

BRIEF TO MORAFE



MAJOR BENEFITS TO FLOW TO RBN COMMUNITY FROM SALE OF RBPLAT TO NORTHAM

Bagaetsho,

This morning Royal Bafokeng Holdings (RBH) announced that it would sell around 33% of our investment in Royal Bafokeng Platinum (RBPlat) to Northam Platinum Limited.

RBH is the investment arm of the Royal Bafokeng Nation, whose sole shareholder is the Royal Bafokeng Nation Development Trust (RBN DT), and its job is to manage and grow the wealth of the Nation, today and for the future. This decision has been taken after very careful planning and consideration by RBH, the Royal RBN DT and by the Supreme Council. It is aligned with RBH's long-term strategy to create and release value from our investments, to create opportunities for growth and diversification, and to be a responsible steward of our Nation's investments.

In terms of the sale agreement, Northam will pay to RBH a cash amount of R8.6 billion, and grant us an interest of 8.7% in the Northam group. This means that we will have a valuable interest in the parent company, and so increase our interest in more platinum operations in the region and across the country, as we remain a long-term investor in PGMs. We will continue to hold a 2.8% interest in RBPlat directly. The total value of the transaction is around R17.2 billion.

An important part of the agreement reached is that Northam will partner with RBN and RBH in a number of high-value and high-impact community initiatives in the region to address the most significant needs of the Nation.

Four interventions

Four specific interventions will be supported as a part of the announced transaction. These have been identified by the RBN and RBH by listening to the concerns of the Nation, and are aligned with the RBN's Plan '35.

RBH and Northam have agreed to three specific interventions in terms of a Memorandum of Understanding:

1



In-principle agreement has been reached for RBH and RBN to partner with Northam to develop renewable energy and battery storage projects that will enhance the security of supply and lower the cost of energy for the RBN. Importantly, this project will be a major step forward in regional and sector decarbonisation – that is, becoming less reliant on fossil fuels as we, and the world, work to fight climate change.

This partnership is another step towards our ongoing diversification efforts, and an entry into the important emerging green economy.

RBN will further benefit from the socio-economic development and enterprise development contributions, skills development and jobs created during construction and in the operational phases of the project.

2



The second intervention will see the establishment of an Enterprise and Supplier Development Fund and enterprise development programme to promote and support the participation of SMMEs from within the RBN in the mining value chain. This intervention will deliver financial and non-financial support to SMMEs, including business incubation, growth acceleration and access to market support, as well as access to finance for SMMEs to grow/ expand businesses, based on approved criteria.

3



The third intervention is aimed at decreasing youth unemployment through an artisan training programme and Trade School that can absorb thousands of unemployed youth from different educational backgrounds from within the RBN.

4



Northam will partner directly in the first three interventions, while a fourth intervention – a significant integrated water solution, that includes groundwater, fixing of boreholes, leak detection and digitisation of the water management system – is being planned as this is such a priority issue for the RBN. This will be funded by a special dividend of R350 million that will be declared by RBH.

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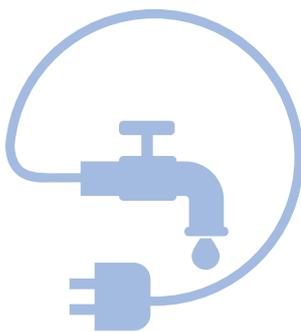
Benefits to the community

The key benefits that will be realised through the successful delivery of these community investment interventions for the RBN are:



Improving water and energy supply to the RBN:

- Improved water quality, reliability and security to the region, and specifically to RBN villages.
- Reliable and cost effective (subsidised) renewable electricity supply to the RBN.
- Reliable and cost effective renewable energy for commercial companies in the region that will indirectly benefit the RBN.
- Job creation during construction and maintenance phases of the energy project.



Creating jobs and economic opportunity for the RBN:

- Through the establishment of an Enterprise and Supplier Development programme and Fund, RBN SMMEs and individuals will get access to:
 - enterprise development skills, customised business development support and access to business mentors and industry experts
 - access to finance for SMMEs to grow/expand businesses, based on approved criteria
 - access to procurement opportunities and link to corporate supply chains
- Through the establishment of an Artisan Training Programme and Trade School, RBN youth will be able to access a skills programme that is practical and aligned to industry needs. This will include:
 - Artisan training
 - Job placement opportunities



Over the coming weeks and months we will be providing more details on the way forward.

Rre Bashi Makgale
Chief of Operations
Office of Kgosi

9 November 2021