publications, including the annual financial statements regarding the Composite Transaction are in accordance with the requirements included in International Accounting Standards 10, Events after the Reporting Period (IAS 10). IAS 10 paragraph 21 requires the disclosure of material non-adjusting events occurring after the reporting period when non-disclosure could influence the decisions of users of the annual financial statements made on the basis of those annual financial statements. The Composite Transaction constitutes such an event. The following disclosures are required: (a) the nature of the event and; (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

In line with the reporting requirements of International Financial Reporting Standards (IFRS) and following the guidance of IAS 10 as disclosed above, all values and number of shares relating to the Composite Transaction have been disclosed based on calculations as at the Last Practicable Date (LPD), being 30 April 2021, in accordance with the disclosures made in the Circular to Northam Shareholders, accompanied by the Prospectus in respect of Northam Platinum Holdings Limited, issued on Monday, 31 May 2021 (collectively, the Transaction Documents).

Users of the various Northam Publications (which includes the annual integrated report) are referred to the Transaction Documents for additional information relating to the Composite Transaction, the underlying assumptions and judgements applied in calculating the number of shares, as well as the values disclosed, in order to obtain a fully informed view of the nature and impact of the Composite Transaction.

Forward-looking statements

This report contains certain forward looking statements with respect to Northam Holdings financial position, results, operations and business.

These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ from those expressed or implied by these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by the group's auditors.

Forward-looking statements compiled by Northam Holdings at the time of releasing our 30 June 2021 results, on 30 September 2021, were informed by the group's business plans and economic forecasts that were finalised and approved by the company's board of directors in July 2021. Should there be any changes to financial guidance provided on 30 September 2021, these will be reported via announcements from the Stock Exchange News Service (SENS) operated by the JSE Limited.

Directors' responsibility

The board acknowledges its responsibility for ensuring the integrity of this integrated report. The board has considered the operating context, strategy and value creation model. This report, in the board's opinion, addresses all the issues that are material to, or could have a material effect on, the group's ability to create value. The report fairly presents the integrated performance of the group and was approved by the board on 23 September 2021.

On behalf of the board

David Brown
Chairman

Paul Dunne
Chief executive officer

Johannesburg
23 September 2021

How we create value for all stakeholders

Beliefs to outcomes

Value creation
Value erosion



Underpinned by our operating model

Allowing the executive to define the strategic framework for each operation and holding them accountable to agreed performance indicators

A 12 year window into our business

How we have delivered on our strategy since inception and what we plan to do over the coming five years.

Operations
█ Zondereinde
█ Boysendal
█ Eland
█ Group

												█ COVID-19					
F2015	F2016	F2017	F2018	F2019	F2020		F2021	F2022	F2023	F2024	F2025	F2026					
Listing highlights							Entered JSE Top 40 index										
Zambezi BEE Transaction concluded with a net R4.2bn raised for future expansion								Market capitalisation exceeds R100.0bn for the first time									
Domestic Medium-Term Note Programme																	
R2.0bn	R2.0bn	R2.0bn	R2.0bn	R2.0bn	R10.0bn		R15.0bn	R15.0bn	R15.0bn	R15.0bn	R15.0bn	R15.0bn					
Revolving Credit Facility							R4.0bn	R4.0bn	R4.0bn	R4.0bn							
General Banking Facility							R1.0bn	R1.0bn	R1.0bn	R1.0bn							
Operational and project highlights																	
Acquisition of Everest mine for R450.0m, providing Boysendal with additional Mineral Reserves, together with key supporting infrastructure enabling the start of Boysendal South mine	Approval of the Boysendal South mine project at a capital cost of R4.2bn in 2016 monetary terms	Acquisition of the Western extension at Zondereinde for R1.0bn, extending Zondereinde's life of mine to more than 30 years	Acquisition of the US recycling assets for USD10.0m, providing the group with a foothold in a growing supply sector outside the borders of South Africa	Commissioning of key infrastructure at Boysendal South mine, together with the first ore production, increasing group production and reducing geographic risk	Temporary pull back of some capital growth projects in response to market uncertainty related to the onset of COVID-19	Restart of all temporarily suspended capital growth projects following improved market certainty	Completion of rebuild and upgrade of smelter furnace 1 at the Zondereinde Metallurgical operations, increasing processing capacity and significantly reducing operational risk	Three UG2 mining modules at Boysendal South (BS1, BS2 and BS4) reach steady state production	Boysendal reaches 500 000 oz 4E production level	Completion of upgrade to Boysendal South tailings storage facility to over 100 m tonnes capacity, catering for increased production, as well as longer life of mine	Eland reaches 150 000 oz 4E production level						
			Commissioning of smelter furnace 2 at the Zondereinde Metallurgical operations, increasing processing capacity and significantly reducing operational risk	Restructuring of the DMTN Programme to preserve liquidity during uncertain times	Commencement of pilot drilling for Zondereinde 3 shaft to improve access to the Western extension	Commencement of reaming of Zondereinde 3 shaft	Merensky mining module at Boysendal South (BSM1) reaches steady state production	Zondereinde reaches 350 000 oz 4E production level	Merensky mining module at Boysendal South (BSM1) reaches steady state production	Zondereinde 3 shaft fully operational, adding significant operational flexibility							
			Acquisition of Eland mine for R175.0m, bringing additional operational flexibility from a quality orebody with commensurate infrastructure	Entered into an agreement to purchase Maroelabult mine for R20.0m which will enhance the flexibility of Eland mine	Commencement of mining at the Kukama section of Eland	Commissioning of the North aerial rope conveyor at Boysendal, optimising mining and concentrating capacity	Completion of reaming and commencement of equipping of Zondereinde 3 shaft	Commencement of mining of the UG2 open pit and the Maroelabult section at Eland	Commissioning of the primary milling circuit at Eland allowing treatment of run of mine ore								
Equivalent refined metal from own operations							690 867 oz 4E	750 000 – 780 000 oz 4E	840 000 – 860 000 oz 4E	910 000 – 930 000 oz 4E	970 000 – 990 000 oz 4E	980 000 – 1 000 000 oz 4E					
377 770 oz 4E	436 960 oz 4E	474 007 oz 4E	483 941 oz 4E	519 954 oz 4E	515 370 oz 4E												
Total capital expenditure							R3.3bn	R4.0bn	R4.3bn	R4.4bn	R4.0bn	R4.0bn					
R1.1bn	R1.2bn	R1.6bn	R3.8bn	R2.9bn	R2.4bn												

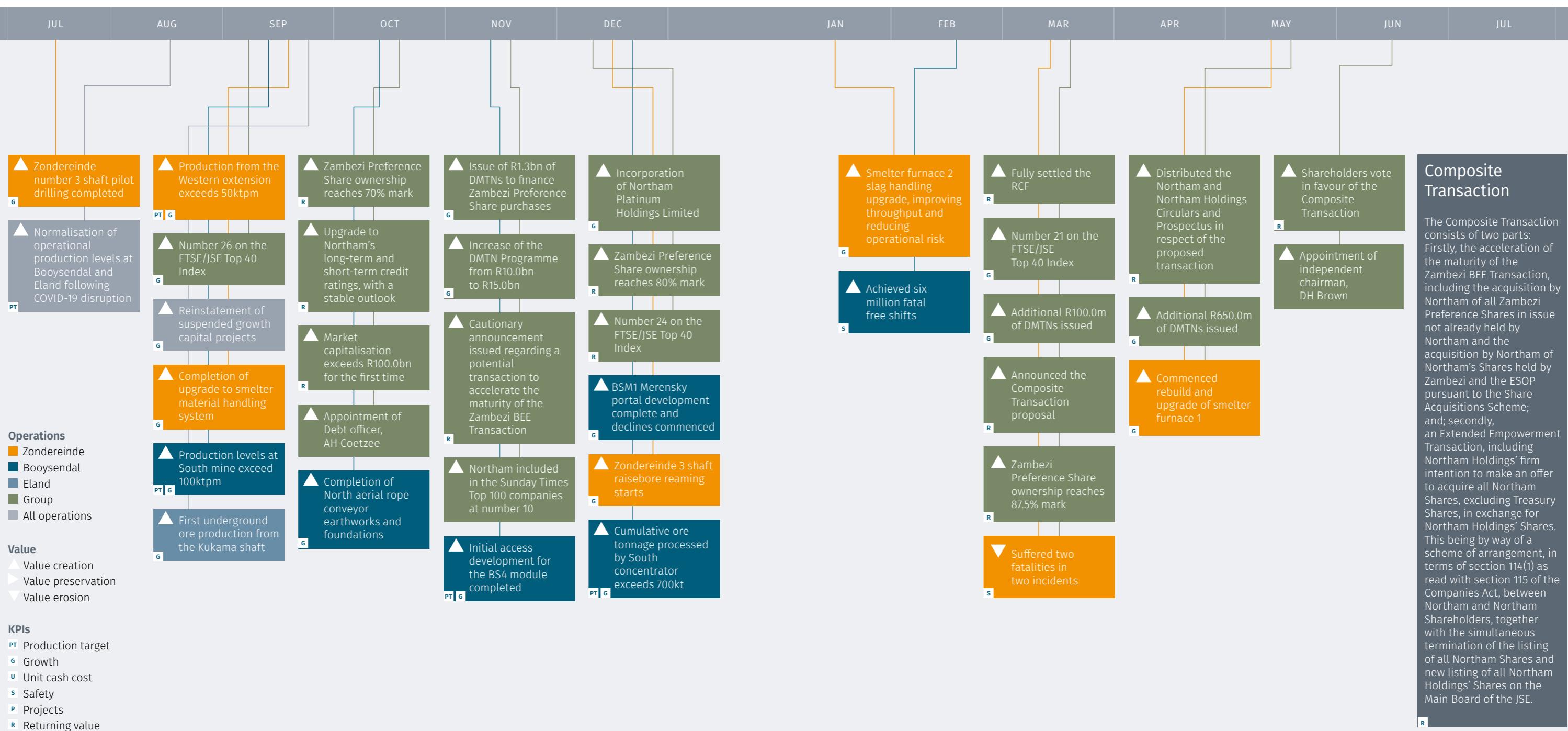
The year at a glance

Key events for the year that influenced our growth.

We have also provided an indication of the perceived effect of each event on the business to aid the appreciation of value creation, preservation and erosion over the year.



Normalisation of production and resumption of our growth strategy following COVID-19, together with the securing of our long-term empowerment credentials, bodes well for the company's future.



The Composite Transaction: Empowering Northam for the future

Before the Composite Transaction

4 years

Remaining empowerment credentials

8%

Effective employee and
community shareholding

509 781 212

Northam Shares in issue

After the Composite Transaction

15 years

Remaining empowerment credentials

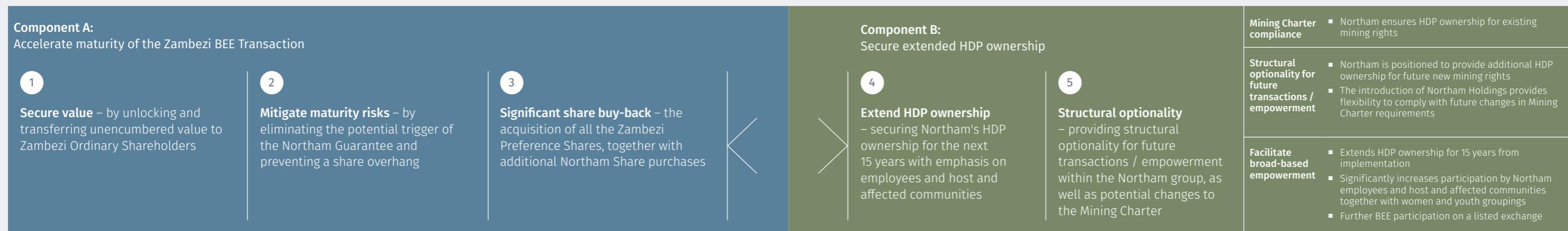
23%

Effective employee and
community shareholding

362 216 153

Northam Holdings Shares in issue

Key objectives of the Composite Transaction



Component A overview

- | | |
|---|--|
| Acquisition and settlement of the Zambezi Preference Share | <ul style="list-style-type: none"> Northam acquires the remaining 19 932 957 Zambezi Preference Shares at a 15.99% premium to the Zambezi Preference Share Face Value, for cash Zambezi settles all Zambezi Preference Shares at a premium of approximately 11.11%, through a transfer of Northam Shares held by Zambezi, to Northam, valued at R160 per Northam Share |
| Significant buy-back of Northam shares from Zambezi | <ul style="list-style-type: none"> Buy-back of Northam Shares from Zambezi and ESOP, valued at R152 per Northam Share Proceeds of buy-back used by Zambezi to settle taxes |
| Distribution of net value in Zambezi | <ul style="list-style-type: none"> Distribution of Net Unencumbered Value to Zambezi Ordinary Shareholders via a cash dividend and dividend <i>in specie</i> of residual Northam Shares Zambezi Preference Shares delist from the main board of the JSE |

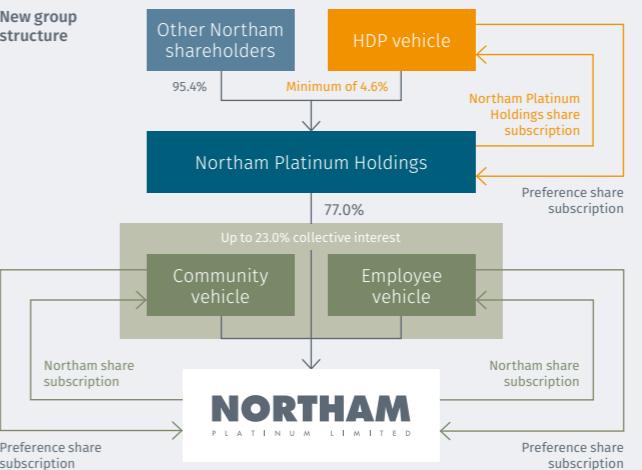
Component B overview

Northam Platinum Limited (NPM) Shareholders exchange Shares in Northam Platinum Holdings Limited (NPH), the new listed vehicle, on a one-for-one basis. Delist NPM and list NPH on the JSE in September 2021

c. 26.5 %

effective HDP ownership in the Northam group – vendor financed by Northam through the issue of preference shares

HDP vehicle will be listed on the BEE segment of the JSE



Transfer of up to **R150m** per annum to employee and host and affected community vehicles.

The new Northam...

Crystallising value for Zambezi Ordinary Shareholders

Substantial buy-back of Northam shares

...continuing to create value for all stakeholders

Transferring unencumbered Northam Shares to Zambezi Ordinary Shareholders

Focus on employees and communities in a 15 year Extended Empowerment Transaction

*All values and number of shares relating to the Composite Transaction have been disclosed based on calculations as for the base case *pro forma* financial information of Zambezi at the Last Practicable Date (LPD) in accordance with the disclosures made in the Circular to Northam shareholders, accompanied by the Prospectus in respect of Northam Platinum Holdings Limited, dated Monday, 31 May 2021 (collectively, the "Transaction Documents"). Users of the various Northam Publications are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied.

Our growing operations

We are an independent, fully empowered, integrated PGM producer.
We wholly own our operating mines and recycling operation.
Our medium-term target remains at 1 Moz 4E per annum.



Key:
● Wholly owned operations
● Joint arrangement
● Other peer operations
○ Cities/towns
— Main roads

Eland
Mineral Resources
14.3 Moz 4E

Strengths

- Quality, near-surface, UG2 ore body
- Significant rhodium loading
- More than 30 years life of mine on current planning
- 150 000 oz 4E annual production in the medium-term
- Hybrid and open pit mining
- Under-utilised concentrator, allowing for processing of third party feed

Challenges

- Project risk during production build-up
- Availability and recruitment of skilled employees
- Economically challenged region with significant community expectations

Zondereinde

Mineral Resources
80.1 Moz 4E

Strengths

- Highest grade UG2 and Merensky ore bodies in the Bushveld Complex
- More than 30 years life of mine on current planning
- 350 000 oz 4E annual production once the Western extension is fully operational
- Further brownfields expansion possible
- Lower half of the industry cost curve
- Access to both Merensky and UG2 ore bodies via shared infrastructure
- Established conventional long-life operation
- Concentrator, smelter and base metal removal facilities on site

Challenges

- Deepest PGM mine in the world
- Large employee base
- High fixed component of total costs

Dwaalkop

Mineral Resources
8.9 Moz 4E

Other operations
50%

interest in the Dwaalkop Joint Venture with Sibanye-Stillwater Limited.

33.7%

interest in SSG Holdings Proprietary Limited, which provides security and facility services to the group.

US recycling operation

Our approach to recycling continues to be measured.

Booysendal

Mineral Resources
100.4 Moz 4E

Strengths

- Large, quality, near-surface, mechanisable ore bodies
- Predominantly UG2 mining with significant rhodium loading
- More than 25 years life of mine on current planning
- 500 000 oz 4E annual production at steady state
- Further brownfields expansion possible
- Operating in the lowest quartile of the industry cost curve
- Modular design allowing capital efficient, sequential production growth

Challenges

- Operating in an economically depressed region with limited skills availability and significant community expectations
- Topographic and environmental restrictions on surface infrastructure

Johannesburg

0

50

100 km

Mineral Resources and Mineral Reserves

Mineral Resources and Mineral Reserves are fundamental to the group's ability to operate

Mineral Resources are the product of mineral assets and exploration processes

203.65 Moz 4E

Group total Mineral Resources
F2020: 241.85 Moz 4E

Mineral Reserves are the outcome of mine planning and scheduling, as well as the application of capital

29.51 Moz 4E

Group total Mineral Reserves
F2020: 29.75 Moz 4E

Core to the group's operational strategy of growth and productivity optimisation has been the strengthening of our Mineral Resources and Mineral Reserves base. This has been facilitated through the acquisition of quality assets in strategic locations, backed up by robust and exhaustive exploration, evaluation and planning processes following best practice in line with the prescripts of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC Code (2016).

We consider the group's current Mineral Resources and Mineral Reserves positions to be of sufficient quantum and quality to support a sustainable production profile in line with our strategic intent.

Summary Mineral Resources and Mineral Reserves Statement 2021

Northam's attributable total Mineral Resources as at 30 June 2021, expressed as in situ metal content, comprise 203.65 Moz 4E, a decrease of 38.20 Moz 4E on the previous year. The total metal content in Mineral Reserves comprises 29.51 Moz of 4E, a decrease of 0.24 Moz 4E on the previous year.

Northam's Mineral Resources and Mineral Reserves for its wholly owned Booyensdal, Eland and Zondereinde platinum mines have been prepared by the group's Competent Persons using the guidelines of the SAMREC Code (2016). Similarly, the Mineral Resources for the Dwaalkop joint venture were assessed and have been reported by Sibanye-Stillwater Limited within the guidelines of the SAMREC Code (2016) as at 31 December 2020.

The Mineral Resources (total Measured, Indicated and Inferred) are in-situ estimates reported inclusive of the Mineral Reserves (Proved and Probable) for 4E (combined platinum, palladium,

rhodium and gold). Mineral Reserves are reported as fully-diluted material delivered to the concentrators.

Mr. Damian Smith BSc (Hons), MSc, Northam's Executive: New business and Lead Competent Person, takes full accountability for the reporting of the Mineral Resources and the Mineral Reserves. The company declares that it has written confirmation from the Lead Competent Person, that the information disclosed in this report is compliant with the SAMREC Code (2016) and, where applicable, the relevant Section 12.13 of the JSE Listings Requirements as well as those of the SAMREC code (2016) Table 1; and that it may be published in the form and context in which it was intended.

Northam undertook a major review of its Mineral Resources and Mineral Reserves during the year. In addition, a Competent Persons Report (CPR) was compiled by independent consultants of the MSA Group as at 31 March 2021, to partially fulfil the requirements of a transaction to accelerate the maturity of the company's Zambezi BEE

Transaction. The CPR considered Northam's attributable Mineral Resources and Mineral Reserves, excluding those of the Dwaalkop joint venture, estimating these to be significantly different from Northam's estimates as of 30 June 2020. The review and CPR processes yielded a series of recommendations regarding data validation, additional exploration requirements, geostatistical analysis and production scheduling. These recommendations have either been enacted or are in process as of 30 June 2021. Mineral Resources and Mineral Reserves estimates for Northam's operating mines as of 30 June 2021 have subsequently been reviewed, audited and endorsed by the independent consultants of the MSA Group who compiled the CPR of 31 March 2021.

Further independent audits of Northam's Mineral Resources and Mineral Reserves are scheduled for the coming years.

