

NORTHAM PLATINUM LIMITED

Incorporated in the Republic of South Africa

(Registration number 1977/003282/06)

Share code: NHM ISIN: ZAE000030912

Debt issuer code: NHMI

Bond code: NHM002 Bond ISIN: ZAG000129024

Bond code: NHM006 Bond ISIN: ZAG000158577

Bond code: NHM007 Bond ISIN: ZAG000158593

Bond code: NHM008 Bond ISIN: ZAG000158858

Bond code: NHM009 Bond ISIN: ZAG000158866

Bond code: NHM010 Bond ISIN: ZAG000159229

Bond code: NHM011 Bond ISIN: ZAG000159237

Bond code: NHM012 Bond ISIN: ZAG000160136

(“Northam”)

ACQUISITION OF R293 MILLION OF ZAMBEZI PREFERENCE SHARES

1. INTRODUCTION

Northam shareholders (“**shareholders**”) are referred to the announcement dated 30 August 2019 (“**previous announcement**”) pertaining to the acquisition by Northam of preference shares in Zambezi Platinum (RF) Limited (“**Zambezi**”), (“**Zambezi preference shares**”).

Northam is pleased to announce that, since the date of the previous announcement, Northam has reached an agreement to acquire additional Zambezi preference shares, as detailed in paragraph 3 below (“**acquisition**”). Following the acquisition, Northam will hold 23 388 840 Zambezi preference shares, representing approximately 14.6% of all Zambezi preference shares in issue.

2. RATIONALE FOR THE ACQUISITION

As stated in the previous announcement, Northam’s acquisition of Zambezi preference shares will reduce the preference share dividend expense and liability included in Northam’s consolidated financial statements, as well as Northam’s potential financial exposure under the guarantee it provided to holders of Zambezi preference shares, should the guarantee be called upon. Furthermore, should Zambezi elect to redeem the Zambezi preference shares through a distribution of ordinary shares in Northam (“**Northam shares**”) held by Zambezi, then the redemption of the Zambezi preference shares held by Northam at such time will result in a distribution of Northam shares to Northam, thereby reducing the number of Northam shares in issue.

3. SMALL RELATED PARTY TRANSACTION

Northam has reached agreement with Coronation Asset Management Proprietary Limited, acting as an investment manager on behalf of its clients (“**Coronation**”), pursuant to which Northam will acquire Coronation’s entire remaining shareholding of Zambezi preference shares, being 3 980 382 Zambezi preference shares, at a price of R73.50 per Zambezi preference share, for a total cash consideration of approximately R292.6 million. The acquisition will be funded from Northam’s cash reserves.

The acquisition will be implemented on 30 September 2019, provided Northam obtains a fairness opinion confirming that the acquisition is fair to shareholders, as further detailed below.

Coronation is a material shareholder of Northam, in that it is able to exercise voting control, on behalf of its clients, in excess of 10% of all Northam shares in issue. Accordingly, Coronation is a related party to Northam as contemplated in paragraph 10.1(b)(i) of the JSE Limited Listings Requirements (“**Listings Requirements**”) and the acquisition is categorised as a “*small related party transaction*” in terms of paragraph 10.7 of the Listings Requirements.

The acquisition is not subject to shareholder approval, provided an independent professional expert confirms that the terms of the acquisition are fair to shareholders (“**fairness opinion**”). Further information regarding the fairness opinion will be published on SENS in due course.

4. DETAILS OF THE ZAMBEZI PREFERENCE SHARES

The Zambezi preference shares are cumulative, non-participating redeemable preference shares which accrue dividends at a nominal rate equal to the South African prime interest rate plus 3.5%, calculated on a daily basis, based on a 365-day year, compounded annually. The Zambezi preference shares were listed on the securities exchange operated by the JSE Limited on 11 May 2015.

Subject to certain exceptions, the Zambezi preference shares are redeemable on 17 May 2025 and will be redeemed, at Zambezi’s election, in cash and / or through the distribution of Northam shares held by Zambezi. The redemption of the Zambezi preference shares is secured through a guarantee provided by Northam in favour of the holders of Zambezi preference shares. If the guarantee is exercised, Northam will, at its election, settle the associated liability using cash and / or through the issue of new Northam shares.

As reported in the annual financial statements of Northam for the year ended 30 June 2019, the Zambezi preference share liability amounted to approximately R10.8 billion and the accumulated preference share dividends for the period amounted to approximately R1.3 billion. The acquisition by Northam of Zambezi preference shares will reduce the Zambezi preference share liability and accumulated preference share dividends recognised in Northam’s consolidated financial statements. The accounting policies adopted by Northam in the preparation of its annual financial statements are in accordance with the International Financial Reporting Standards.

Johannesburg
2 September 2019

Corporate Advisor, Sponsor and Debt Sponsor to Northam
One Capital

Attorneys to Northam
Cliffe Dekker Hofmeyr Inc.