Competent Persons for the compilation of Mineral Resources and Mineral Reserves are listed on the next page:



Competent Persons for the compilation of Mineral Resources and Mineral Reserves

Company	Operation	Responsibility	Name	Position/TITLE	Qualifications	Years of PGM experience	Affiliation	Member Number
Northam	Group	Mineral Resources & Mineral Reserves	Damian Smith	Executive: New Business	BSc (Hons) Geology; MSc Mining and Exploration Geology	25	SACNASP	400323/4
		Mineral Resources & Mineral Reserves	Dennis Hoffmann	Mineral Resources Consultant	BSc (Hons) Geology; MSc Geology	17	SACNASP	400220/10
Booyensdal	Mineral Resources	Meshack Mqadi	Chief Geologist	BSc (Hons) Geology	13	SACNASP	400703/15	
		Mineral Reserves	Willie Swartz	Manager: Technical Services	NHD Mineral Resource Management	17	SAIMM	709852
Eland	Mineral Resources	Paula Preston	Chief Geologist	BSc (Hons) Geology; MSc Geology	12	SACNASP	400429/04	
		Mineral Reserves	Coenie Roux	Manager: Technical Services	BSc Mining and Mineral Resource Management	27	IMSSA	2438
Zondereinde	Mineral Resources	Mpumelelo Thabethe	Chief Geologist	BSc (Hons) Geology	11	SACNASP	400309/14	
		Mineral Reserves	Charl van Jaarsveld	Manager: Technical Services	BSc (Hons) Geology	16	SACNASP	400268/05
Sibanye-Stillwater	Dwaalkop	Mineral Resources	Andrew Brown	Vice President: Mine Technical Services	MSc Mining Engineering	14	SAIMM	705060

Notes

Mineral Resources for the Dwaalkop joint venture are declared by Sibanye-Stillwater Limited. Northam has consent from Sibanye-Stillwater's Lead Competent Person for their managed PGM operations and projects to publish the Mineral Resources as at 31 December 2020.

SACNASP – South African Council for Natural Scientific Professions.

IMSSA – Institute of Mine Surveyors of Southern Africa.

SAIMM – The Southern African Institute of Mining and Metallurgy.

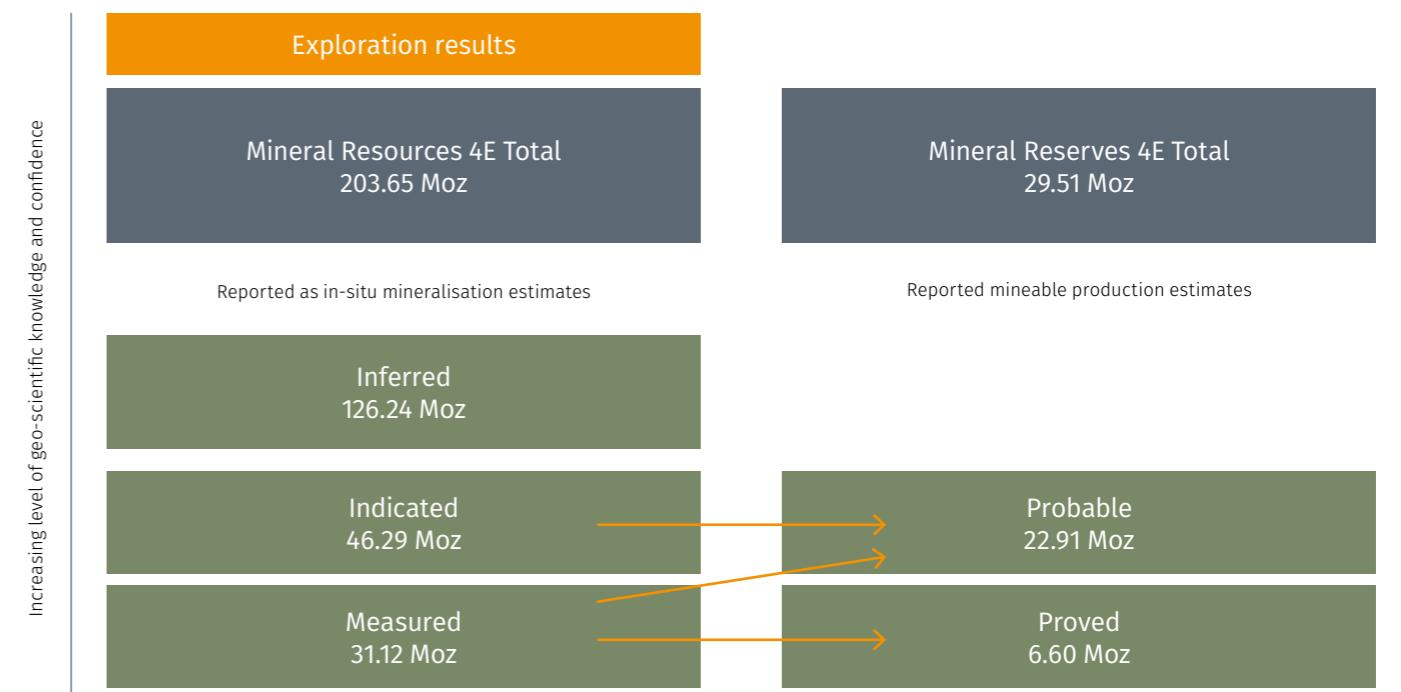
Further details can be found in the full Mineral Resources and Mineral Reserves statement, which is available on our website at www.northam.co.za

Bushveld location indicating current PGM mining operations and Northam's attributable 4E Mineral Resources and Mineral Reserves



UG2 Reef at
Zondvereinde mine

Northam's Mineral Resources and Mineral Reserves confidence categories



Mineral Resources

4E Mineral Resources estimate

(Combined Measured, Indicated and Inferred)^{1,2,3,4,5,6}

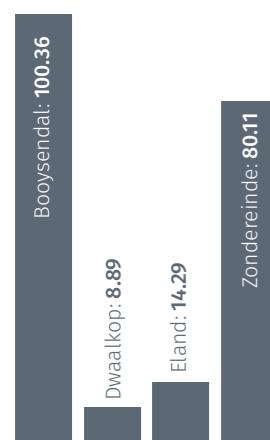
Operation	30 June 2021 4E			30 June 2020 4E		
	Mt	g/t	Moz	Mt	g/t	Moz
Booysendal	828.75	3.77	100.36	883.21	3.86	109.61
Dwaalkop ⁶	75.61	3.66	8.89	75.61	3.66	8.89
Eland	116.03	3.83	14.29	152.25	3.95	19.32
Zondereinde	404.99	6.15	80.11	540.99	5.98	104.03
Total	1425.38	4.44	203.65	1652.06	4.55	241.85

Changes to the Mineral Resources during the year

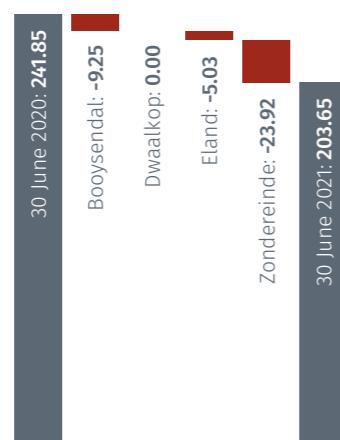
Northam's attributable combined Mineral Resources as at 30 June 2021, expressed as metal content, comprise 203.65 Moz 4E, a decrease of 38.20 Moz 4E on the previous year. The majority of this change is the result of significant decreases in the Inferred confidence category for all operations. It relates to the extent of extrapolation of Inferred Mineral Resources from the nearest sampled reef intersection, which is now set at a maximum of 1 600 m.

- Combined Mineral Resources at the Booysendal mine totalled 100.36 Moz 4E, a decrease of 9.25 Moz 4E. This decrease is the net result of mining depletions (-0.52 Moz 4E), together with positive changes to economic parameters (0.41 Moz 4E) and metal content associated with orebody evaluation (7.90 Moz 4E), as well as a reduction in the area of the Inferred confidence category (-17.04 Moz 4E).
- Combined Mineral Resources at the Eland mine totalled 14.29 Moz 4E, a decrease of 5.03 Moz 4E. This decrease is the result of a reduction in the area of the UG2 Inferred confidence category.
- Combined Mineral Resources at the Zondereinde mine totalled 80.11 Moz 4E, a decrease of 23.92 Moz 4E. This decrease is the net result of mining depletions (-0.52 Moz 4E), a decrease in metal content associated with orebody evaluation (-4.87 Moz 4E) and a reduction in the area of the Inferred confidence category (-18.53 Moz 4E).

Attributable total Mineral Resources Moz 4E



Annual net change in total Mineral Resources Moz 4E



Mineral Reserves

4E Mineral Reserves estimate

(Combined Proved and Probable)^{1,2,4,5}

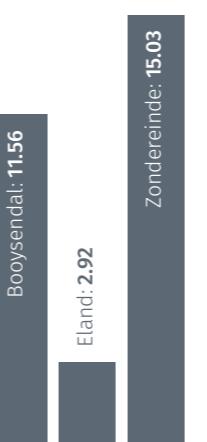
Operation	30 June 2021 4E			30 June 2020 4E		
	Mt	g/t	Moz	Mt	g/t	Moz
Booysendal	132.58	2.71	11.56	133.33	3.12	13.38
Eland	26.94	3.37	2.92	30.98	3.05	3.04
Zondereinde	98.35	4.75	15.03	87.98	4.71	13.33
Total	257.87	3.56	29.51	252.29	3.67	29.75

Changes to the Mineral Reserves during the year

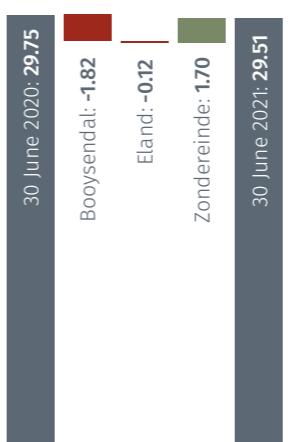
The attributable combined Mineral Reserves as at 30 June 2021, expressed as metal content, comprise 29.51 Moz 4E, a decrease of 0.24 Moz 4E on the previous year.

- Combined Mineral Reserves at the Booysendal mine totalled 11.56 Moz 4E, a decrease of 1.82 Moz 4E. The majority of this was from the South mine (-1.40 Moz 4E) which comprised decreases of 0.66 Moz 4E and 0.74 Moz 4E for the Merensky and UG2 reefs respectively. This is predominantly the result of mining depletion and a reduction in Mineral Resource content. The decrease at North mine was predominantly the result of mining depletion.
- Combined Mineral Reserves at the Eland mine totalled 2.92 Moz 4E, a decrease of 0.12 Moz 4E. This was in the main the result of exclusion of the previously included open pit Merensky Mineral Reserves (-0.15 Moz 4E), following economic re-assessment.
- Combined Mineral Reserves at the Zondereinde mine totalled 15.03 Moz 4E, an increase of 1.70 Moz 4E. This comprised increases of 0.90 Moz 4E and 0.80 Moz 4E for the Merensky and UG2 reefs respectively. The increases are the net result of mining depletions (-0.34 Moz 4E), tail-cutting (-0.17 Moz 4E), an increase in metal content associated with area by extending the production schedule into the Western extension section (3.15 Moz 4E) and an improvement in the modifying factors (0.26 Moz 4E) predominantly impacting the UG2 Reef. This increase was offset by changes to the orebody evaluation, a decrease of 1.20 Moz 4E.

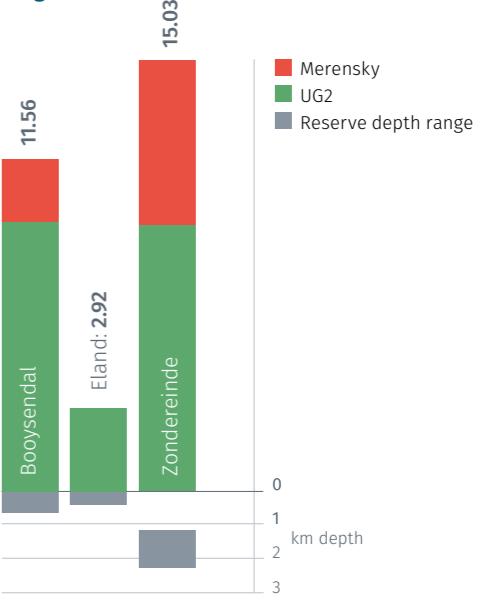
Attributable total Mineral Reserves Moz 4E



Annual net change in total Mineral Reserves Moz 4E



Mineral Reserves depth range Moz 4E



Notes

- Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% stake).
- Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.
- Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.
- PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade, this being synonymous with 3PGE & Au.
- Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.
- Current Mineral Resources for Dwaalkop are quoted as at 31 December 2020 while those of the previous year are at 31 December 2019. There are no Mineral Reserves declared for Dwaalkop.

Zondereinde Western extension

Breathing new life into a mature mine

Rationale

The addition of the Western extension will allow Zondereinde to increase its annual production to 350 000 ounces of 4E by 2024 and has extended its remaining life of mine to over 30 years. In addition, it will have created direct, meaningful, sustainable employment for an additional 600 people.

The acquisition of the Western extension in early 2018 provided Zondereinde with immediate access to an additional 3.6 kilometres of mineable strike to the west of its existing underground operations.

Exploration data indicates that this section contains PGM Mineral Resources of over 20 million ounces of 4E within both the Merensky and UG2 orebodies. The Merensky Reef predominantly comprises the high-grade P2 sub-type and the ground is unaffected by any significant faults or dykes. This should allow efficient mining.

Progress and significant milestones during the financial year

During the financial year, almost 6 000 metres of access tunnels have been advanced within the Western extension section, which is over 550 metres above plan. Strike development on some levels is beyond the fourth mining line, raises are being developed on the third mining line and have been holed throughout most of the second mining line. Over 390 000 tonnes of Merensky Reef have been extracted from the first mining line, yielding almost 70 000 ounces of 4E in concentrate. Crew productivity is benefitting from the combination of better mining conditions and focussed logistics over the 10 mining levels comprising this line.

A study investigating additional access requirements from surface to enable optimal mining has been finalised and capital has been allocated for the project. It includes a vertical shaft complex, termed number 3 shaft, sited

on the second mining line and currently being developed by raise-boring from surface.

The 405 mm diameter pilot hole for number 3 shaft was drilled from surface and successfully holed into its receiving chamber underground on 18 July 2020. At a length of 1 382 metres, this is a world record depth for a raise-bore pilot hole. In addition, through the use of oil well drilling technologies, lateral deflection, a critical success factor, was limited to less than half the diameter of the pilot hole.

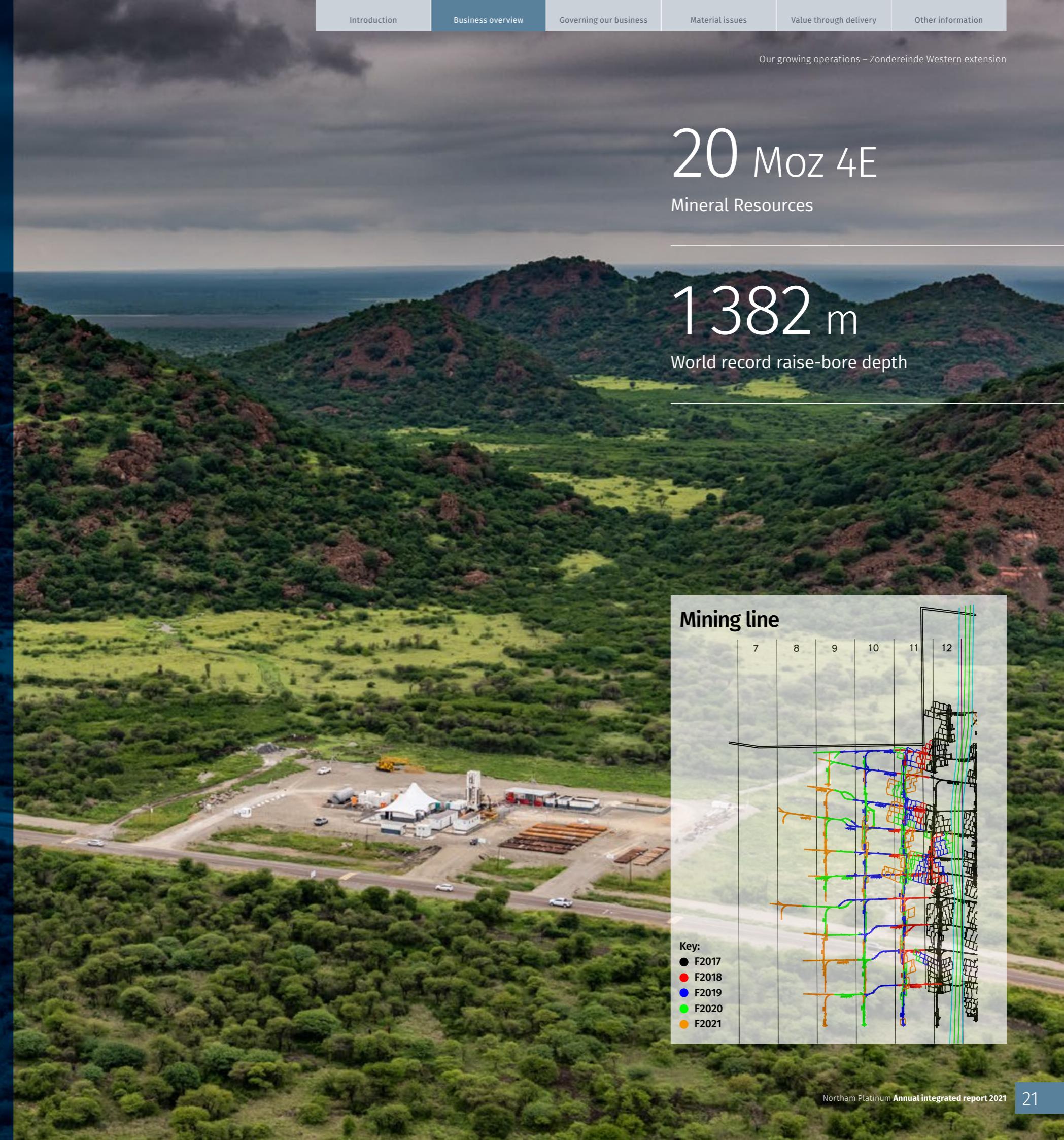
Reaming of the hole to a final diameter of 4.8 metres commenced in December 2020 and is expected to be completed before the end of the coming financial year. Following this, the shaft will be equipped and is scheduled to be operational in 2024.



The impact of COVID-19 on the project

All stoping and development crews returned to work during March 2021. Prior to this, crew availability was negatively impacted by the restrictive COVID-19 protocols that we imposed.

However, improvements in crew productivity, both in stoping and development, mitigated reduced crew availability.



On track to deliver Booysendal's medium-term growth target

Rationale

The current Booysendal South mine plan to develop three UG2 modules (BS1, BS2 and BS4), together with a single Merensky module (BSM1), unlocks Mineral Reserves of almost 8 million ounces of 4E, mineable for approximately 30 years. Furthermore, from 2023, the combined modules will annually produce in the order of 250 000 ounces of 4E in concentrate, doubling Booysendal's overall PGM production.

In so doing, Booysendal South will have created direct, meaningful, sustainable employment for 3 500 people and will significantly benefit both the local and national economies.

Booysendal's Mineral Resource base is significant. Mine development, which commenced in 2010, concentrated on the north-eastern portion of the property, with the North UG2, followed by the North Merensky modules. This was due to the generally challenging topography, with best access and availability of sites for surface infrastructure to support underground mining located in the north-east.

The provision of surface infrastructure, including a large PGM and chrome concentrator, together with a tailings storage facility, was the key strategic driver for the acquisition in 2015 of the Everest mine from Aquarius Platinum (South Africa) Limited. This essentially unlocked the potential for mining in the southern portion of Booysendal. The Booysendal South mine project subsequently commenced.

Progress and significant milestones during the financial year

Following completion of supporting surface infrastructure, the focus at the BS1 and BS2 modules has shifted to underground development, equipping and stoping build-up.

During the financial year, 3 515 metres of decline development were achieved. This is 916 metres above plan, which is commendable given the challenges of COVID-19, particularly during the first half of the year. Underground conveyor and

tip equipping is progressing on plan, assisting development and stoping build-up. 11 stoping crews are currently operational. This will grow to 14 stoping crews at steady state in 2023. Almost 1.5 million ore tonnes have been delivered to the South concentrator during the year, generating in excess of 110 000 ounces of 4E in concentrate.

Key surface infrastructure at the Central UG2 complex servicing the BS1 and BS2 modules, including surface conveyors, crusher, South aerial rope conveyor feed system, workshops and change houses are commissioned and operating within design parameters.

Development of declines at the BSM1 module is in progress. This had been postponed last year, as part of group-wide capital trimming related to COVID-19.

It was however re-instated during September 2020 and is progressing well. 382 metres have been developed to date. Ore from the BSM1 module, together with that from the North Merensky module will ultimately feed onto the North aerial rope conveyor. Construction of the BSM1 rope conveyor feed silo, enabling this, is well progressed and will be operational towards the end of the coming financial year.

All earthworks and civil construction of the North feed silo, drive station and towers for the North aerial rope conveyor are complete. Mechanical construction started in January 2021 and the rope conveyor will be ready to start transporting ore during the coming financial year. Ore from the North Merensky module will then be transported to the South concentrator,

permitting the phase two ramp-up of North Merensky to approximately 50 000 ounces of 4E in concentrate per year.

Access to the BS4 module has been established. Construction of shaft head infrastructure and primary development of strike drives was completed, despite temporary curtailment associated with capital trimming. This is the first phase of module development and provides through access for services between the existing North and South decline systems. Decline development has commenced and is progressing well. Stoping ramp-up will commence midway through the coming financial year and will progress to an annual steady state of around 25 000 ounces of 4E in concentrate during 2023.

Logistics upgrades have been completed at the South concentrator. This includes a new truck access and loading facility which is necessary to handle PGM and chrome concentrate dispatches as South mine ramps up. Studies surrounding increasing concentrator throughput, together with tailings handling have been advanced and outcomes are positive for further organic growth from South mine. We have tested the South concentrator capacity and have found its nameplate of 250 000 tonnes per month to be somewhat conservative. Re-configuration of the South tailings storage facility is progressing well. This will enable capacity for life of South mine.

Overall, Booysendal South mine is well on track. It has moved beyond the critical project phases and we look forward to continued stoping ramp-up over the coming two years.



**8 Moz 4E
Mineral Reserves**

**3 515 m
decline development (916 m above plan)**



The impact of COVID-19 on the project

The phased restart and curtailment of the BSM1 Merensky and BS4 UG2 modules negatively impacted workflows of the Booysendal South project. However, strong performance from development and equipping crews following this is mitigating these impacts.

Finalisation of surface infrastructure at the Central complex was affected. However, this has had little effect due to this work having been ahead of schedule prior to the onset of COVID-19. Surface infrastructure is now complete.

Earthworks and civil construction of the North aerial rope conveyor was prioritised during the phased restart. Mechanical construction using specialised crews from our Austrian supplier, was impacted due to international travel restrictions. This work commenced in January 2021, which pushed commissioning back by approximately six months, to the first half of the coming financial year. Scheduling of build-up and ore stockpiling for the North Merensky mine was consequently adjusted.

Full mine-build programme in progress

Rationale

The mine hosts a Mineral Resource base of over 14 million ounces of 4E, the majority of which resides within near-surface, thick, high grade UG2. At steady state the mine will produce 180 000 ounces of 4E in concentrate per year and provide direct, meaningful sustainable employment for over 2500 people.

Eland mine was acquired from Glencore Operations South Africa Proprietary Limited in December 2017. The mine was on care and maintenance and had significant, quality infrastructure already in place. Large PGM and chrome concentrators and tailings storage facilities, together with all necessary surface infrastructure to support underground mining, were also in place. Two decline systems, Kukama and Nyala, accessed three mining levels on the UG2 Reef and were fully equipped.

Eland had been developed for mechanised bord and pillar mining, however this was not appropriate for the dip of the UG2 Reef.

A feasibility study to restart UG2 mining as a hybrid of conventional breast stoping with conveyor ore transport was concluded in 2019. Steady state annual production of 150 000 ounces of 4E in concentrate after a six year ramp-up was initially planned.

Re-processing of surface ore through the recommissioned secondary circuit of the concentrator, producing PGM and chrome concentrates, is being undertaken in parallel with underground mine development.

Progress and significant milestones during the financial year

Decline and strike drive development has progressed well. We delayed stoping build-up at Eland as part of our capital trimming COVID-19 response. However, we continued to open up reserves through development of the declines and strike drives.

The full capital programme was reinstated in September 2020 and our estimated total capital for this mine build includes a steepened ramp-up and expanded steady state profile of 180 000 ounces of 4E in concentrate per annum by 2028.

The decline system was reconfigured during 2020, such that the three decline barrels are located in stable norite rock of the immediate footwall to the UG2 Reef. In addition, decline conveyors and tips, together with mine water handling systems were extended to the bottom of the mine.

During the year, decline development of 1 279 metres was achieved. This is 118 metres above plan and has opened up six strike drives. We require 11 strikes for steady state production.

Development of two western strike drives commenced during the first half of the year, whilst an additional two strikes on the east side of the mine were started during the second half. Development of additional strikes will commence during the early part of the coming financial year.

Stoping continued on the UG2 Reef in the upper western portion of the mine as part of a planned early mining demonstration. Over 3 800 square metres of stoping to date have enabled optimisation of in-stope practices, as well as ore handling systems.

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during the second half of the previous financial year. Maroelabult lies immediately west of Kukama and western strike development is in part aimed at connecting with the Maroelabult decline. This will enhance the provision of underground services, as well as the build-up of mineable reserve. An application for the transfer of the mining right was submitted to the Department of Mineral Resources and Energy and is in process.

The decision to recommission the secondary concentrator circuit enabled the mine to generate revenue, which is being used to offset capital expenditure. Commissioning of the primary circuit has commenced and will allow the treatment of run of mine ore during the next financial year.

Mine planning, incorporating Maroelabult, was completed and indicates a reduced lead time to steady state. This study also included planning for open pit UG2 mining in the east of the property. This has led to a decision to commence mining. A contract has been awarded to a local company with sufficient experience. Preparatory work is being progressed with a view to commence mining at a rate of 20 000 tonnes per month early in the coming financial year.

14 Moz 4E

Mineral Resources

1 279 m

decline development (118 m above plan)



The impact of COVID-19 on the project

The decision at group level to reduce growth capital expenditure in the interest of cash preservation led to the suspension of stoping build-up at Eland. Primary development of the declines and western strike drives continued, in order to minimise the impact on overall mine ramp-up. Stoping build-up is now re-initiated.

Metallurgical operations

Upgrading for the future

Rationale

Northam's operational growth strategy is both increasing the throughput of the metallurgical operations, as well as increasing the number of feed streams. This is necessitating commensurate upgrades to the capacity and flexibility of all processes, the requirements and scheduling of which have been informed by thorough production capacity analysis.

These upgrades will maintain our status as an independent PGM producer, benefitting from the full mine to market value stream.

Northam's metallurgical operations, located at Zondereinde, treat PGM and base metal concentrates from our three mines, as well as from third parties. This is in addition to high value feeds from our US recycling business. The metallurgical operations include a smelter facility, together with a base metal removal plant (BMR), which together produce high grade material that is subsequently toll-refined off-site to final saleable metal.

The smelter facility comprises two independent furnaces (furnace 1 and furnace 2) with dedicated up-front dryers, as well as two separate and interchangeable iron-reduction convertors. This produces convertor matte that feeds the BMR, wherein nickel is removed as a nickel sulphate precipitate and pure copper plate is removed in an electro-winning circuit. The remaining high grade precious metal concentrate is shipped to our toll refiner.

Progress and significant milestones during the financial year

The upgrade programme to our metallurgical operations commenced in earnest in 2017 with the construction and commissioning of furnace 2, together with its dedicated concentrate dryer.

During 2020, work started on upgrading the material handling and logistical infrastructure at these operations. This work was completed during the first half of the reported financial year. It included improvements to the logistical flow at the smelter facility, increased the size and number of concentrate storage paddocks and upgraded concentrate sampling and weighing arrangements.

Importantly, during the Christmas period, the slag-handling system at furnace 2 was successfully changed from a wet (water-granulation) process to a dry (air-cooling) process. The dry process carries lower operational risk, reduces energy requirements (and consequent greenhouse gas emissions) and permits optimised furnace capacity and utilisation.

A scheduled rebuild of furnace 1 commenced during May 2021. This includes upgrades to the furnace crucible and binding systems, furnace electrodes and transformers, as well as changing the slag handling system from wet to dry. In addition, upgrades to one of the up-front dryers, as well as electrostatic precipitators are also being undertaken. The completion of the aforementioned will enable increased throughput, improve efficiency and provide flexibility in the smelter complex. This rebuild and upgrade has been completed.



2 independent furnaces
with dedicated upfront dryers

Furnace 1
rebuild complete



The impact of COVID-19 on the project

There were no direct impacts of COVID-19 at the metallurgical operations during the reported year. The upstream impacts of COVID-19 at the mining operations resulted in variable feedstock. This, however, was mitigated by our normal feed management processes.

Our key stakeholder relationships

As a responsible corporate citizen, we understand that we operate within a multifaceted economic, legislative and social environment. We therefore engage with all our stakeholders to understand and respond to their concerns, needs and opinions in order to ensure that our ongoing operations are sustainable and mutually beneficial.

Our stakeholders, together with the relationships we share with them are summarised below:

Investors and providers of funding 

Regular updates on capital deployment, progress on growth strategy and operational performance improve investor confidence

☞ See page 29

Unions 

Robust and mature relationships with organised labour contribute to broader employee engagement

☞ See page 33

Employees 

Employee buy-in is key to a safe, healthy and productive working environment

☞ See page 30

Customers 

We have long-standing associations and relationships with our customer base to whom we remain a reliable supplier

☞ See page 34

Communities 

Working with local communities strengthens our ability to deliver social upliftment

☞ See page 31

Industry associations 

We contribute to and actively participate in various industry associations to promote the industry

☞ See page 34

Government and regulatory authorities 

Operating within the legislative framework set by government is a business imperative

☞ See page 32

Suppliers of goods and services 

Inclusivity, transformation and transparency underpin our procurement approach

☞ See page 35



Investors and providers of funding

Why we engage

Equity and debt investors provide the financial capital that has enabled and will continue to enable the ongoing development of our growth strategy.

Mining is a capital intensive business with relatively long time horizons to achieving financial returns and it carries a commensurate risk profile. Investors therefore need to place significant trust in management to deliver appropriate returns.

Shareholders are traditionally the last in line to earn any returns. We understand this and have therefore structured our

strategy to include returning value to shareholders at the first appropriate opportunity. During the financial year this has manifested, firstly, through our purchase of Zambezi Platinum (RF) Limited (Zambezi) preference shares and subsequently, through the early maturation of the Zambezi structure, with its inherent buy-back of 28.9% of Northam's shares in issue.

Understanding and responding to the concerns and views of our investors is critical, as is appraising them of how capital is deployed, how our growth strategy is evolving and how the operations are performing.

How we engage

- Statutory reporting through interim and annual reports
- Stock exchange news service (SENS) announcements
- Annual General Meetings (AGMs)
- Investor roadshows, conferences and site visits

Interactions during the year

Key issues raised	Our response
Disciplined capital allocation and value return to shareholders	The long term success of the business depends on achieving an optimal balance between growth (both acquisitive and organic), sustainable operations and returning value to the providers of capital. Management carefully considers the appropriate allocation of capital in these areas to achieve the group's strategic objectives. Over the past few years, we have returned value through the purchase of the Zambezi preference shares, as the Northam board deemed this to be the most efficient and beneficial method of doing so. Very recently, we have returned value through the early maturation of the Zambezi BEE Transaction, which included a 28.9% buy-back of Northam ordinary shares.
Potential value leakage or dilution in the event that Northam is required to execute the guarantee for redemption of Zambezi preference shares	The early maturation of the Zambezi BEE Transaction removed any associated maturation risk, including the Northam guarantee for redemption of Zambezi preference shares.
Progress on growth strategy	The group has a large, modular capital expansion programme to secure its future through the creation of long-life, low-cost operations. During the period of market uncertainty following the onset of COVID-19, we trimmed this programme as part of a liquidity management initiative. The structure of our programme allowed us to do this without significantly compromising current cost benefits or future optionality. Following greater market certainty at the start of the financial year, we restarted all suspended projects. Subsequent strong performance from project teams has led to most incurred schedule delays being caught up. Successful project execution remains key to creating a sustainable business for the long-term benefit of all our stakeholders.
Market demand certainty	We have developed long-standing, robust relationships with our customers. This gives us strong demand side intelligence, which informs our outlook and strategic planning.
Ongoing disclosure of pertinent technical and financial information	We have expanded our interim, as well as our annual financial and operational reporting, to a level that has sufficient detail for investment decisions and demonstrates a consistent, comparable approach.
Risk mitigation measures	Our risk identification and mitigation processes have been strengthened over the past five years. ☞ See the managing risks and opportunities section in this report.
Remuneration policy, particularly the need for performance criteria to be included in executive retention schemes	We have adjusted our remuneration policy to cater for the concerns expressed by our shareholders. ☞ Refer to our Remuneration report 2021 for details

Our key stakeholder relationships (continued)



Employees

Why we engage

People make our business. Our employees provide human and intellectual capital by contributing their skills, abilities and knowledge to the economic processes of the company, thereby creating value.

Mining in South Africa is particularly labour intensive. The buy-in of employees to the business imperatives of a safe, healthy and productive working environment is critical.

How we engage

- Regular management interaction and clear communication structures
- Information is disseminated through our training interventions, internal newsletters and communiques, as well as through the various representative union bodies

- Concerns are addressed through employee representative forums
- During the financial year, employees were shareholders in the company through the Northam Employee Trust, which holds 3% of the Northam group. The Extended Empowerment Transaction, once enacted, will increase their participation



Communities

Why we engage

Socio-economic issues in South Africa are extreme, particularly in the areas in which we operate our mines. Small towns and rural areas are largely impoverished, with weak local government structures resulting in failing basic services and a general lack of economic opportunities. This has led to unemployment, particularly amongst the youth, which has in turn resulted in communities expressing their frustrations through protest and other civil action.

Our operations are significant centres of economic activity within these areas. Our employees reside in these communities and we procure contracted services from these communities. In addition, we invest significantly in local economic development (LED) programmes through our social and labour plans (SLPs), as further discussed under the Government stakeholder section.

As a result of our prominent position in the areas near our operations, we sometimes become focal points for protesting communities.

How we engage

- We make use of working forums involving local government, traditional leaders, business forums, community councils, public benefit organisations and individuals
- During the financial year, local communities, via the Zondereinde and Boysendal Community Trusts, held a 5% shareholding in Northam through the Zambezi ownership structure. Quarterly trustee meetings were held in which community concerns were aired. Infrastructure, health-care and educational needs, as well as current related projects were discussed

Interactions during the year

Key issues raised	Our response
Communication during the ongoing COVID-19 pandemic	<p>Employee communication during the prevailing global COVID-19 pandemic has been paramount to safe operations. An internal COVID-19 task team was established to centrally coordinate our protocols and responses. The task team has also ensured that, at all times, employees were in the communication loop and aware of the latest company developments.</p> <p>The dissemination of information has been vital in coordinating the transition back to normal operations. In addition, communication with organised labour unions helped to distribute information to employees. The internal briefing system was an additional channel used by the operations' general managers.</p> <p>At our request, our medical services provider has supplied a vital communication and medication provision service during this time. They are in constant communication with all their members, especially those with chronic conditions. This is to ensure compliance to medication schedules and to arrange for delivery of medication where required.</p>
Northam Employee Trust, trustee training	<p>Following the transition from a contract mining to an owner-operator model at Boysendal mine, employees were transferred from contractors to permanent staff. Following the transition, the Association of Mineworkers and Construction Union (AMCU), emerged as the majority-recognised union.</p> <p>The AMCU on-mine branch representatives were trained as trustees to participate on the employee trust.</p>
Fair employment practices	<p>Northam implements fair employment practices in line with the basic labour rights of the Fundamental Rights Convention of the International Labour Organization (ILO). The company's board, through the social, ethics, human resources and transformation (SEHR&T) committee, plays a vital role in monitoring this, whilst the company's code of ethics and conduct safeguards this.</p> <p>All employees are required to adhere to this code and we communicate this through refresher training and general communiques, for example information boards and newsletters. We further have an independent ethics and fraud hotline which is accessible to all employees.</p>

See more in our Sustainability report 2021 available on our website at www.northam.co.za

Interactions during the year

Key issues raised	Our response
Expectations associated with community development projects	Potential projects are identified through existing and recognised community structures and local Integrated Development Plans (IDPs) approved by the respective local municipality. Prioritised projects are included in our SLPs, which are aligned to communities' needs.
Disputes and dissent within local coalition government, together with ageing infrastructure, hindering the development of housing projects local to Zondereinde	Ongoing engagements are held between Thabazimbi local municipality and the Zondereinde mine to identify areas of collaboration in order to pursue company sponsored housing developments.
Local procurement spend	Companies from local communities are supported through enterprise and supplier development (ESD) programmes to increase local procurement spend. For example, the inclusion of local business in the development of the Lefika housing project local to Zondereinde.
High unemployment rate in communities around our operations	Our stakeholder engagement departments have developed local recruitment mechanisms to ensure local communities are prioritised when vacancies are to be filled. In addition, there are cadetship programmes to train unemployed local people in the basic skills required by the mining industry. This is to assist them when recruitment opportunities arise, whether at our operations or with other mining companies in the region.

See more in our Sustainability report 2021 available on our website at www.northam.co.za

Our key stakeholder relationships (continued)



Government and regulatory authorities

Why we engage

Government sets the legislative framework in which we operate, as well as providing, through state-owned enterprises (SOEs) some of the basic services required by our operations.

We operate under license at our mines. Maintaining these licenses to operate is critical to the sustainability of our business. This is dependent, in part, upon our compliance to the Mining Charter and our performance relative to our SLPs. Agreement to, as well as monitoring of, performance against SLPs is controlled by the Department of Mineral Resources and Energy (DMRE).

Our SLPs are developed internally, but in order for them to have the greatest positive impact, they are influenced by and aligned to programmes such as local municipality IDPs. SLP initiatives include programmes for water and sanitation reticulation and treatment, the electrification of villages, as well as the construction and upgrade of healthcare and educational facilities, both in areas local to the operations, as well as in labour sending areas.

Interactions during the year

Key issues raised	Our response
DMRE audits of SLP performance	Detailed project plans with defined timelines are communicated to the DMRE, highlighting milestones and critical paths of the various projects that had been agreed between the company, the local municipality and the DMRE.
Community development in local municipalities	We ensure that our community development and stakeholder engagement policies and practices are aligned with those of local municipalities IDPs as far as reasonably possible.
Safe operations during the time of COVID-19	We continue to work with government to ensure safe working practices in line with Covid-19 regulations.

 See more in our Sustainability report 2021 available on our website at www.northam.co.za



Unions

Why we engage

Organised labour represents employees' interests. Northam recognises employees' rights in the workplace, notably the right to freedom of association and collective bargaining. These rights are governed by South African labour legislation and are subject to provisions contained in the substantive agreements that we have with organised labour.

Northam is committed to engaging in good faith with unions representing our employees, in order to reach agreement on matters important to both the company and our employees. Our substantive agreements prescribe that registered unions obtain organisational and bargaining rights at 15% and 33.3% representation respectively within a particular bargaining unit.

Interactions during the year

Key issues raised	Our response
Wage negotiations at Zondereinde	Wage and conditions of service demands were received at the end of the year. Negotiations related to this were successful, with, for the first time in the mine's history, a five year agreement concluded shortly after year end.
Wage negotiations at Eland	The first wage negotiations for Eland were successfully completed after year end with the current conditions of employment having been aligned to group practices. This resulted in a five year wage agreement being concluded.
Perceived inequity in opportunities and racial diversity not acknowledged	Our diversity training workshops focus on gender and racial diversity. This matter was also referred to workplace forums. Accessible dispute resolution processes are in place.
Continuing operations in an orderly and safe manner during the ongoing COVID-19 pandemic	Normal operations during the COVID-19 crisis have required ongoing communication with the various unions. There has been significant engagement between our operational management, organised labour unions, industry body – the Minerals Council South Africa, the DMRE, local government and the various emergency services. This led to a set of safety protocols being developed and implemented to ensure safe working practices. This has included providing facemasks and sanitising stations to employees, using scanners to monitor employee temperatures and flu vaccinations for employees. Employees were also trained on social distancing and other COVID-19 related protocols that were based on the WHO guidelines and developed by the Minerals Council South Africa.

 See more in our Sustainability report 2021 available on our website at www.northam.co.za

Our key stakeholder relationships (continued)



Customers

Why we engage

We have long-standing associations and relationships with our customer base. We sell most of our platinum group metals (PGMs) through offtake agreements with a limited number of large customers. Heraeus, which refines our product on a toll basis, is one of these. Our buyers are mainly industrial companies, who, in the case of the automotive sector, are suppliers of catalysts and catalytic components as opposed to the car manufacturers themselves. This affords them deep

insight into the demand side of the broader PGM market. Our customers are very important to us. It is critical to understand their needs in order for us to remain a reliable supplier and for us to retain their trust as an ethical operator. The recent COVID-19 pandemic has brought the significance of these relationships to the fore. All parties, both on the supply and demand sides are affected. Ongoing communication has been key to coordinating our response.

Our chrome product is sold through a single third party via a guaranteed offtake and security of supply contributions agreement. This ensures sales and revenue, even during depressed market conditions. As a large metals trader, their market insights are significant.

How we engage

- We regularly communicate via telephone and video conferencing
- We undertake roadshows, attend conferences and host site visits



Suppliers of goods and services

Why we engage

A significant portion of our operating cost is spent on procured goods and services rendered to our business. Our approach to procurement is underpinned by the notions of inclusivity, transformation and transparency, as stipulated by the country's Mining Charter.

Our procurement practice supports HDPs and compliant suppliers who meet the requirements of our vendor governance systems. This approach has

led to significant growth in HDP procurement over the past five years.

Our ESD initiatives have further resulted in substantial spending on goods and services procured from companies local to and owned by the communities surrounding our operations. These initiatives have doubled the number of community based companies in our vendor database.

The ESD initiatives have required significant communication with

our existing providers of goods and services, as well as new potential providers.

How we engage

- We hold regular open days during which procurement opportunities are identified and shared
- Training is provided on vendor administration and governance, skills development, as well as the mentoring of local entrepreneurs

Interactions during the year

Key issues raised	Our response
Availability of metal	<p>We have proven ourselves to be a reliable and consistent supplier of quality metal product over many years.</p> <p>We have kept our customers informed of our growth strategy and ongoing progress against this. In addition, we partner with some customers in research and development programmes, strengthening our relationships and product offering.</p>



Industry associations

Why we engage

Industry associations promote the industry, as well as market development activities which are important to ongoing demand for our products.

How we engage

- Northam contributes to and actively participates in the World Platinum

Investment Council (WPIC), the Platinum Guild International (PGI) and the International Platinum Group Metals Association (IPA). In addition, Northam contributes to an industrial research and development programme directed by our refining partner and customer, Heraeus

- We are an active member of the Minerals Council of South Africa, which is a mining industry employers' organisation that supports and promotes the South African mining industry
- We engage with various regulatory, legislative and professional affiliate organisations in the pursuit of our normal business

See more in our Sustainability report 2021 available on our website at www.northam.co.za

Interactions during the year

Key issues raised	Our response
Membership sustainability in view of cost and economic pressures	Membership is subject to annual review. There is frequent dialogue with the leadership of industry bodies.
Issues affecting the South African mining industry	Our membership of the Minerals Council of South Africa allows us to contribute to collective responses from the industry.

A message from our independent chairman

The board has remained focussed on the governance of the group, continuing to build on the work already done. I am delighted to report on these activities for the period ended 30 June 2021.

Ongoing impact of COVID-19

The COVID-19 pandemic continues to have a significant impact on business and society in general. A key priority for Northam is, and always will be, the care and well-being of our employees.

During the year under review, the board's focus has been to ensure that our operations were normalised as quickly as possible, within the framework provided by government and industry, whilst maintaining the health and wellness of our employees. The board, through the health, safety and environmental committee, monitored overall compliance to the established COVID-19 related protocols, geared to detect, prevent and reduce the impact of the virus on our people and operations.

The board confirmed that the levels of medical care provided to employees are comprehensive. These have been built on the various health and safety initiatives implemented at our operations to manage a range of other health risks. It also noted targeted initiatives which assist in preventing and managing chronic and lifestyle diseases, support good mental health and prevent drug and alcohol abuse. Tuberculosis and HIV infection control, as well as the management thereof, remains a priority for the group and our positive results in these areas are most satisfying.

As of the end of the year, 1 397 of our 18 288 employees had contracted the COVID-19 virus. Of these, 87% have recovered. Regrettably though, 14 have passed away. The board wishes to extend our condolences to everyone who has been affected by this pandemic.

Despite the impact of COVID-19, all salaries and employee bonuses were paid, with all employees, except the executive directors, receiving inflationary increases in 2021. Non-executive directors donated their increase in fees to our two community trusts during the year.

Management, on behalf of the board, has actively engaged with all our stakeholders during the year under review and the board continues to monitor the ongoing impact of the pandemic on our employees, business performance and liquidity levels.

Annual General Meeting

We held our Annual General Meeting (AGM) on 27 November 2020. All the binding ordinary and special resolutions were approved by the requisite majority of shareholders present, or represented by proxy at the AGM, save for ordinary resolution number 1.2 which related to the re-election of Mr CK Chabedi as a director. Mr Chabedi subsequently retired from the board at the conclusion of the AGM.

Shareholders were also advised that Mr R Havenstein, as lead independent director, retired from the board at the conclusion of the AGM.

The non-binding advisory ordinary resolutions relating to the group's remuneration policy and implementation report received 72.93% and 72.96% respectively. This is below the requisite support of 75% of votes. We have engaged with our shareholders on these resolutions. Accordingly, feedback has been incorporated into our remuneration governance structures,

policy and implementation report. This includes the establishment of a separate remuneration committee after year-end 30 June 2021. This role previously formed part of the social, ethics, human resources and transformation committee responsibilities.

 Refer to our Remuneration report available on our website at www.northam.co.za

Changes to the board and committees

In anticipation of the successful conclusion of the Composite Transaction, Mr KB Mosehla resigned as non-executive chairman of the board on 21 June 2021. Following shareholder approval of the Composite Transaction on 30 June 2021, Mr Mosehla also resigned as a director of the company.

I was humbled to have been nominated and appointed to succeed Mr Mosehla as the group's independent non-executive chairman, in line with the board's succession plan. The board would like to express their appreciation to Mr Mosehla for his valuable contribution to the company during his tenure as chairman of the board.

With the resignation of Mr Chabedi and Mr Havenstein, the board welcomed Mr GT Lewis as a new, independent non-executive director of the group. Mr Lewis is the former chief executive officer of Northam and prior to that, the general manager of the Zondereinde operation.

Mr Lewis has completed a seven year cooling-off period between his retirement from Northam and his acceptance of a non-executive role.



Our approach to integrated reporting seeks to continually present all stakeholders with a holistic view of the group, its business, and its financial and non-financial performance by providing scope, depth and quality of information. This continues to create sustainable value for all stakeholders.

David Brown
Independent chairman



A message from our independent chairman (continued)

Mr Lewis brings with him a wealth of mining experience and industry insights, as well as deep technical and commercial competence.

The successor for the role of lead independent director of the group will be considered in the coming year. These changes allow the company to implement a well-planned and well-structured transition in terms of the future composition of the board and its committees.

Board assessment

During the year under review, the Institute of Directors in Southern Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and its committees.

The assessment indicated that the board committees are effectively run, appropriately supported and have vigorous engagements with the board and management. Board members expressed their continued support and appreciation for the refreshing and engaging culture which exists at board level. Areas identified for improvement will form part of the committee review and assessment process during F2022.

Safety

The safety of all our employees remains of paramount importance and takes precedence over all production objectives.

Tragically, we suffered two fatalities in separate underground incidents at our Zondereinde mine during March 2021. The board wishes to express their sincere condolences to the families, friends and colleagues of the deceased, Mr Motaung and Mr Guambe. A month prior to this, Zondereinde had achieved two million fatality free shifts. During the same period, Boysendal mine surpassed six million fatality free shifts since its inception.

The board, together with the health, safety and environmental committee, commits to increase its monitoring of the group's initiatives to improve its

capacity to identify and address high-potential hazards, apply learnings from high-potential incidents, and use technology to reduce safety risks. This commitment includes the close monitoring of the measures implemented by management following the outcomes of the investigations into the two fatalities.

The board notes our overall positive trend in safety, including improving our total safety statistics at Eland mine, and that this is reflective of the quality of our safety leadership and operational risk management.

Environmental, Social and Governance
As a miner of "green metals", environmental and social governance remains front of mind for the board.

The board has always considered energy efficiency in the design of our operations, with the group having ambitious goals for our water, climate change and biodiversity performance. Management has set energy intensity reduction targets from a base date of 2019. The board will monitor performance against these targets going forward.

The implementation of best-practice water-treatment and recovery technologies continues to drive progress in improving the group's water use.

The board has also approved the development of a 10MW photovoltaic (solar) plant to supplement the electricity supply to the Zondereinde smelter facility. The design and implementation phase is currently in progress with construction scheduled to commence in the second half of F2022. The solar plant is expected to be operational in F2023. Initial small scale solar installations are also in progress at Eland and Boysendal with expansion plans being investigated.

The energy efficiency and emission impacts for all new projects will be scrutinised and challenged by the

board, ensuring that these contribute to the group's sustainability goals.

Our mines operate in some of the least economically developed areas of the country and as a group we are conscious of our social responsibility as a responsible corporate citizen. We have good relationships and robust engagements with our host communities.

During the year under review the board together with the social, ethics, human resources and transformation committee spent significant time considering and overseeing the group's societal initiatives, as part of our growth strategy. The growth strategy has resulted in significant local economic stimulation and the creation of new, direct, meaningful and sustainable jobs for thousands of people.

Returning value to Shareholders – early maturity of the Zambezi BEE Transaction and implementation of an Extended Empowerment Transaction

During 2020, the board and management resolved that the optimal manner to return value to Shareholders, a key strategic imperative, was the acceleration of the maturity of the Zambezi BEE Transaction entered into between Northam and Zambezi Platinum (RF) Limited. This was enabled by the successful preceding Zambezi Preference Share purchase programme.

The appreciation in the Northam Share price provided an opportunity for early wind-up of the transaction. This crystallised value for all Shareholders. An Extended Empowerment Transaction will also be implemented in the coming year.

Governance over the various elements of the Composite Transaction was a key focus area for the board and in particular the investment committee.

In terms of the Companies Regulations, 2011 an independent board was also established due to certain directors having a conflicts of interest, either through their directorships in Zambezi, or by having personal financial interests

in the transaction. As a result, these directors recused themselves from approving the Composite Transaction.

The independent board, therefore played an integral role in providing oversight of the key activities, considerations and decisions taken throughout the process, as well as reviewing all elements of the transaction, through the investment committee. It also ensured that the Extended Empowerment Transaction is truly broad-based, focussing on our communities and our employees, which ensures compliance with the Mining Charter.

Furthermore, it was of particular importance to the board that no external funding would be introduced

through the transaction, thus eliminating external price risk.

Refer to our Corporate Governance report available on our website at www.northam.co.za for detail on the Composite Transaction

Looking ahead

It is the board's considered opinion that PGM demand will remain strong over the coming decade. This, in turn, will support pricing. Against this backdrop a key consideration for the board remains the allocation of capital, including the return of sustainable value to shareholders.

In addition, the energy efficiency and emission impacts for all new projects and existing operations will be scrutinised and challenged by the board. This is to ensure that we continue to grow our group sustainably.

The implementation of the Composite Transaction will also be an area of focus for the board in the coming year.

Finally, on behalf of the board, I would like to thank our stakeholders, and in particular our employees, who supported us throughout this challenging year. I would also like to thank the board for its continued support and efforts.

David Brown
Independent chairman

23 September 2021

Board focus areas in F2022

COVID-19

The ongoing impact of the COVID-19 pandemic remains a threat to our operations. The board will continue to maintain oversight of the group's efforts to ensure the health, safety and well-being of our employees and host communities.

The board will also ensure that the group assists and fully participates in the vaccination programme under the leadership of government.

Safety

We believe in driving our desired safety culture and achieving the group's goal of zero fatalities.

The board, with the assistance of the health, safety and environmental committee, will continue to monitor the group's safety results across key performance areas. Monitoring the implementation of measures to strengthen accountability at the operations will therefore be an area of particular focus.

Implementation of the Composite Transaction

The Composite Transaction will ensure the group's empowerment credentials for years to come. The board will provide oversight of the implementation of the transaction and in particular its compliance with the Mining Charter.

Board and committee composition and charter review

The board will reassess its composition and that of its committees during the coming 12 months. Important considerations in this process will be maintenance of a balance between new insight, depth of experience, continuity and broad diversity. A successor for the lead independent director will be also be considered during the coming year.

In addition, the board will also perform a detailed review and reassessment of the mandates and charters of the board committees during F2022. This process will be done in a structured manner led by DH Brown, as chairman of the board.

Capital projects

A key strategic imperative for the group is growing production down the cost curve. The execution of our various capital projects underpins this.

The board will continue to monitor this over the next 12 months, focussing on whether these are on time and on budget.

Environmental, Social and Governance

The board will continue to monitor the implementation of initiatives to enhance disclosure on all aspects of the group's environmental and social impacts, as well as governance oversight frameworks.

Return of value to shareholders

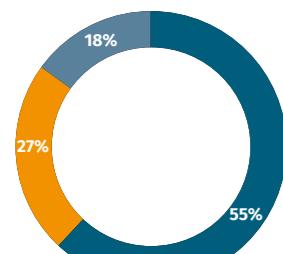
We remain committed to continue to return to our shareholders free cash not required in the advancement of the groups ongoing growth programme.

The board will look at implementing a dividend policy in the coming year.

Board of directors

The Northam board is diverse, consisting of 11 members. 18% of our board members hold engineering degrees, 36% are chartered accountants (SA) and the balance have relevant experience in corporate finance, mergers and acquisitions and other associated and requisite disciplines. Six board members, including our chief executive officer, have extensive exposure and experience as CEOs.

Board demographics



- Historically disadvantaged persons (HDP) (Northam internal target for HDP board representation: 50%)
- Non-South African
- Non-HDP

Gender diversity

Gender	Count	Percentage
Female	4	36%
Male	7	64%

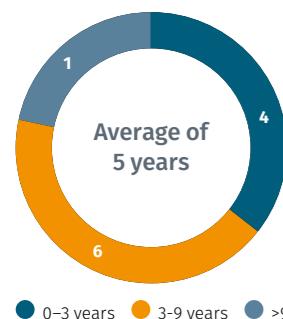
Northam target for female board representation: 20%

Age diversity

Age Group	Count	Percentage
Oldest	76	
Youngest	42	

Average age of 59, 45% under the age of 60

Tenure



Board skills*



* Based on number of directors with particular skill

Independent non-executive



DH Brown CA (SA) (59)

Chairman

Board member since November 2017 (3.6 years)

Other directorships: Non-executive director of listed companies; Resilient Reit Limited, Bindura Nickel Company Limited and the lead independent director of Vodacom Group Limited. Non-executive director of the non-listed companies; Great Dyke Investments, Ntsimbiatile Holdings Propriety Limited and Revego Africa Energy Limited.

Experience: Former CEO of Kuvimba Mining House Limited and MC Mining Limited and prior to that CEO and CFO at Impala Platinum Holdings Limited (Implats). Previous member of the Accenture South Africa advisory board. Worked in information technology and for the Exxon Mobil Corporation in Europe.



TI Mvusi BA, ELP, MAP, PDP (65)

Board member since January 2016 (5.5 years)

Other directorships: Non-executive director of African Rainbow Capital Limited, Dippenaar and Reinecke Proprietary Limited and non-executive director and chairman of Sanlam Investments Proprietary Limited.

Experience: Previous chief executive of market development at Sanlam since August 2005 and was appointed acting chief executive of Sanlam Corporate in April 2017. Former general manager of Gensec Property Services Limited and marketing manager at Franklin and Templeton Asset Management.



HH Hickey CA (SA) (67)

Board member since January 2016 (5.5 years)

Other directorships: Independent non-executive director of Barloworld Limited, and Pepkor Holdings Limited.

Experience: A Chartered Accountant with over 35 years of experience in auditing, risk management and governance and former chairman of the South African Institute of Chartered Accountants.

- Committee membership**
- Audit and risk committee
 - Health, safety and environmental committee
 - Investment committee
 - Nomination committee
 - Social, ethics, human resources and transformation committee
 - Committee chair

Executive



JG Smithies BSc (Mining Engineering), BSc (Chemistry) (76)

Board member since January 2017 (4.5 years)

Experience: Former CEO and director of operations at Implats.



JJ Nel CA (SA), CFA (AIMR), AMP (INSEAD) (49)

Board member since November 2018 (2.7 years)

Other directorships: Non-executive director of DRDGOLD Limited, Mimosa Holdings Proprietary Limited and Mimosa Investment Limited. Independent non-executive director of Tongaat Hulett Limited.

Experience: Former divisional CEO for Sibanye-Stillwater Limited (Sibanye-Stillwater), heading the PGM division of Sibanye-Stillwater following the acquisition of Aquarius Platinum Limited (Aquarius) in 2016. Former CEO of Aquarius from 2012 to 2016 and a former non-executive director of DRA Global Limited.



Dr NY Jekwa MBA (Finance), MBBCh (Bachelor of Medicine and Bachelor of Surgery), MioDSA (46)

Board member since November 2017 (3.6 years)

Other directorships: CEO of Mergence Investment Managers Proprietary Limited, independent non-executive director of Ascendis Health Ltd and non-executive director of Brafit Societas Europaea.

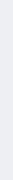
Experience: Former head of capital raising at Coast2Coast Propriety Limited (a private equity firm) and has held senior positions in both structured and leveraging finance at Rand Merchant Bank and Nedbank Corporate and Investment Bank.



GT Lewis BSC (Mining Engineering), MBA (64)

Board member since December 2020 (0.6 years)

Experience: Former CEO of Northam and general manager of Zondereinde. Instrumental in the development of Booyensdal mine. Previously served as the former general manager of Gold Fields Ghana establishing the Tarkwa gold mine. Former chairman of the Ghana Chamber of Mines Technical Committee and has held a number of senior positions at various gold, coal and base metal mining operations.



MH Jonas BA (History and Sociology) (61)

Board member since November 2018 (2.7 years)

Other directorships: Chairman of the MTN Group Limited and independent non-executive director of Sygnia Limited.

Experience: One of four independent presidential investment envoys appointed by President Cyril Ramaphosa to attract investors to South Africa. Former deputy finance minister of the South African Government from 2014 to 2017 and member of the National Assembly until April 2017. Former chairman and non-executive director of the Public Investment Corporation.



AH Coetze CA (SA) (42)

Chief financial officer

Joined Northam in December 2015

Other directorships: Non-executive director of Zambezi Platinum.

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Incorporated with more than ten years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Non-executive



TE Kgosi BCom (Hons) (67)

Board member since November 2004 (16.7 years)

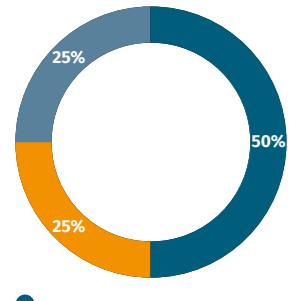
Experience: Former cluster manager – materials management (Gauteng and North West operating units) in supply chain operations, Eskom SOC Limited. Extensive experience in the banking sector (specialising in treasury), having held positions at a number of South Africa's main banking groups as well as Credit Suisse First Boston (NY).

Executive committee

Our executive committee (exco) is a diverse and experienced management team that comprises eight members of the company's senior executives, broadly representing the disciplines within the company's organisational structure.

Exco meets once a month, or as and when required. The CEO and CFO report directly to the board on all matters deliberated on by this committee.

Exco demographics

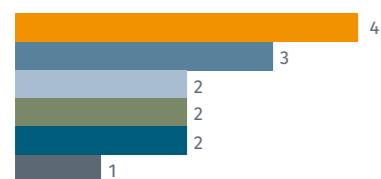


Gender diversity

1 Female (13%)
7 Male (87%)

Northam target for female board representation: 20%

Exco skills*



* Based on number of committee members with particular skill

191 years
Combined mining experience

>74 years
Combined tenure at Northam

Mining
Project management
Nature conservation
Audit and risk management
Finance
Human resources

Executive directors



PA Dunne BSc (Hons), MBA (58)
Chief executive officer
Chairman of exco, joined Northam in March 2014
Other directorships: Non-executive director of Zambezi Platinum, the International Platinum Group Metals Association (IPA) and a current vice president of the Minerals Council of South Africa.
Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

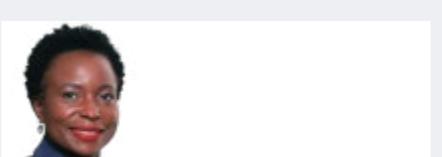


AH Coetzee CA (SA) (42)
Chief financial officer
Joined Northam in December 2015
Other directorships: Non-executive director of Zambezi Platinum.
Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Incorporated with more than ten years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Corporate secretarial*



PB Beale (55)
Company secretary
Joined Northam in October 2011
Experience: More than 30 years' experience in the corporate secretarial field, previously working for JCI Limited and Gold Fields Limited. Member of IoDSA.



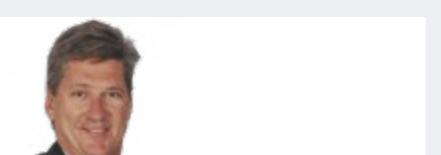
C Msimanga (45)
Assistant company secretary
Joined Northam in January 2017
Experience: Experience in Travel and Aviation, Human Resource Management and Corporate Governance. Former Human Resource Administrator at Richards Bay Coal Terminal and HR Consultant at Bruniquel and Associates. Member of the IoDSA.

* Not part of the executive committee

Executives



MN Ndłala BTech Mining Engineering, MBL (53)
Executive: Mining
Joined Northam in July 2018
Other directorships: Director and chairman of the African Exploration Mining and Finance Corporation (SOC) Limited (AEMFC) board.
Experience: Former executive head of operations at Implats Rustenburg mines, responsible for all mining, concentrating and smelting operations. Former director of Two Rivers Platinum.



LC van Schalkwyk (FCMA) (56)
Executive: Commercial
Joined Northam in October 2014
Other directorships: Non-executive director of Zambezi Platinum.
Experience: More than 30 years' experience in the Platinum mining industry. Former executive for strategic finance at Implats.



D Smith BSc (Hons) MSc (53)
Executive: New business
Joined Northam in October 1995
Other directorships: Independent non-executive director of Bauba Resources Limited.
Experience: Worked in the mining and mineral exploration sector since 1991 and joined Northam as a consultant in 1995. Former principal of Prospect Geoservices at Northam. Current lead competent person for Northam.



CA Smith BSocSc (Hons) (46)
Executive: Human resources
Joined Northam in September 2014
Other directorships: Chairman of Platinum Health Medical Scheme.
Experience: Extensive experience in the mining sector, holding senior HR positions at AngloGold Ashanti Limited, Richards Bay Coal Terminal Proprietary Limited and Implats.



GD Duma BTech (Quantity Surveying), MBA, Diploma in Project Management, Senior Management Development Programme (52)
Executive: Sustainability
Joined Northam in March 2017
Other directorships: Member of the Interim Council for the Social Housing Regulatory Authority (SHRA) of South Africa.
Experience: Held various positions at Implats, including general manager of shared services, project director of housing and socio-economic development projects, and group sustainable development manager. Also worked at the Medical Research Council, Eskom Holdings SOC Limited and South African National Parks.



WJ Theron Pr. (Cert) Eng. (Professional Engineer), BSc (Hons) Mining, MBA (43)
Executive: Mining
Joined Northam in December 2010
Other directorships: Director of Mine Rescue Services Proprietary Limited.
Experience: Extensive experience in projects and operational management. Held various senior managerial roles at Anglo American Platinum Limited. Former general manager at Booyensdal mine. Past president of the Association of Mine Managers of South Africa.

Executive committee responsibilities

- Formulate, implement and execute the group strategy. This includes, preparation of the annual group business plan, including any revisions to, or updates of the strategy, for approval by the board
- Manage business performance and the reporting thereon to the board
- Implement all policies of the group, including those relating to health, safety, environment, human resources, stakeholder engagement, finance and risk management
- Consider succession planning initiatives for senior management, in conjunction with the social, ethics, human resource and transformation committee
- Provide ethical leadership and create an ethical working environment that is conducive to attracting, retaining and motivating a diverse group of talented employees

employees' strengths in respect of the core competencies of the executive committee.

During the year under review the social, ethics, human resources and transformation committee continued to make progress with the succession plans for the executive committee. This is to ensure its continuity whilst maintaining an appropriate balance of knowledge, skills, experience and diversity to effectively discharge the roles and responsibilities of the committee.

These succession plans include appropriate development plans for our CEO and CFO, and also take into account the six month notice period for all executive committee members, other than the CEO, having a 12 month notice period.

This is realised by having a consistent flow of talent, through the identification of potential successors, as well as the identification of

Q&A with the chief executive officer, Paul Dunne



“

It is people that make the business. Northam is a special company, with special people, producing special metals.

Paul Dunne
Chief executive officer

What have been the key highlights of the past year?

From an operational point of view, the normalisation of production and resumption of our growth trajectory following the COVID-19 interruption of last year has been a tremendous effort, from both employees and management alike.

At the corporate level, I am pleased that our shareholders agreed to accelerate the maturity of the Zambezi BEE Transaction, as well as to cement our empowerment credentials for a further 15 years. This is in line with our strategic intent of returning value to shareholders. It both ensures our license to operate and positions the company well for the future.

What are the benefits to shareholders of accelerating the maturity and wind-up of the Zambezi BEE Transaction?

Accelerating the maturity of the Zambezi BEE Transaction permanently secures, unlocks and transfers unencumbered value created within Zambezi and in so doing, has removed maturation risk for both Northam and Zambezi Shareholders.

The structure of the transaction includes a 28.9% share buy-back at a fair price. Also, it removes the perceived overhang of the Zambezi liability in 2025, associated with any unforeseen and adverse market event at that time.

Why implement an Extended Empowerment Transaction?

Northam has already made a tremendous contribution towards empowerment through the Zambezi structure. We now want to focus our empowerment initiatives through the extension of our broad-based employee and community participation. This is the right thing to do.

In addition, the Extended Empowerment Transaction secures HDP ownership in the Northam group for a further 15 years and ensures compliance with current Mining Charter requirements. It is in the best interest of the company and shareholders to do this.

What are your views on the PGM market in the short to medium-term?

Despite the inherent uncertainty of recent times, there are some very positive signs of global economic recovery coming through. The health of the automotive sector is important to the PGM market and the rapid rebound in metrics such as light duty vehicle sales following the first wave of COVID-19 was encouraging. We can expect a similar outcome once silicon chip supplies are restored.

Given this outlook, our view for the major PGM metals is that:

The market for palladium will remain in deficit. It remains the metal of choice for gasoline engines for the foreseeable future, although there is some traction for around 15% platinum substitution over the medium-term.

Platinum whilst still in surplus, is viewed as an investment case offering good relative value. We may expect pricing of these two metals to reach parity over time, as platinum benefits from the emerging hydrogen economy.

Rhodium remains in significant deficit and will continue as the only viable solution for the control of nitrous oxides.

In addition, our basket contains what have historically been considered the minor PGMs, together with base metal by-products. Global economic recovery, together with the growing shift towards renewable energy sources, is adding prominence to these metals. This is positively impacting their prices. The production of green hydrogen and the growing use of hydrogen fuel cells in various applications are increasing demand for iridium and ruthenium respectively. Ruthenium is our third PGM by production volume, so we watch this space with interest.

Lastly, we expect that the trend towards electrification, together with the need for battery storage to complement green energy production, will bolster prices for copper and nickel over the medium-term.

The metals we produce are special and their myriad of uses throughout the

energy, transport and industrial sectors will maintain their prominence over the remainder of this decade and into the future.

Will you be implementing a dividend policy?

We have committed to continue to return to our shareholders free cash not required in the advancement of our ongoing growth programme. We have previously done this through the purchase of Zambezi Preference Shares and more recently, through the acceleration of the maturity of this structure, which together with additional share purchases has resulted in a significant reduction in shares in issue. Whilst considering prevailing market conditions we will look at implementing a dividend policy in the coming year.

What are the key focus areas for the coming year?

Operationally, we must continue to focus on safe, cost effective growth. In order to do this, we have concluded a five year wage agreement at Zondereinde and Eland and we will maintain our focus on project execution, including the successful restart of smelter furnace 1 following its recent rebuild. There is still much to be delivered in terms of growth and production over the coming years. Our plate is full.

At a corporate level, we will continue to generate and return value to our shareholders through strong dividend flow. This will accelerate as our production ramps up over the course of the next five years.

Why is Northam unique?

Northam is a special company, with special people, producing special metals. Together we are a strong team and ultimately it is the people that make the business. This is why our new 15 year empowerment structure primarily focuses on our employees. They will all now appreciably share in the value this company will generate well into the future. This is real empowerment.

Paul Dunne
Chief executive officer

23 September 2021

COVID-19 and beyond

A key feature of the year has been our positive operational response to the ongoing challenges of the COVID-19 pandemic. Whilst maintaining the health and safety of our employees, solid performances from all of the operations have led to the group producing equivalent refined metal in-line with pre-COVID-19 schedules, and at levels higher than the previous corresponding year.

Our people

Socially, the health and well-being of our employees, as well as that of our host communities is a key concern for the group.

Since the inception of the COVID-19 pandemic, Northam has followed mitigation protocols informed by the World Health Organisation (WHO) and the National Institute for Communicable Diseases of South Africa (NICD) prescripts. This has included ongoing screening of all employees, social distancing, periodic sanitising of working areas, education drives as well as quarantining and treatment of employees that have either contracted the virus, or been exposed to infection.

Our operations

During the second half of F2020, COVID-19 resulted in production losses due to work stoppages followed by a phased restart of operations. This impact was most significant at Zondereinde, which is a conventional mining operation with a considerable workforce. By the end of F2020 we had returned all employees to work at the Booyensdal and Eland mines, but not all mining crews were operating at Zondereinde.

We were only able to return all crews at Zondereinde to production in March 2021. We accordingly trimmed our group business plan production targets for the reporting period by 20%. Despite this, we achieved production levels ahead of our pre-trimmed

targets. This was due to significant improvements in crew productivity.

Similar productivity gains were realised at Booyensdal, both at the North mine, as well as in ramp-up of production from the South mine.

Metal production from Eland mine was again limited to that derived from processing of surface sources. As such, Eland mine was able to maintain its planned production.

Financial

Production losses during the last quarter of F2020 negatively impacted our sales pipeline in the first quarter of this reporting year, particularly in respect of rhodium. This resulted in reduced cash flow and a lower basket price achieved than that indicated by production during the first half. This impact normalised over the remainder of the financial year and we, in fact benefited from an appreciating price environment as metal reached our market.

We are a company that is financially well positioned to withstand the potential negative impacts of the COVID-19 pandemic. We still believe strongly in the fundamental value of our scarce and special metals and the world's long-term need for them. Our greatest defence against challenging economic times is safe, cost effective production and doing this consistently.

However, we are a business that sells our products into a global market that is currently subject to metal price and demand uncertainty. This uncertainty has the potential to impact the group's liquidity.

Communities

Our operations and social interventions result in significant local economic stimulation.

The Northam group operates in some of the least economically developed areas of the country and is conscious of our social responsibility as a good corporate citizen. We have strong relationships with our host communities and our growth strategy has resulted in significant local economic stimulation. This includes the creation of thousands of new sustainable jobs which offer growth and development opportunities within these communities. It also includes the Local Economic Development (LED) and Corporate Social Investment (CSI) projects we pursue through our Social and Labour Plans (SLPs). We have continued to progress these SLPs and general social relief programmes throughout the year.

In addition, and through the Zambezi Platinum (RF) Limited structure, the group has established two community trusts, the Northam Booyensdal Community Trust and the Northam Zondereinde Community Trust in 2015. These trusts represent the interests of identified communities local to the Booyensdal and Zondereinde mines.



Despite COVID-19, our growth strategy continues to yield positive results as we move towards our medium-term production target of 1 million oz 4E.

These two trusts have mandates that include investment in community development activities for the benefit of their respective communities, with particular focus on infrastructure, education and health.

Northam continues to play its part in improving the situation of our affected and host communities.

Projects

During the early phases of the COVID-19 outbreak, we temporarily scaled-back on certain lower priority growth projects. This was as part of the liquidity management plan. These included – the Central Merensky and BS4 modules at Booyensdal mine; aspects of the

Western extension 3 shaft project at Zondereinde mine; and the stoping build-up at Eland mine. Following improved market certainty, all curtailed growth projects were re-initiated in September 2020 and the majority of workflow impacts resulting from the stoppage have been clawed back. As such, the overall impact on the group's growth strategy is minimal.

However, the potential for further disruption to operations and the metal markets as a result of COVID-19 remains. We continue to monitor the market and will amend our capital programme when prudent.



Material issues

We consider material issues to be those that could significantly impact our business and the execution of our strategy.

Material issue	Description	Interested and affected stakeholders	Associated principal risks	Committee(s) providing oversight
Managing production and performance	It is the role and responsibility of executive management to set realistic strategic targets for the business, whilst it is the role of operational management to meet these targets. The success of this strategy affects shareholders and stakeholders alike.	     	4 Operational performance 5 Energy supply 8 Critical skills and key personnel 11 Information technology and cyber security 13 Fraud and theft 19 Water supply	   
Continuing to improve the safety performance and the health and wellness of our employees	It is our aim to improve the safety performance and the health and wellness of all employees. We do this by continuously seeking to reduce injuries, applying appropriate technologies and methodologies, communicating and training, as well as reinforcing operational standards and responsibility.	   	3 Health and safety 9 Employee relationships	     
Effective project execution	The group has a large capital expansion programme in place to secure its future through the creation of long-life, low-cost operations. Successful project execution is key to creating a sustainable business for the long-term benefit of all stakeholders.	     	4 Operational performance 14 Capital allocation 15 Execution of growth strategy	  
Maintaining our legislative and regulatory compliance, focussing on the Mineral and Petroleum Resources Development Act No. 28 of 2002 (MPRDA) and the Mining Charter	We recognise that we do business within the legal framework of the country. We aim for full compliance with the laws of the land. Given its influence on our licence to operate, the most relevant aspects of legislation for Northam and its operations are the MPRDA and the associated Mining Charter.	     	3 Health and safety 6 Tailings storage facilities (TSFs) 10 Social licence to operate 12 Regulatory, political and legal environment 16 Environment 18 Empowerment transaction	        

Material issue	Description	Interested and affected stakeholders	Associated principal risks	Committee(s) providing oversight
Managing the environmental impact of our operations and conserving natural resources	We make every effort to minimise our environmental impact; we seek to comply strictly with all environmental legislation and where possible we set aside land for biodiversity conservation. We make the optimal use of, and conserve our natural resources.	    	5 Energy supply 6 Tailings storage facilities (TSFs) 10 Social licence to operate 16 Environment 19 Water supply	B E H M
Maintaining constructive communication channels with all our stakeholders	We recognise that stakeholders, be they shareholders, employees, communities or government, have certain expectations of the group, not all of which may be appropriate or possible to meet. We understand and manage these expectations through credible and effective engagement with stakeholders.	       	7 Community relations 9 Employee relationships 10 Social licence to operate 20 Disclosure of non-financial information	A B E H M S
Liquidity management to mitigate market volatility	Exchange rate and commodity price volatility results in significant financial exposure for the group. In addition, Northam is a public company listed on the JSE. Market sentiment impacts share price which determines company value. This influences availability and cost of funding.	  	1 Exchange rate and commodity price volatility 2 Demand for platinum group metals 14 Capital allocation 17 Liquidity	A B E
Ongoing impact of COVID-19	COVID-19 is having an ongoing impact on the health of our employees and the broader economy, as well as demand for our product. It has brought about financial uncertainty. We have rapidly developed and enacted a multi-pronged response plan to protect the health of our employees and the financial security of the company.	       	1 Exchange rate and commodity price volatility 3 Health and safety 4 Operational performance 7 Community relations 9 Employee relationships 10 Social licence to operate 15 Execution of growth strategy 17 Liquidity	A B E H I IT M S

- See Our key stakeholder relationships section on page 28

- See the Managing risks and opportunities section on page 50

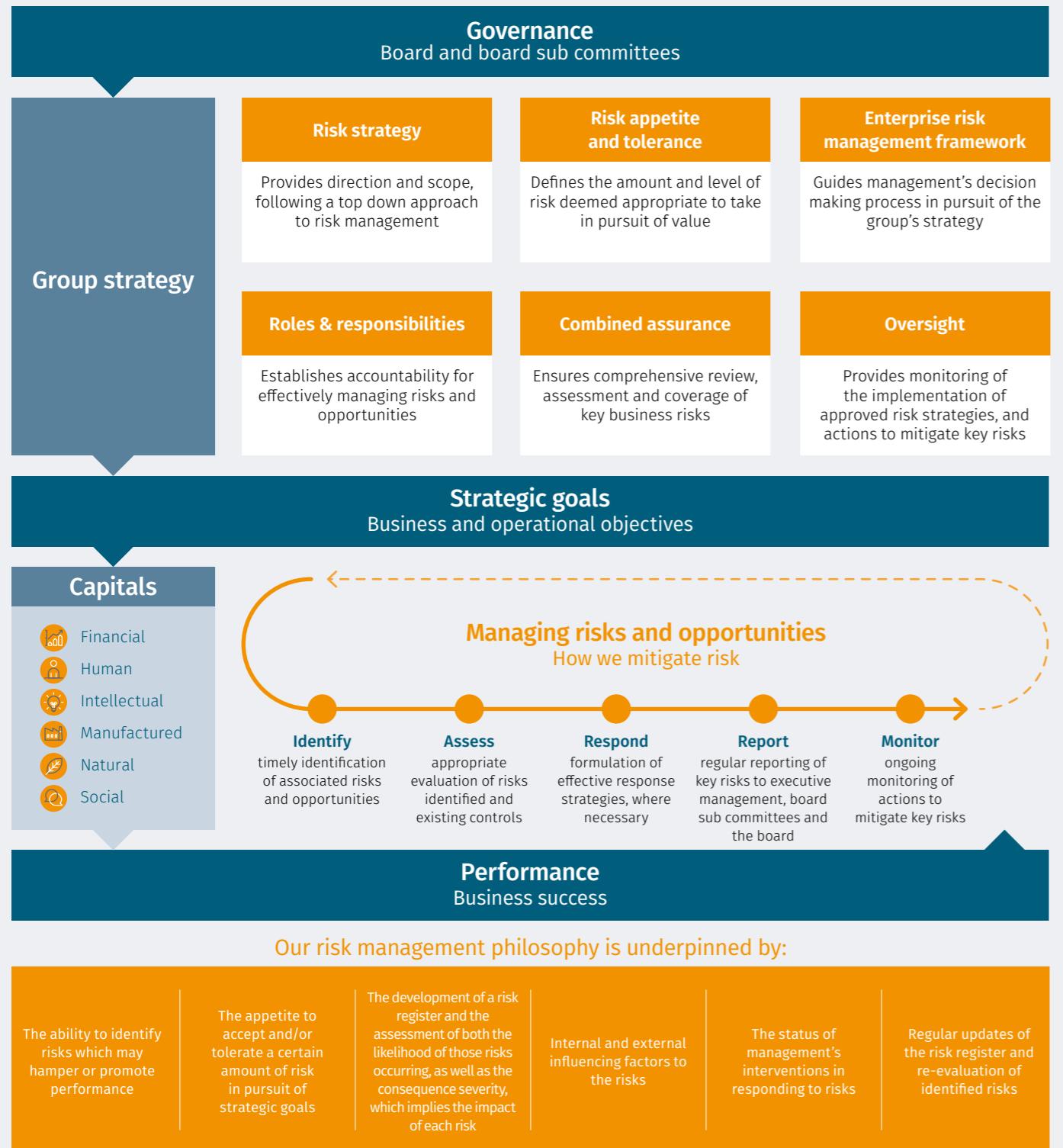
- Refer to the committee reports in our Corporate governance report 2021 on our website at www.northam.co.za

Board and committees	Stakeholders	Associated principal risks
A Audit and risk committee	 Communities	 1 Page 53
B Board of directors	 Customers	 2 Page 54
E Executive committee	 Employees	 3 Page 55
H Health, safety and environmental committee	 Government and regulatory authorities	 4 Page 56
I Investment committee		 5 Page 57
T IT steering committee		 6 Page 58
M Management review committees		 7 Page 59
N Nomination committee		 8 Page 60
S Social, ethics, human resources and transformation committee	 Industry associations	 9 Page 61
	 Investors and providers of funding	 10 Page 62
	 Suppliers of goods and services	
	 Unions	

Managing risks and opportunities

The nature of our business and the industry in which we operate are highly complex and inherently risky. We operate in a higher than average risk environment, where our continued existence is influenced by the degree to which returns outweigh risks.

Integrated enterprise risk management



Our approach to risk management

Our risk strategy follows a top down approach and is a key input into our strategy and planning processes. Northam's enterprise risk management framework guides management's decision-making process in pursuit of sustainable delivery on the group's business and operational objectives. This ensures that associated risks and opportunities are timely identified, appropriately evaluated and where necessary, effective response strategies formulated.

Management is responsible for monitoring progress of actions to mitigate key risks and to determine if any such risk falls outside the limits of our risk appetite. It is supported by the group's combined assurance programme, in particular internal audit, which evaluates the design adequacy and effectiveness of controls. The risk management process is continuous with key risks reported to each of the board sub committees, as well as the board of directors.

Risk appetite and tolerance

Where deemed necessary, consideration is given for management actions to be accelerated or enhanced to ensure the risks remain within its threshold levels. Remaining risks, deemed moderate or low are monitored on an ongoing basis by management and the executive committee.

Our risk appetite for exceptions or deficiencies in the status of our controls that have significant safety implications is very low. The group evaluates these controls with technical experts at our operations and the results of these assessments determine the risk appetite status, along with the management responses required to mitigate any issues identified.

If a risk exceeds appetite it will threaten the achievement of objectives and may require a change to strategy. Risks having residual exposures with greater than significant impact and possible likelihoods, are deemed extreme or high risks. These risks receive particular focus from the group's executives, the board and its committees. The board is regularly informed on the status of these risks, as well as those risks that are approaching the limit of the group's risk appetite and tolerance.



Unexpected significant risk events – ongoing impact of COVID-19

There is the likelihood for unexpected significant ("black swan") events that have the potential to introduce uncertainty into financial markets, as well as impose broad restrictions on business and operations.

These events can result in both significant financial exposure for the group, as well as a range of other potential subordinate crises. These crises could comprise one, all, or a combination of the risks identified in our risk register.

A crisis in this context is a serious event that could damage the business

reputation, share price and relationship with stakeholders and the general public. The onset of this type of event is not always within the control of the group. However, the group has developed comprehensive crisis management and communication protocols to assist in navigating such crises.

The ongoing COVID-19 pandemic and its global socio-economic disruption was previously deemed such a crisis or black swan event, however present market conditions have provided greater certainty.

The company's approach and continued response to COVID-19 is aimed at mitigating the economic impacts on the company, as well as managing the social and health risks to our employees.

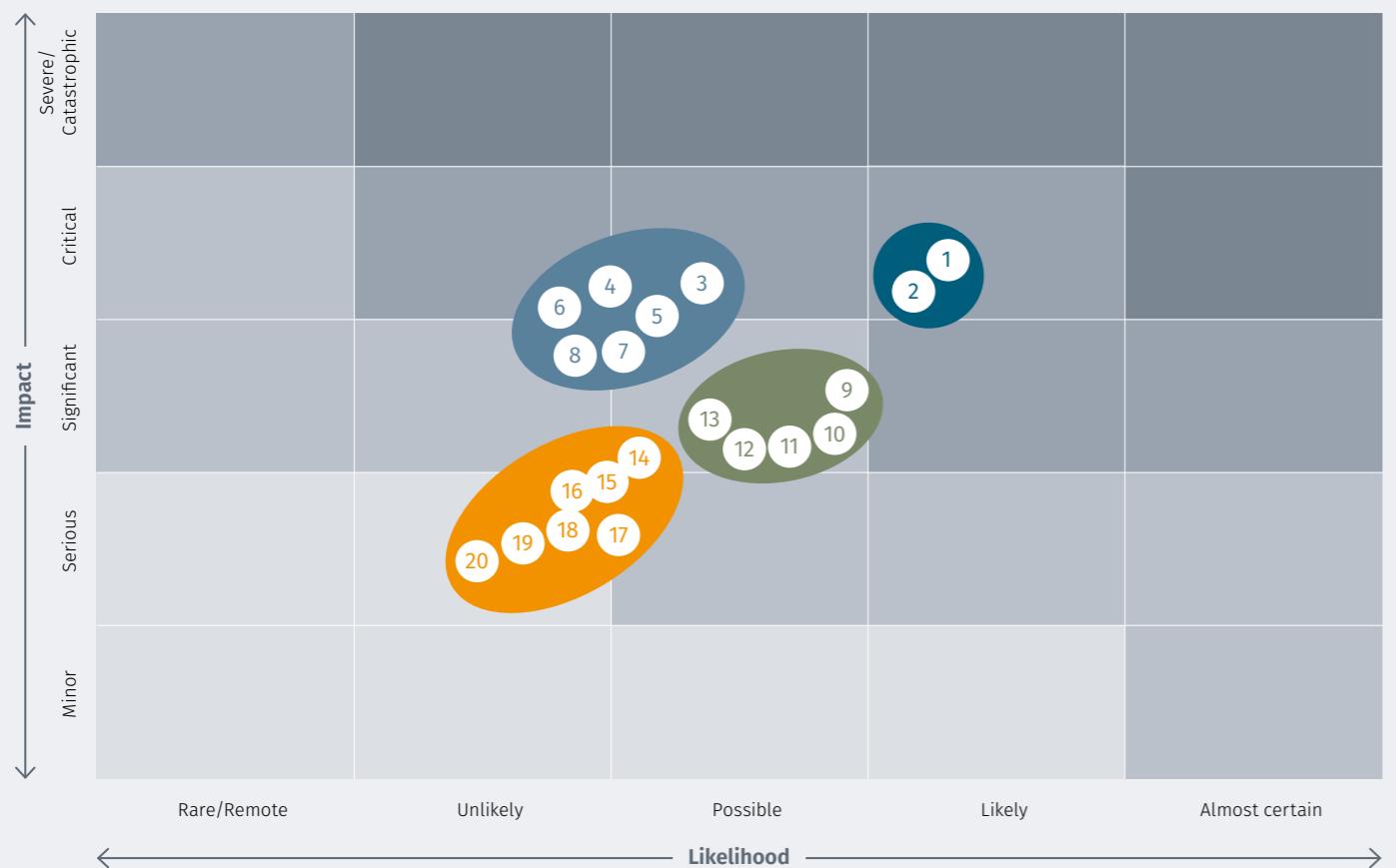
We have continued to monitor the Platinum Group Metals (PGMs) market and currently have greater confidence that metal demand and current pricing will prevail in the medium-term. On this basis we have relaxed some of the liquidity preservation mechanisms that we had implemented during the initial phase of the pandemic.

Managing risks and opportunities (continued)

Northam's residual risk heat map

The heat map below reflects the residual risk exposures, assessed with due consideration of management's responses against the defined impact and likelihood criteria. The risks that follow have been broadly grouped into four distinct risk clusters, each having key response strategies defined. Their descriptions and impacts are considered at a consolidated level, with the sensitivity of the various operations also included. Detail to the top ten principal risks of the group are set out on pages 53 to 62 of this report.

- Risks**
- ① Exchange rate and commodity price volatility
 - ② Demand for platinum group metals
 - ③ Health and safety
 - ④ Operational performance
 - ⑤ Energy supply
 - ⑥ Tailings storage facilities (TSFs)
 - ⑦ Community relations
 - ⑧ Critical skills and key personnel
 - ⑨ Employee relationships
 - ⑩ Social licence to operate
 - ⑪ Information technology and cyber-security
 - ⑫ Regulatory, political and legal environment
 - ⑬ Fraud and theft
 - ⑭ Capital allocation
 - ⑮ Execution of growth strategy
 - ⑯ Environment
 - ⑰ Liquidity
 - ⑱ Empowerment transaction
 - ⑲ Water supply
 - ⑳ Disclosure of non-financial information



Moderate business risks
These risks are considered as part of normal operating business activities with ongoing review and monitoring by management. Movements of the operational risk profiles are reported to executive management.

High likelihood exposures
These risks are considered as part of management's periodic planning and review sessions. Changes to the risk status is communicated to executive management.

High impact exposures
These risks are considered against established key performance indicators (KPIs) by the management review committees. Any substantial shift within the risk position is escalated to executive management.

High business risks
These are key risks facing the group within the context of the PGM mining sector. They have high probability and impact potentials, both from an inherent and residual perspective. Exposures are largely attributed to the external nature and extent of the factors influencing these risks. These risks therefore receive increased focus. Their key risk indicators (KRIs) are monitored by executive management on a regular basis, and these are reported to the board and respective sub committees.

1 Exchange rate and commodity price volatility

Exchange rate and commodity price volatility results in significant financial exposure for the group. Northam is a price taker, with no ability to influence the price of the metals we produce or the exchange rate offered. PGMs are priced in US dollars (USD) while operating costs are denominated in South African Rands (ZAR).

USD denominated metal prices are impacted by supply and demand dynamics, as well as the global economic environment. In addition, current global political and economic factors could impact the value of the ZAR and hence the exchange rate realised.

Related material issues

- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Risk/impact	Opportunity
<ul style="list-style-type: none"> ▪ Lower commodity prices, or ZAR strengthening, reducing ZAR denominated revenue ▪ Weak demand for PGMs as a result of a depressed global economic environment and legislative restrictions on internal combustion engine (ICE) vehicles, together with supply constraints on other vehicle components negatively impacting the prices achieved. Pertinent are the recent EU and UK policy announcements regarding ICE and global warming, as well as the current global semi-conductor shortage ▪ Without a commensurate reduction in unit costs, this compromises profitability, affecting cash flows and return on capital employed, resulting in going concern and impairment risks 	<ul style="list-style-type: none"> ▪ Higher commodity prices and ZAR weakening improves ZAR denominated revenue ▪ Stricter emissions legislations in the largest automotive markets, a focus on Nitrous Oxide (NOx) reduction and high gasoline penetration in the light duty vehicle market in China, Europe and the USA is leading to higher demand for our products which could positively impact the prices achieved ▪ Insufficient project capital spend from the mining sector over the past ten years together with production stoppages in South Africa is leading to reduced primary supply which could positively impact the prices achieved
Response	<ul style="list-style-type: none"> ▪ Projected exchange rates and commodity prices are included in short, medium and long-term cash flow forecasts ▪ Exchange rate and commodity price projections are determined through regular pricing committee processes ▪ Active liquidity management ▪ Availability of funding/facilities to support operations in the short to medium-term ▪ The group's growth strategy, focussed on growing production down the PGM sector cost curve, increases operating margin which buffers against exchange rate and commodity price volatility
Operational exposure	<div style="display: flex; justify-content: space-around;"> Booysendal Eland Zondereinde </div> <p>This risk affects all operations equally</p>
Executive responsible	Committee responsible
Chief financial officer	A B E
Risk appetite	Risk tolerance
<ul style="list-style-type: none"> ▪ Currently within the risk appetite, but potential to exceed it should either commodity prices or exchange rate be negatively impacted 	<ul style="list-style-type: none"> ▪ Within risk tolerance
Operational exposure	Board and committees
▲ Higher ▼ Lower ○ Neutral	A Audit and risk committee B Board of directors E Executive committee H Health, safety and environmental committee I Investment committee S Management review committees N Nomination committee T Social, ethics, human resources and transformation committee IT IT steering committee

Managing risks and opportunities (continued)

2 Demand for platinum group metals

Demand for the metals we produce drives sales and metal prices. The future demand for PGMs is strongly driven by their continued use in autocatalysts. This is in turn, impacted by legislation, driven by climate change concerns.

Related material issues

- Liquidity management to mitigate market volatility

Risk/impact

- Legislative restrictions on internal combustion engine (ICE) vehicles negatively impacting demand. Pertinent are the recent EU and UK policy announcements on global warming
- Supply constraints for other vehicle manufacturing components negatively impacting demand
- Weak demand compromising sales volumes and growth, negatively impacting profitability of the group

Opportunity

- Higher demand promoting sales volumes in metal prices relating to:
 - Environmental legislation driving increased loadings in autocatalysts
 - Global growth mirrored by automotive sales, notably in developing countries
 - Development of hydrogen fuel cells as power units, utilising platinum and iridium catalysts

Response

- Market intelligence, including contributions and active participation in market development activities through the World Platinum Investment Council, the Platinum Guild International, as well as the International Platinum Group Metals Association
- Operating at the lower end of the PGM sector cost curve to protect margins
- Appropriate capital allocation

Operational exposure



Eland



Zondereinde



This risk affects all operations equally

Executive responsible

Chief executive officer

Committee responsible



Risk appetite

- Currently within risk appetite

Risk tolerance

- Within risk tolerance

3 Health and safety

Underground mining is inherently hazardous. Our growth strategy requires increasing numbers of new employees across all operations. This inevitably increases the inherent risk related to the requirements of the safety imperative.

A key priority for Northam is and always will be the ongoing care and well-being of our employees.

Related material issues

- Continuing to improve the safety performance and the health and wellness of our employees
- Maintaining our legislative and regulatory compliance, focussing on the Mineral and Petroleum Resources Development Act No.28 of 2002 (MPRDA) and the Mining Charter
- Ongoing impact of COVID-19

Risk/impact

- Failure to ensure the health and safety of employees, as well as the inconsistent application, lack of or non-adherence to health and safety protocols, resulting in occupational diseases, injuries, or even fatalities. This is likely to affect morale and will ultimately result in reputational damage. This could compromise our licence to operate
- Potential work stoppages and associated downtime is costly and has an adverse impact on operations and production

Opportunity

- Increasing mechanisation moves employees away from working faces reducing the potential for injury
- Improved employee health can result in increased productivity

Response

- Mine health and safety strategy, processes, standards and protocols
- Maintaining focus on compliance with health and safety regulations, operating procedures, standards and responsible behaviours
- Compulsory, continuous safety training and safety campaigns including effective on-site management and supervision
- Compulsory use of personal protective equipment
- Focus on developing mechanisable orebodies for increased safety and employing technology for improved working conditions
- Continuous health checks of employees with a strong focus on prevention
- Full comprehensive medical benefits provided to all employees
- Health education and awareness programmes for employees and local communities

Operational exposure

Booysendal



Eland



Zondereinde



Mechanised mine with smaller workforce

Mine ramping up after prolonged care and maintenance, developing safety culture

Conventional mine with larger workforce

Executive responsible

Chief executive officer
Executives: Mining

Committee responsible



Risk appetite

- Within risk appetite. Due to COVID-19 this risk is being closely monitored

Risk tolerance

- Within risk tolerance

Managing risks and opportunities (continued)

4 Operational performance

Underground mining carries a high fixed proportion of total costs. As such, production volumes drive unit costs and ultimately profitability of each operation and the group.

Related material issues

- Managing production and performance
- Effective project execution
- Ongoing impact of COVID-19

Risk/impact
<ul style="list-style-type: none"> ■ Underperformance of operational assets resulting in production targets not being met ■ Lower production volumes compromising operational profitability, which negatively impacts the group's cash position, jeopardising sustainability and posing a going concern risk ■ Negative impacts to the group's cost position relative to its peers having a negative impact on market perception
<p>Response</p> <ul style="list-style-type: none"> ■ Periodic operational planning, including associated production and recovery processes ■ Multi-level planning approval process ■ Maintaining focus on productivity and efficiencies ■ Ongoing internal optimisation initiatives ■ Continuous cost monitoring and containment ■ Continuous production reviews and interventions where required

Operational exposure



This risk affects all operations equally

Executive responsible

Chief executive officer
Executives: Mining

Committee responsible



Risk appetite

- Within risk appetite

Risk tolerance

- Within risk tolerance

5 Energy supply

Northam obtains its bulk supply of energy from Eskom SOC Limited (Eskom), the South African national electricity supplier. Recent developments at Eskom have affected the reliability and sustainability of electricity supply. If this situation continues without any meaningful improvement, it could compromise Northam's production.

Related material issues

- Managing production and performance
- Managing the environmental impact of our operations and conserving natural resources

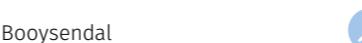
In addition, given the trebling of electricity tariffs over the past decade, electricity is one of the key cost drivers.

Risk/impact	Opportunity
<ul style="list-style-type: none"> ■ Unreliable electricity supply compromise the safety of underground employees ■ Increased cost of production ■ Production downtime due to lack of available electricity supply ■ Negative impact on profitability 	<ul style="list-style-type: none"> ■ None

Response

- Northam's long-term energy strategy is based on energy efficiency rather than energy reduction, given the group's expansion strategy
- Structured operational load curtailment processes to manage occasional shortfalls and supply interruptions, minimising the impact on operations
- Standby generators at all mines to operate ventilation and people conveyance systems, allowing workers to safely exit the underground workings
- The development of an alternative energy supply strategy
- Development of solar photovoltaic facility at Zondereinde to reduce Eskom dependency

Operational exposure



Relatively low use of electricity due to mining using diesel to power the mechanised fleet with processing flexibility and redundancy due to installed concentrating capacity

Significant redundancy and flexibility in electricity requirement due to mine in ramp-up phase with current limited production

Intensive electricity requirement due to intermediate depth mine and metallurgical complex

Executive responsible

Executive: Sustainability

Committee responsible



Risk appetite

- Currently within risk appetite, but potential to exceed it due to unreliability of power which can impact the safety of our workforce and our operations in general

Risk tolerance

- Within risk tolerance

Managing risks and opportunities (continued)

6 Tailings Storage Facilities (TSFs)

The waste products from mining operations are stored in TSFs. These are typically large structures containing slurries.

Related material issues

- Maintaining our legislative and regulatory compliance, focussing on the Mineral and Petroleum Resources Development Act No.28 of 2002 (MPRDA) and the Mining Charter
- Managing the environmental impact of our operations and conserving natural resources

Risk/impact
<ul style="list-style-type: none"> ▪ Structural failure or breach of a TSF resulting in <ul style="list-style-type: none"> - Environmental damage - Loss of life - Property damage - Production stoppage - Legal action - Financial exposure - Reputational damage - Negative impact on investor confidence

Response
<ul style="list-style-type: none"> ▪ Legal compliance to TSF safety ▪ Best practice approach adopted in TSF design encompassing downstream mitigation measures ▪ Regular comprehensive risk assessments performed by competent engineers with updated associated emergency response plans ▪ Established prescribed audit and implemented review cycle ▪ Independent annual reviews ▪ Compliance and execution to operational plans ▪ Change management system during the lifecycles of the TSFs

Operational exposure
Booysendal  Eland  Zondereinde 

Category 3 TSF at North mine and redesigning TSF at South mine, both in environmentally sensitive areas

Executive responsible	Committee responsible
Chief executive officer Executives: Mining	   

Risk appetite	Risk tolerance
<ul style="list-style-type: none"> ▪ Currently within risk appetite 	<ul style="list-style-type: none"> ▪ Within risk tolerance

7 Community relations

South Africa has many social challenges and these manifest in part through community unrest. These same communities are home to our labour forces, and benefit from a substantial portion of our procurement spend, in addition to our social spend.

Related material issues

- Maintaining constructive communication channels with all our stakeholders
- Ongoing impact of COVID-19

Risk/impact	Opportunity
<ul style="list-style-type: none"> ▪ Breakdown in stakeholder engagement resulting in community unrest which could impact production ▪ Production stoppages and negative impact on profitability ▪ Safety and security exposures resulting in injury to employees, as well as damage to infrastructure and equipment ▪ Local community over reliance on mines for economic benefits, including labour opportunities 	<ul style="list-style-type: none"> ▪ Strong relations with the local communities enables us to direct community upliftment programmes, allowing the development of both a skilled labour pool, as well as sustainable service providing companies ▪ Strong relations with local communities engenders community support

Response
<ul style="list-style-type: none"> ▪ Social Labour Plan (SLP) project identification and development in collaboration with existing and recognised community structures, aligned with local integrated development plans (IDPs) ▪ Dedicated stakeholder engagement team and structure ▪ Focussed management and implementation of our SLP programmes ▪ Continuous engagement and open channels of communication with stakeholders and review of stakeholder requirements, over and above our SLP commitments ▪ Local and community procurement initiatives, as well as enterprise and supplier development programmes ▪ Community upliftment programmes, through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust ▪ Management intervention on community related issues

Operational exposure			
Booysendal  Eland  Zondereinde 	Numerous communities in an economically under-developed region, with limited road access	Established communities closer to developed economies but high unemployment	Established community forums and local economy

Executive responsible	Committee responsible
Executive: Sustainability	   
Risk appetite	Risk tolerance

- Within risk appetite, but potential to exceed it depending on the general social and economic environment in South Africa

- Within risk tolerance

Managing risks and opportunities (continued)

8 Critical skills and key personnel

Mining employs specific and specialist skills. The availability and development of these skills is critical to operational sustainability. In addition, key personnel are a repository of corporate intelligence and have significant influence over the success or failure of the business.

The availability of critical skills, together with adequate succession planning within the organisation are fundamental requirements.

Risk/impact			Related material issues
			<ul style="list-style-type: none"> ■ Managing production and performance
Opportunity			
			<ul style="list-style-type: none"> ■ Timeous and effective succession planning and implementation allows for ongoing learnings to be incorporated into the business process
Response			
			<ul style="list-style-type: none"> ■ Membership of the Minerals Council which promotes the brand image of the mining industry ■ Development of a group operating model, encapsulating the company's values, mission and vision, communicated to all key individuals ■ Competitive skills attraction and retention strategy ■ Retention mechanisms through short, medium and long-term incentives ■ Identification of potential succession candidates from within the company ■ Training, development and mentoring of key individuals within the company
Operational exposure			
Booysendal	Eland	Zondereinde	
Depth in management pool and workforce flexibility due to multiple mining modules within the complex	Growing management team and workforce due to mine in ramp-up phase	Aging, established management team and workforce	
Executive responsible		Committee responsible	
Executive: Human resources		    	
Risk appetite		Risk tolerance	
<ul style="list-style-type: none"> ■ Currently within risk appetite 		<ul style="list-style-type: none"> ■ Within risk tolerance 	

9 Employee relationships

Northam has a large labour workforce and its dependence, stability and morale can significantly impact the group's production.

Related material issues		
Related material issues		
		<ul style="list-style-type: none"> ■ Continuing to improve the safety performance, and the health and wellness of our employees ■ Maintaining our constructive communication channels with all our stakeholders ■ Ongoing impact of COVID-19
Risk/impact		Opportunity
		<ul style="list-style-type: none"> ■ Workforce unrest, due to labour-related issues, could result in <ul style="list-style-type: none"> - Work stoppages and a negative impact on employees and production - Workplace injuries and potential loss of life due to violence - Damage to infrastructure and equipment - Reduced morale and reputational damage
Response		Opportunity
		<ul style="list-style-type: none"> ■ Open channels of communication with employees and unions ■ Management intervention on employee related issues ■ Remuneration policy includes medical, pension and housing benefits to all employees ■ Inflationary related increases are awarded to employees on an annual basis ■ Various trusts have been established for the benefit of our employees ■ Insurance policies in the event of damage or production losses
Operational exposure		
Booysendal	Eland	Zondereinde
Mechanised mine with smaller, higher-skilled workforce	Mine ramping up with small workforce at present. New union and impending wage negotiation	Conventional mine with larger workforce. Impending wage negotiation
Executive responsible		Committee responsible
Executive: Human resources		    
Risk appetite		Risk tolerance
<ul style="list-style-type: none"> ■ Within risk appetite 		<ul style="list-style-type: none"> ■ Within risk tolerance

Managing risks and opportunities (continued)

10 Social licence to operate

Compliance to the Mineral and Petroleum Resources Development Act, No. 28 of 2002 (MPRDA), Mining Charter, Social Labour Plans and environmental legislation is imperative for maintaining our licences to operate. The Mining Charter stipulates the minimum requirements for compliance.

Northam's reputation as an employer, corporate citizen, and environmental custodian is a strategic imperative to ensure our licence to operate.

Related material issues

- Maintaining our legislative and regulatory compliance, focussing on the Mineral and Petroleum Resources Development Act No.28 of 2002 (MPRDA) and the Mining Charter
- Managing the environmental impact of our operations and conserving natural resources
- Maintaining constructive communication channels with all our stakeholders
- Ongoing impact of COVID-19

Risk/impact	Opportunity
<ul style="list-style-type: none"> Penalties relating to non-compliance Withdrawal or suspension of operating licenses Negative stakeholder impact which is likely to affect Northam's rating as a sound investment opportunity Increased risk of protest action, boycotts and negative public exposure Lack of recognition and genuine engagement with indigenous populations, respect for culture, traditions and land use, complaints/disputes with local communities relating to land use, local customs and rights 	<ul style="list-style-type: none"> Ongoing compliance to relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity Continuous promotion of common stakeholder understanding through active communication and engagement on community development and human rights
Response	
<ul style="list-style-type: none"> Ongoing monitoring of and reporting on legislative requirements and updates Compliance with relevant legislation including periodic reporting Membership of the Minerals Council, which represents the mining industry in a consolidated approach Value-sharing and contribution to socio-economic upliftment Maintaining transparent corporate governance Baseline assessment studies Constructive, transparent community engagement regarding the company's activities Open, honest, continuous and effective stakeholder engagement 	
Operational exposure	
Booysendal 	Eland 
Mine straddles a provincial border, increasing complexity of compliance	Zondereinde 
Executive responsible	Committee responsible
Chief executive officer Executive: Sustainability Executive: Human resources	
Risk appetite	Risk tolerance
<ul style="list-style-type: none"> Within risk appetite, but should there be any digression this will be considered to be outside the risk appetite 	<ul style="list-style-type: none"> Within risk tolerance

Case study

Our commitment to greener energy

Context

Northam obtains the bulk supply of its energy from Eskom, South Africa's national energy supplier. The developments at Eskom leading to constrained and unreliable supply of electricity poses an increased risk to the group. This compromises the safety of our underground employees as well as impacts our production. Being a price taker, increases in electricity tariffs also greatly compromise our ability to reduce unit costs and ultimately move down the cost curve.

Commitment

We are committed to sustainability and want to be a part of the solution for a greener future. We must meet the requirements of increased environmental legislation and the prescripts of the Paris agreement, whilst also considering the impact of increased carbon taxes. To do this, we must continually consider the impact that our operations have on the environment.

The board has also approved the development of a 10MW photovoltaic solar plant to supplement the electricity supply to the Zondereinde smelter facility. The design and implementation



We want to be a part of the solution for a greener future.

Paul Dunne
Chief executive officer

phase is currently in progress, with construction scheduled to commence in the second half of F2022.

The solar plant is expected to be operational in F2023. This will reduce some of our reliance on Eskom and plans to expand this facility are already in progress. This will reduce our total emissions intensity, as well as the costs associated with energy.

In addition to the Zondereinde project, we are busy with initial solar installations at Eland and Booysendal. These have been restricted to 1MW capacity each to avoid permitting delays, but will be expanded in the future, particularly in light of the recent announcement by government allowing for the production of up to 100 MW by private companies.

The location of our operations is conducive to the development and use of renewable energy sources and these will provide increased optionality to the group for further value creation. We are also exploring other alternative sources of renewable energy, with wind power providing promising returns.

We will continue to explore renewable energy sources in order to determine the most appropriate energy strategy to achieve our sustainability targets, as well as to create value for our stakeholders.

CFO statement: A recap on our strategy and beliefs

Northam has pursued a strategy of counter-cyclical investment in both acquisitions and organic growth.

This fundamentally differentiates us from our peers and is enabling the creation of meaningful value.

Revenue F2021
R32.6bn

F2020: R17.8bn

EBITDA F2021
R16.7bn

F2020: R6.0bn

EBITDA margin F2021
51.0%

F2020: 33.8%

Free cash flow generated F2021
R11.7bn

F2020: R4.0bn

Total available banking facilities F2021
R5.0bn

F2020: R4.0bn

Net debt to EBITDA ratio F2021
0.22

F2020: 0.56

We have been able to do this through our firm belief in the inherent good of our country, our company, our people and the special metals that we produce.

We are now reaping the rewards, as our significant investment is enabling us to grow our production base within a generally strong commodity-price environment.

The combination of our world-class asset base, sufficient and well-managed finances, the support of our shareholders and, in particular, the efforts of our people, have afforded us the operational flexibility required to make the right capital allocation decisions.

Our medium-term growth strategy is well advanced and significantly de-risked. This is thanks to thorough planning and swift, decisive execution.

This dynamic has resulted in a ground-breaking year on all fronts.

At an operational level, we have achieved a 34.1% increase in production from our own operations and are on track to reach our medium-term annual target of 1 million ounces of 4E. This is despite the ongoing challenges of COVID-19.

Refer to our Summarised financial results for the year ended 30 June 2021 available on our website at www.northam.co.za

We are now well into the fourth strategic phase, returning value to our shareholders. And thus, at the corporate level, the conclusion of our Composite Transaction is a pivotal event in the company's history.

Firstly, accelerating the maturity of the Zambezi BEE Transaction and secondly, extending empowerment in the Northam group for a further 15 years.

We remain committed to creating and delivering shareholder value. The increase in our production profile is having a positive impact on our ability to generate free cash. This will lead to strong dividend flows should commodity prices permit.

We will continue to be bold and proactive in returning value to our shareholders.

Our capital allocation and treasury decisions have been guided by our strategy and we have been consistent in our approach of growing our production base. This has allowed us to return value to our shareholders.

Some of the considerations that drive our decision-making include:



Appropriate capital allocation

Ultimately, the most critical consideration for any company is the appropriate allocation of capital.

The long-term success of the business depends on achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. We carefully consider the appropriate allocation of capital in these areas to achieve the group's strategic objectives.

Mining is a capital intensive business with relatively long time horizons. Commodity prices follow shorter period cyclical patterns. Therefore, capital allocation decisions require consideration of both short and long-term technical planning, as well as of the global economic outlook and cyclical commodity price variance. To this end, we employ conservative long-term price estimates and incorporate sensitivity analysis in our forecasts. This improves confidence in our financial viability and moderates estimate uncertainty over time.

The acquisition of Zambezi Preference Shares, which were linked to Northam Shares, was essentially a buy-back of Northam shares by proxy. This process enabled acceleration of the maturity of the Zambezi BEE Transaction. This has led to meaningful value return to shareholders, in a planned and responsible manner, through a share buy-back amounting to 28.9% of the group's issued share capital.

See page 10 The Composite Transaction: Empowering Northam for the future for more information



Belief in our assets

A cornerstone of our strategy is the development of low-cost, long-life assets. This de-risks our operations against potentially subdued or volatile commodity markets, while positioning the company for further strong financial performance.

Our assets and infrastructure are world class and our mining methods are tailored to optimally extract and benefitiate our large, long-life ore bodies.

We own 100% of all our major centres of operation. We benefitiate and sell our metal, thereby benefitting from the full mine-to-market value chain. This creates maximum value for shareholders.

In 2015, we embarked on a focussed programme of acquisitions, targeting operations and Mineral Resources with synergistic and optionality benefits.

The acquisitions of the Everest mine in 2015 and the Western extension Mineral Resource block in 2018 unlocked major synergies with the Booyensdal and Zondereinde mines respectively. Eland mine provides an exceptional UG2 Mineral Resource with associated infrastructure, situated in a strategically important area of the Bushveld Complex. The US PGM recycling operation is our first foray into what is an increasingly important supply sector. Recycling currently represents between a quarter and a third of global supply. The US in particular has, through recycling, recently become a net exporter of metal.

CFO statement (continued)

The world needs PGMs



Belief in our people

Furthermore, the lower operational risk profile and carbon footprint of recycling improves the group's overall sustainability. However, this is a new business for us which can carry significant working capital commitments. As such, we maintain a cautious approach to growing this venture.

We have developed our assets in a modular fashion to minimise capital risk. In so doing, we have targeted synergistic enhancement and increased mechanisation to grow production whilst lowering operational risk and enhancing our relative position on the industry cost curve. This is further strengthening the sustainability of the group.

Our medium-term annual production target remains 1 million ounces of 4E.

Acquisitional association	Synergistic benefits
Everest and Booysendal	Everest supplied the supporting surface infrastructure enabling the development of the Booysendal South mine. This included PGM and chrome concentrators, a tailings storage facility, connection to the Eskom grid and a power allocation, as well as a second access route to site.
Western extension and Zondereinde	The Western extension provided significant, quality Mineral Reserves that were rapidly accessible via existing Zondereinde underground infrastructure at low capital cost. It further enables a material extension to Zondereinde's remaining life of mine.



Belief in the special metals we produce

It is our people that make our business successful and we believe that we have an exceptional team who are committed and loyal.

Our team is experienced

Our board and management teams are skilled across multiple disciplines and have an excellent track record of effectively and responsibly directing and managing our operations, whilst growing the business and successfully delivering on all projects.

We are innovative

We embrace a culture of innovation. This is demonstrated by our ability to take measured risk when it comes to the application of new technology and our track record of smart acquisitions. This is not new to Northam. It is how we have always operated, from the early days of the development of hydropower and backfill technologies at Zondereinde, through to the application of aerial rope conveyors at Booysendal and to how we structure our mining crews at Eland to maximise team stability.

We are decisive and swift

We have a strong and cohesive team that assesses risk and return, making risk-adjusted decisions and following through on them. It is the way we do things and our track record demonstrates this.

Our employees share in the value we create through the execution of our growth strategy

Our employees play an important role. Because of this, we pay a fair wage. Over and above this, there is significant upside if performance targets are met or exceeded. In addition, we have a number of participation schemes in which our employees benefit from the increased profitability of the group.



Belief in our country

We believe that the world needs the metals we produce.

These metals are special and aid the attainment of a cleaner, greener world. It is our considered opinion that net PGM demand will prevail over the coming decade and into the future. Short-term price fluctuations can be expected but their long-term fundamentals remain strong and this will support pricing.

We believe that the broadening of economic activity is key to South Africa's success. Our growth strategy and our empowerment initiatives positively contribute to this.

We are creating meaningful and sustainable, direct employment for thousands of people. Our operations are both stimulating local economies, particularly those in some of the most impoverished areas of the country, as well as substantially contributing to the national fiscus.

In respect of empowerment, Northam implemented a landmark transaction with Zambezi in May 2015. This was the catalyst for the group's growth, injecting R4.2 billion of cash onto the balance sheet. It enabled a classic counter-cyclical growth strategy through a series of acquisitions and organic growth projects. In addition, the transaction secured 31.4% ownership by a broad-based, historically disadvantaged group, Zambezi Platinum.

The transaction was funded by Northam's Shareholders through an innovative structure involving the issue of JSE listed Zambezi Preference Shares to them. In essence, it was a vendor financed transaction.

Our Zambezi Preference Share acquisition strategy enabled the acceleration of the maturity of the Zambezi BEE Transaction. The objective of accelerating maturity was to secure, unlock and transfer unencumbered value created within Zambezi and, in so doing, remove maturation risk for both Northam and Zambezi Shareholders.

Following this, the objective of the Extended Empowerment Transaction is to secure HDP ownership in the Northam group for a further 15 years, whilst optimising the group structure for compliance with the Mining Charter. This will extend ownership of Northam by HDPs to more than 26% and will be funded by Northam.

Should there be change in HDP ownership requirements, Northam will have the ability to accelerate the maturity of the Extended Empowerment Transaction from year five onwards.

See page 10 The Composite Transaction: Empowering Northam for the future for more information

Northam has already made a tremendous contribution towards real empowerment through the Zambezi BEE Transaction. We now want to focus our empowerment initiatives on the extension of our employee and community participation.

Our contribution is making a difference.

Conclusion

Our strategy is unchanged.

We remain single-minded in our commitment to creating sustainable value for all of our stakeholders and will continue to be bold, proactive and transparent in pursuing this.

Alet Coetze
Chief financial officer

23 September 2021

Glossary

Performance measures (PMs) not defined by the International Financial Reporting Standards (IFRS) and which are disclosed in this report, are not uniformly defined or used by all entities, and may not be comparable with similar disclosures provided by other entities.

The responsibility of the PMs, and the financial reporting procedures relating to the PMs, remains with the board of directors of Northam Platinum Holdings Limited.

To obtain an understanding of PMs and other definitions contained in the financial results, Shareholders are referred to the glossary set out below.

>1 000.0%	Indicated variance if the variance between two periods/years is greater than one thousand percent
4E	Northam reports Mineral Resources, Mineral Reserves, production and grades in terms of platinum, palladium, rhodium and gold, collectively expressed as 4E this is synonymous with 3PGE & Au
6E	Northam reports metal production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
AGM	Annual General Meeting
AIDS	Acquired immunodeficiency syndrome
AMCU	The Association of Mineworkers and Construction Union
Annual liquidity	The measure of the liquidity of the listed Northam Shares calculated by dividing the total number of Ordinary Shares traded during the financial year/12 month rolling period by the number of Ordinary Shares in issue, which is 509 781 212
Au	Gold
Average exchange rate	The average exchange rate achieved by the Group for the purpose of converting USD sales to ZAR over a period/year, amounting to the sum of the daily close ZAR/USD exchange rate over a period/year divided by the number of days in that period/year
Average market price achieved/realised (USD/oz)	Average market prices achieved/realised in USD/ounce over a specific period/year, calculated as total sales revenue per metal in ZAR divided by the total metal sold in ounces, divided by the average exchange rate over the specific period/year
Average number of employees including contractors	The number of permanent employees and contractors working at the company's operations per month averaged over a reporting period
Base metal	A metal other than the noble metals or precious metals, such as copper, nickel, tin or zinc
BCM	Boysendal Central Merensky (also referred to as BSM)
BCU	Boysendal Central UG2 mine (comprising BS1 and BS2)
BEE	Black economic empowerment as contemplated in the BEE Laws
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
bn	Billion
BNM	Boysendal North Merensky mine
BNU	Boysendal North UG2 mine
Borehole water used	Water abstracted from boreholes which is used by the operations, expressed as a volume
Brownfields	Denoting or relating to within or adjacent to a previously or currently developed site or Mineral Resource
BSM	Boysendal South Merensky mine
BS1	Boysendal South mine 1
BS2	Boysendal South mine 2
BS4	Boysendal South mine 4

Bushveld Complex	The world's largest known layered igneous complex, covering an area of approximately 67 000 square kilometres (km ²) within South Africa and containing approximately 85% of all known PGM Mineral Resources
CAGR	Compound Annual Growth Rate
Capital expenditure or capex	ZAR value assigned for additions to, and maintenance of property, plant and equipment as well as mining properties and Mineral Resources
Cash costs per 4E oz in concentrate produced	Cash costs for each 4E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 4E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 4E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per 6E oz in concentrate produced	Cash costs for each 6E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 6E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 6E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per equivalent refined 4E oz	Cash costs for each equivalent refined 4E ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 4E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 4E refined metal quantities in ounces produced
Cash costs per equivalent refined 6E oz	Cash costs for each equivalent refined 6E ounce production over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 6E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 6E refined metal quantities in ounces produced
Cash costs per equivalent refined Pt oz	Cash costs for each equivalent refined platinum ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent platinum refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total platinum refined metal quantities in ounces produced
Cash costs per Pt oz in concentrate produced	Cash costs for each platinum ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by platinum ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by platinum ounces produced both from concentrate produced as well as concentrates purchased
Cash margin per 4E oz in concentrate produced	Cash profit per 4E ounce in concentrate produced as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash margin per 6E oz in concentrate produced	Cash profit per 6E ounce in concentrate produced as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each 6E ounce in concentrate produced
Cash margin per equivalent refined 4E oz	Cash profit per equivalent refined 4E ounce as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash margin per equivalent refined 6E oz	Cash profit per equivalent refined 6E ounce as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash margin per equivalent refined Pt oz	Cash profit per equivalent refined platinum ounce as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each equivalent refined platinum ounce produced
Cash margin per Pt oz in concentrate produced	Cash profit per platinum ounce in concentrate produced as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each platinum ounce in concentrate produced
Cash profit per 4E oz in concentrate produced	Total revenue per 4E ounce sold less the cash cost per 4E ounce in concentrate produced, which is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash profit per 6E oz in concentrate produced	Total revenue per 6E ounce sold less the cash cost per 6E ounce in concentrate produced, which is utilised to assess the profitability of each 6E ounce in concentrate produced
Cash profit per Pt oz in concentrate produced	Total revenue per platinum ounce sold less the cash costs per platinum ounce in concentrate produced, which is utilised to assess the profitability of each platinum ounce in concentrate produced
Cash profit per equivalent refined 4E oz	Total revenue per 4E ounce sold less the cash costs per equivalent refined 4E ounce, which is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash profit per equivalent refined 6E oz	Total revenue per 6E ounce sold less the cash costs per equivalent refined 6E ounce, which is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash profit per equivalent refined Pt oz	Total revenue per platinum ounce sold less the cash costs per equivalent refined platinum ounce, which is utilised to assess the profitability of each equivalent refined platinum ounce produced
CH₄	Methane, a greenhouse gas
CO₂	Carbon Dioxide, a greenhouse gas

Glossary (continued)

CO₂e	Carbon Dioxide equivalent, a standard unit for reporting GHG emissions. It expresses the impact of each different greenhouse gas in terms of the amount of CO ₂ that would create the same amount of climatic warming
Competent Person	As defined in the SAMREC Code (2016), a person with sufficient expertise and experience, together with affiliation to a recognised professional organisation, to estimate Mineral Resources and/or Mineral Reserves
Communities	The host and/or affected communities residing in the vicinity of one or more of the Northam Group's mining operations
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base and precious metals. This concentrate is treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
Contractors	Temporary, fixed term or part time staff working at the company's operations who are not employed by Northam
Conversion from concentrate produced to equivalent refined metal	Concentrate produced multiplied by 99% (taking into account smelter recoveries) multiplied by 99% (taking into account base metal removal plant recoveries) multiplied by 99.2% (taking into account the average precious metal recoveries)
Corporate Social Investment (CSI)	Discretionary contributions initiated and implemented at the operations where the objective is not to provide infrastructure or facilitate income generating activities for targeted beneficiaries who are outside of the organisation. These can include, but are not limited to: Contributions to charities, NGOs and research institutions; Direct costs associated with social programmes, including arts, education etc.
COVID-19	Coronavirus disease 2019, caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus, synonymous with COVID
CPI	Consumer Price Index
Cu	Copper
Depletion	The reduction in the quantity of Mineral Reserves resulting from extraction or production
Direct emissions	GHG emissions from sources that are owned or controlled by Northam, e.g. direct emissions related to combustion would arise from burning fuel for energy within Northam's operational boundaries
DMRE	The Department of Mineral Resources and Energy of South Africa
DMTNs or Notes	Domestic Medium-Term Notes
DMTN Programme	Established pursuant to a Programme Memorandum dated 3 August 2012, in terms of which the company may from time to time, issue Notes.
DOH	Department of Health
DWS	The Department of Water and Sanitation of South Africa
Earnings per share	The amount calculated by dividing the profit for the period/year attributable to Shareholders by the weighted average number of Northam Shares in issue
EBITDA	Earnings before interest (investment income and finance charges excluding Zambezi Preference Share dividends), tax, depreciation, amortisation and the impact of the Zambezi BEE Transaction relating to amortisation of liquidity fees paid on Preference Shares, the Preference Share dividends and loss on de-recognition of the Preference Share liability. EBITDA is utilised for, inter alia, the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Employee turnover rate percentage	Number of employees at the Zondereinde, Booyensdal or Eland operations who leave the organisation during the reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
Employees on TB treatment	The number of employees at the Zondereinde, Booyensdal and Eland operations receiving treatment for TB through the operation's wellness programme
Employment equity	Achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by HDSAs
EMPr	Environmental Management Programme
Energy from electricity purchased by plant	Electricity purchased from third parties during the reporting period which is used for the metallurgical processing operations. This excludes electricity generated by the operations themselves
Energy from electricity purchased by shafts	Electricity purchased from third parties during the reporting period which is used for the underground mining operations. This excludes electricity generated by the operations themselves
Equivalent refined metal from own operations	Own metal mined or metal acquired from surface sources which require milling, expressed as final metal available for sale

Equivalent refined metal from third parties	Metal acquired from third parties in concentrate or a more refined form, expressed as final metal available for sale
ESD	Enterprise and Supplier Development as envisaged in the Codes of Good Practice issued under section 9(1) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended from time to time
ESG	Environmental, social and governance factors
Eskom	Eskom Holdings (SOC) Limited. The sole power utility in South Africa
Executive director	A member of the company's board of directors, employed by and involved in the day-to-day running and organisation of the company
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and Mineral Resources
Fatal injury	Any terminal injury sustained by an employee, contractor or contractor employee or visitor who is involved in an incident whilst performing their duties at the company's operations
Fatal injury incidence rate (FIR) per 200 000 hours worked	[1] GNR 93 of 15 January 1997 published in terms of Mine Health and Safety Act, No. 29 of 1996 (MHSA Regulations), Regulation 23.1(a) and 23.1(b)
Feasibility study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable)
Fissure water used	Water collected in the underground workings as a result of water seepage (inflow from groundwater aquifers) which is pumped to surface for re-use by the respective operation, expressed as a volume
Fully diluted earnings per share	The amount calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of Ordinary Shares outstanding during the period under review plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares
Fully diluted headline earnings per share	The amount calculated by dividing the headline earnings by the weighted average number of Ordinary Shares outstanding during the period under review plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares
g/t	Grams per tonne, the unit of measurement of metal concentration in an orebody, ore or concentrates for precious metals, equivalent to parts per million
GBF	General Banking Facility with Nedbank Limited
GHG	Greenhouse gas; including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). Gasses that are defined as having global warming potential
Greenfields	Denoting or relating to a new, undeveloped site or Mineral Resource
Greenhouse gas (GHG) emissions	Carbon dioxide equivalent (CO ₂ e) emissions, including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). For reporting purposes, total GHG emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions, are calculated according to the GHG protocol using emissions factors and Global Warming Potential (GWP) factors issued by the Intergovernmental Panel on Climate Change (IPCC). The CO ₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise level, sustainable development reports.
Groundwater	Water abstracted from boreholes, underground aquifers etc., which is used in the operations
HDP	Historically Disadvantaged Person as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002
HDSA	Historically Disadvantaged South Africans – South African citizens, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa Act, No. 200 of 1993 came into operation which should be representative of the demographics of the country
HDSAs in management	The total number of HDSA employees in Top, Senior, Middle and Junior management expressed either as a number or as a percentage of the total number of employees at management level
Headline earnings	Headline earnings is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share (cents)	Headline earnings per share is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA). The JSE Listings Requirements require disclosure of headline earnings per share and an itemised reconciliation of earnings to headline earnings, expressed in South African cents per share
Heraeus	Heraeus Deutschland GmbH & Co. KG

Glossary (continued)

HIV	Human immunodeficiency virus
HIV Counselling and Testing	Voluntary counselling and testing for HIV, synonymous with HCT
IDP	Integrated Development Plan – a process through which municipalities, together with their constituencies, various stakeholders, interested parties including traditional authorities and affected parties, compile a strategic planning instrument for municipalities
ILO	The International Labour Organisation
In-situ	The original natural state of the ore body before mining or processing of the ore takes place
Indicated Mineral Resources	Indicated Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Following which, they may be converted to Probable Mineral Reserves Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. Indicated Mineral Resources have a higher level of confidence than that applying to Inferred Mineral Resources
Indirect emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity, imported and consumed by Northam (Scope 2) as well as other sources including emissions attributable to contractors transporting waste rock and recyclable waste on site (Scope 3)
Inferred Mineral Resources	Inferred Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to Indicated Mineral Resources and cannot be converted to Mineral Reserves. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
IPA	The International Platinum Group Metals Association – an association representing the interests of the leading mining, production and fabrication companies of the global Platinum Group Metals (PGMs) industry
JIBAR	The Johannesburg Interbank Average Rate is the money market rate, used in South Africa. It is calculated as the average interest rate at which banks buy and sell money
JSE	The Johannesburg Securities Exchange or JSE Limited
King IV™	The King IV™ Report on Corporate Governance for South Africa, 2016
kt	Kilo tonnes, equal to 1 000 (one thousand) tonnes
ktpm	Kilo tonnes per month, equal to 1 000 (one thousand) tonnes per month
Kukama shaft	The western decline system and mining section of Eland UG2 mine
Land disturbed by mining related activities	Land, measured in hectares (Ha), that has been physically or chemically disturbed due to Northam's mining and related activities, including the shaft complex, concentrators, smelter complex, waste dump, rock dumps, tailings disposal facility, water return dams and administrative and residential properties that have either; not been rehabilitated during the reporting period, or newly disturbed within the reporting period
Land leased for farming purposes	Land owned by Northam or any of its subsidiaries, measured in hectares (Ha), that is leased to third parties for farming purposes
Land protected for conservation	Land, measured in hectares (Ha), that is currently protected, including land leased, owned or set aside in a biodiversity offset or conservation programme due to requirements in an environmental authorisation, approved environmental management programme or by request of environmental authorities, where the environment remains in its original state with a healthy and functioning ecosystem
LED	Local Economic Development as defined in the South African National Framework for Local Economic Development 2018-2028
Life of mine (LoM)	The period during which all Mineral Reserves of a mine are projected to be profitably extracted through planned mining activities
Local community	Communities that are directly impacted by our mining operations and are on or near the mining right area
LoM	Life of mine
Long-term	A period longer than 5 years
Lost time injury	An injury to an employee or contractor, confirmed by an appointed medical practitioner, resulting from an incident while on duty at the company's operations, which incapacitates the injured person from attending work or performing their normal or similar work duties on their next scheduled shift, regardless of the injured persons next rostered shift. Lost time injuries include: fatalities and injuries defined as reportable injuries; injuries requiring further treatment due to complications arising from an injury originally classified as a non-lost time injury that leads to absence from work; where any employee or contractor is required to undergo treatment or observation longer than 24 hours following loss of consciousness or incapacitation while on duty due to an incident which resulted in: heat stroke; oxygen deficiency; inhalation of fumes or poisonous gas, or; electric shock or electric burn incidents

Lost time injury incidence rate (LTIR) per 200 000 hours worked	The number of employee and contractor lost time injuries resulting from accidents while working at the company's operations multiplied by 200 000 and divided by the total number of employee and contractor hours worked
Measured Mineral Resources	Measured Mineral Resources, as defined in the SAMREC Code (2016) are that part of Mineral Resources for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Following which, they may be converted to Proved or Probable Mineral Reserves
Medium-term	Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. Measured Mineral Resources have a higher level of confidence than that applying to either Indicated or Inferred Mineral Resources
Merensky Reef	A PGM-bearing orebody at the base of the Merensky cyclic unit, within the Critical Zone of the Bushveld Complex, predominantly comprising silicate minerals
Metal in concentrate	Metal produced from mining operations during the reporting period, that has been concentrated ahead of smelting
MHSA	Mine Health and Safety Act, No. 29 of 1996
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Mineral Reserves	Mineral Reserves, as defined in the SAMREC Code (2016), are the economically mineable parts of Measured and/or Indicated Mineral Resources. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified on technical and economic grounds. The reference point at which Mineral Reserves are defined at Northam is the point where the ore is delivered to the processing plant
Mineral Resources	Mineral Resources, as defined in the SAMREC Code (2016), are a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of the Mineral Resources are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
Minerals Council	Minerals Council South Africa – a mining industry employers' organisation that supports and promotes the South African mining industry
Mining Charter	A charter containing a series of requirements for mining companies set by the Minister of Mineral Resources and Energy, designed to meaningfully expand opportunities for HDPs in the South African mining industry and advance transformation
Moz	Million ounces
MPRDA	The Mineral and Petroleum Resources Development Act, No. 28 of 2002, as amended from time to time
MTPA	Mpumalanga Tourism and Parks Association – a branch of the provincial government of Mpumalanga
MW	Megawatt, a unit of power, generally pertaining to electricity, equal to one million watts
N/A	Not applicable is included in the percentage variance column if a percentage variance between a positive and negative balance is indicated
NEMA	National Environmental Management Act, No. 107 of 1998, as amended from time to time
Net (debt)/cash	Cash and cash equivalents less bank overdraft, Domestic Medium-Term Notes, revolving credit facility (both the current and non-current portion) and general banking facility, all of which are in ZAR. Net debt is utilised for, inter alia, the assessment of covenants
Net debt to EBITDA ratio	The net debt to EBITDA ratio is a measurement of leverage, calculated as the company's net debt divided by EBITDA/12 month rolling EBITDA
New cases of noise induced hearing loss (NIHL)	The number of new cases of impairment of employees hearing due to exposure to excessive noise at the company's operations in the reporting period, leading to a Percentage Hearing Loss (PHL) shift of 5% or more from a baseline audiogram level
New cases of tuberculosis	The number of employees at the Zondereinde, Booyensdal or Eland operations confirmed as having Pulmonary Tuberculosis (TB) by a medical practitioner, during the reporting period
NHM	Northam Platinum Limited
Ni	Nickel
NICD	The National Institute for Communicable Diseases of South Africa
NO2	Nitrogen Dioxide, one of a Group of nitrogen oxides, sometimes termed NOx

Glossary (continued)

Non-discretionary procurement expenditure	Expenditure that cannot be influenced by a mining company, such as procurement from the public sector and public enterprise
Non-executive director	A member of the company's board of directors who is not part of the executive team. A non-executive director typically does not engage in the day-to-day management of the organization but is involved in policymaking and planning exercises
Normalised headline earnings	Headline earnings adjusted for non-cash items relating to the Zambezi BEE Transaction, whereby headline earnings is adjusted to include amortisation of liquidity fees paid on Preference Shares, Preference Share dividends and the loss on de-recognition of Preference Share liability. Normalised headline earnings is considered as management's main measure of performance
Normalised headline earnings per share (cents)	Headline earnings per share adjusted for the impact of the Zambezi BEE Transaction, being normalised headline earnings divided by the total number of shares in issue. Normalised headline earnings per share is considered as management's main measure of performance, expressed in South African cents per share
Northam	Northam Platinum Limited, (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa and whose shares are listed on the Main Board of the JSE with share code: NHM and debt issuer code: NHMI
Northam Publications	Our integrated report is supplemented by a full suite of online publications which cater for the diverse needs of our board stakeholder based as part of our comprehensive integrating reporting. These include the:
	<ul style="list-style-type: none"> ▪ Annual integrated report ▪ Corporate governance report ▪ Remuneration report ▪ Annual financial statements ▪ Mineral Resources and Mineral Reserves statement ▪ Sustainability report ▪ Summarised financial results and group statistical information ▪ Notice of the Annual General Meeting
NUM	The National Union of Mineworkers
Number 3 shaft	The vertical shaft accessing the Western extension section of Zondereinde mine (currently being developed)
Number of fatalities	The number of employee and contractor deaths resulting from accidents while performing their duties, working at the company's operations
Number of new compensable NIHL cases	The number of cases of NIHL identified at the Zondereinde, Boysendal or Eland operations and confirmed by an audiologist where the percentage hearing loss shift is more than 10% and which has or will be referred to the insurance provider for compensation in the reporting period
Nyala shaft	The eastern decline system and mining section of Eland UG2 mine (currently on care and maintenance)
On mine cash cost per tonne milled	Cash cost to mill a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operations costs and concentrator operations costs in ZAR divided by the total tonnes milled
On mine cash cost per tonne mined	Cash cost to mine a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operations costs and concentrator operations costs in ZAR divided by the total tonnes mined
Operating profit	Sales revenue in ZAR less cost of sales in ZAR, synonymous with gross profit
Operating profit margin	Operating profit as a percentage of sales revenue in ZAR
Orebody	A well-defined mineralised mass of rock
Other land	Land, measured in hectares (Ha), falling under the direct management of Northam, excluding: land disturbed by mining related activities, land leased for farming purposes or land protected for conservation
Ounces or oz	Troy ounces – one ounce equals 31.103475 grams
p.a.	Per annum
Paterson band	The Paterson system grades roles according to the number of decisions an employee is required to make and is widely used in the mining and manufacturing industries. Band A and B relates to unskilled and semi-skilled employees. Band D relates to middle management, Band E relates to senior management and Band F to top management.
PAYE	Pay As You Earn taxation
Pd	Palladium
Permanent employees	Full time staff employed by Northam
PGE	Platinum Group Elements, synonymous with PGM

PGI	The Platinum Guild International – a marketing organisation that promotes the development of platinum jewellery demand
PGM	Platinum Group Metals, synonymous with PGE
Pt	Platinum
Potable water from external sources	Potable water consumed on site, that is purchased from municipal or other public or private water service provider, expressed as a volume
PPE	Personal Protective Equipment
Preferential procurement	Expenditure (excluding non-discretionary procurement expenditure) on capital goods, consumables and services provided by BEE entities
Prill split	The percentage by mass of individual PGEs within the 4E or 6E content
Prime	South African prime interest rate
R	South African Rand, synonymous with the abbreviation ZAR
RCF	Revolving credit facility with Nedbank Limited
Reef	A generally narrow, tabular geological horizon that may contain economic levels of mineralisation, in which case, an orebody
Rehabilitation and closure costs	The environmental liability estimation and provisions required to undertake an agreed works programme (Rehabilitation or Closure Plan) and rehabilitate mining and production areas to an agreed end land use
Reportable injury	An injury to an employee or contractor resulting from an incident at the company's operations which either incapacitates the injured employee from performing that person's normal or a similar occupation for a period totalling 14 days or more, or which causes the injured person to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Reportable injury incidence rate (RIIR) per 200 000 hours worked	The number of employee and contractor reportable injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Rh	Rhodium
RoE	Rate of exchange, synonymous with exchange rate. The value of one currency in relation to another
ROM	Run of mine
SAICA	South African Institute of Chartered Accountants
Saleable metal	Total refined metal available for sale during the reporting period
SAMREC	The South African Mineral Resource Committee
SAMREC Code (2016)	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016)
SARS	The South African Revenue Service
Scope 1 (direct) emissions	GHG emissions from sources that are owned or controlled by Northam e.g. emissions related to combustion that arise from burning fuel for energy within Northam's operational boundaries
Scope 2 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization – in this case, emissions from the generation of electricity, imported and consumed by Northam
Scope 3 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization – in this case, emissions attributable to contractors transporting waste rock and recyclable waste on site
Section 54 stoppage	In terms of section 54 of the Mine Health and Safety Act, No. 29 of 1996, if an inspector of mines believes that an occurrence, practice or condition at mine endangers or may endanger the health or safety of people at the mine, the inspector may give an instruction necessary to protect the health and safety of people at the mine, including instructing that operations at the mine or part of the mine be halted
SEHR&T committee	Social, ethics, human resources and transformation committee – a Northam board sub-committee
SENS	Johannesburg Stock Exchange News Service
Short-term	Within a period of 12 months
SLP	Social and Labour Plan as contemplated in part II of the Mineral and Petroleum Resources Development Act, No. 28 of 2002 regulations
SOEs	State Owned Enterprises

Glossary (continued)

Stope	Underground excavation where the orebody or reef is extracted
Strategic Partners	Collectively: Atisa Platinum (RF) Proprietary Limited (registration number 2014/191520/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue Malundi Resources (RF) Proprietary Limited (registration number 2014/191514/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue Mpilo Platinum (RF) Proprietary Limited (registration number 2014/181643/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 29.80% of the Zambezi Ordinary Shares in issue Zambezi Platinum Women's SPV (RF) Proprietary Limited (registration number 2014/191546/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 19.10% of the Zambezi Ordinary Shares in issue
Sulphur Dioxide (SO₂) emissions	Significant air emissions into the atmosphere of sulphur and its compounds formed due to combustion or production processes from the Zondereinde smelting facility, based on site-specific data
Sustaining capex	Capital expenditure to maintain property, plant and equipment or mining properties and Mineral Resources
Sustaining capex per equivalent refined Pt oz from own operations	Sustaining capex divided by equivalent refined platinum ounces from own operations
Sustaining capex per Pt oz in concentrate from own operations	Sustaining capex divided by platinum ounces in concentrate from own operations
TB	Pulmonary Tuberculosis
Total electricity purchased	Total electricity purchased from third parties during the reporting period which is used in the production of the primary products on site, and which excludes electricity generated by the operations themselves
Total emissions	Total greenhouse gas emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions
Total employed	Total number of permanent employees and contractors working at the company's operations
Total injury incidence rate (TIR) per 200 000 hours worked	The sum of employee and contractor fatalities, LTIs and dressing case injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Total land under management (freehold)	Land, measured in hectares (Ha), falling under the direct management of Northam (including land covered by surface rights, or occupied by third parties), but excluding all land leased and undeveloped projects/prospects where the land does not yet fall under the direct management of Northam
Total number of TB cases	The total number of employees at the Zondereinde, Boysendal or Eland operations, including existing and new TB cases, confirmed as having TB by the occupational medical practitioner for the reporting period
Total revenue per 4E oz sold	Revenue generated for each 4E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 4E ounces sold during that period/year
Total revenue per 6E oz sold	Revenue generated for each 6E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 6E ounces sold during that period/year
Total revenue per Pt oz sold	Revenue generated for each platinum ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of platinum ounces sold during that period/year
Total water usage	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled, expressed as a volume
TSF	Tailings storage facility
Turnover rate	Number of employees at the company's operations who leave the organisation during a reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
UG2 Reef	A PGM-bearing orebody at the base of the upper Group 2 cyclic unit of the Critical Zone of the Bushveld Complex, predominantly comprising chromite minerals
USD	United States Dollar, synonymous with \$US
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VWAP	Volume Weighted Average Price, is a trading benchmark used by traders that gives the average price a security has traded over a specific period, based on both volume and price
Water from underground	Excess water collected from drilling equipment and/or cooling circuits

Water recycled	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a percentage of total water use
Water recycled in process	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a volume
Water use	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled
WHO	The World Health Organisation
WPIC	The World Platinum Investment Council – a marketing organisation that promotes the development of platinum investment demand
Women at mining	The total number of female employees and contractors working at the Zondereinde, Boysendal and Eland operations based on payroll data at the end of the reporting period
Women in mining	The total number of women working in core disciplines including mining, engineering and metallurgy at the company's operations, based on payroll data at the end of the reporting period, expressed as either a number or as a percentage of total employed
WUL	Water use licence
Zambezi	Zambezi Platinum (RF) Limited
ZAR	South African Rand, synonymous with the abbreviation R
ZPLP	Zambezi Platinum (RF) Limited Preference Share, traded under JSE Preference Share code: ZPLP

Analysis of Northam shareholders

The analysis of shareholders as at 30 June 2021 was as follows:

Shareholding range

	Number of shareholders	Total shareholding	Percentage holding (%)
1 – 5 000	11 105	5 727 995	1.12
5 001 – 10 000	367	2 726 913	0.54
10 001 – 50 000	675	16 420 547	3.22
50 001 – 100 000	213	15 153 686	2.97
100 001 – 1 000 000	310	90 140 739	17.68
1 000 001 and more	52	379 611 332	74.47
	12 722	509 781 212	100.00

Geographical analysis of shareholders

	Total shareholding	Percentage holding (%)
South Africa	378 788 288	74.31
Americas	64 705 324	12.69
Europe and United Kingdom	30 495 505	5.98
Far East	26 976 947	5.29
Africa (excluding South Africa)	7 813 935	1.53
Australasia	1 001 213	0.20
	509 781 212	100.00

Shareholders with a holding of more than 5% of the issued share capital of Northam Platinum Limited

	Total shareholding	Percentage holding (%)
Zambezi Platinum (RF) Limited	159 905 453	31.37
Public Investment Corporation SOC Limited	64 142 585	12.58
BlackRock Inc.	33 469 172	6.57
Coronation Asset Management Proprietary Limited	27 567 034	5.41

Shareholder spread

	Total shareholding	Percentage holding (%)
Public	12 717	68.50
Non-public		
Zambezi Platinum (RF) Limited	1	31.37
Directors	4	0.13
	12 722	100.00

Administration and contact information

Northam Platinum Holdings Limited

Incorporated in the Republic of South Africa
Registration number 2020/905346/06
Share code: NPH ISIN code: ZAE 000298253

Northam Platinum Limited
Incorporated in the Republic of South Africa
Registration number 1977/003282/06
Debt issuer code: NHMI

Bond code: NHM007
Bond ISIN: ZAG000158593
Bond code: NHM009
Bond ISIN: ZAG000158866
Bond code: NHM011
Bond ISIN: ZAG000159237
Bond code: NHM012
Bond ISIN: ZAG000160136
Bond code: NHM014
Bond ISIN: ZAG000163650
Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
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Independent ethics and fraud hotline
Anonymous whistleblower facility
0800 15 25 39 (South Africa)

Notes

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smart platinum mining

