

ROYAL BAFOKENG PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/015696/06)
JSE share code: RBP ISIN: ZAE000149936
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("RBPlat" or the "Company")

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD 1 JANUARY TO 31 MARCH 2019

OVERVIEW

- Zero fatalities and improvement in all key safety metrics
- 17.3% increase in tonnes delivered to concentrators
- 11.6% increase in tonnes milled
- 12.6% increase in 4E metals in concentrate
- 13.6% increase in platinum metal in concentrate
- Recommencement of UG2 mining at BRPM South shaft
- 53.0% reduction in capital expenditure

SAFETY

We are pleased to report notable improvement in our safety statistics with no fatal accidents during the quarter under review. Our total injury (TIFR), lost time injury (LTIFR) and serious injury (SIFR) frequency rates reduced by 16.5%, 20.5% and 37.7% respectively compared to the first quarter of 2018.

Our safety strategy remains firmly based on the principle of achieving zero harm and we remain fully committed to establishing a resilient safety culture. Various training initiatives aimed at improving team work, leadership skills, systems, design and behaviour are being implemented.

Safety-related stoppages impacted production by 8.4kt or 1.0koz (4E) compared to the 1.2kt recorded in the first quarter of 2018.

PRODUCTION

Total tonnes delivered to concentrators increased by 17.3% to 862kt with total tonnes milled increasing by 11.6% to 846kt compared to the corresponding 2018 quarter. Platinum production increased by 13.6% to 59.4koz and 4E metal production increased by 12.6% to 91.3koz. Notwithstanding the increase in production volumes, production during the quarter was impacted by:

- an increase in safety related stoppages at Bafokeng Rasimone Platinum Mine (BRPM) of 7.2kt compared to the first quarter of 2018
- termination of the Styldrift mining contractor responsible for approximately 30% of current stoppage production due to non-compliance. The required contract teams have subsequently been enrolled and now form part of the Styldrift operations
- change in the Styldrift operating shift cycle, from 11-day-fortnight to FULCO (full calendar operations)
- downtime on the BRPM concentrator secondary mill due to a mill motor resistor bank failure, impacting on recovery and resulting in an estimated 1.2koz (4E) loss to tailings
- Eskom power generation constraints which culminated in a sustained period of stage 4 load shedding. During this period our operational strategy involved load reduction by restricting certain mining and metallurgical processes, specifically ore hoisting and crushing, in order to mitigate the impact on underground operations. The sustained stage 4 load shedding period resulted in approximately 5 days suspension of all operations at our Maseve concentrator in order to meet load curtailment requirements. This resulted in approximately 21kt of ore not being processed in the quarter.

BRPM

BRPM delivered tonnes decreased by 10kt or 1.9% to 525kt primarily as a result of the increase in safety-related stoppages. Total tonnes milled decreased by 35kt or 6.4% to 516kt compared to the corresponding 2018 reporting period.

The built-up head grade for the reporting period was 4.18g/t (4E) compared to 4.21g/t (4E) for the corresponding period in 2018 equating to a 0.7% reduction. The reduction in head grade remains in line with expectations, considering variability in ore mix and resource area grade fluctuations.

Personnel and equipment resourcing required for the initial re-establishment of UG2 mining at our South shaft operation was completed during the quarter with production estimated to reach 20ktpm by the fourth quarter of 2019.

STYLDRIFT

Despite the Styldrifft operational performance being impacted by the contractor termination and change in shift cycle, delivered tonnes increased by 68.5% or 137kt to 337kt and milled tonnes increased by 59.4% to 330kt compared to the first quarter of 2018.

The built-up head grade improved by 18.2% to 3.83g/t (4E), driven by the increase in higher grade stoping tonnage contribution to overall delivered tonnes.

The mining contract termination, subsequent enrolment of the contract teams and FULCO shift cycle system were successfully implemented and Styldrifft remains on schedule to achieve the 230ktpm ramp-up by the third quarter of 2020.

CONCENTRATING

Total tonnes milled for the reporting period increased by 11.6% to 846kt on the back of the increased mining volumes, with BRPM concentrator treating 612kt and Maseve concentrator 234kt. No UG2 ore was toll treated during the quarter.

The overall built-up head grade increased by 2.3% to 4.04g/t (4E). Overall recoveries however, declined by 1.6% quarter-on-quarter as a result of the BRPM secondary mill downtime and lower recovery potential of the Maseve plant in its current MF1 configuration. BRPM recoveries normalised subsequent to the secondary mill being brought back on line whilst Maseve recoveries, albeit within grade recovery parameters for the MF1 circuit, are only expected to improve significantly once the MF2 upgrade has been completed in the fourth quarter of 2020.

The increase in milled volumes and lower recovery yielded a 13.6% and 12.6% respective increase in platinum and 4E metals in concentrate quarter-on-quarter, with platinum production increasing to 59.4koz and 4E metal production increasing to 91.3koz.

CASH OPERATING COSTS

Cash operating costs increased by R568 million to R1 223 million representing an 86.7% increase compared to the corresponding 2018 period. The increase is mainly due to the inclusion of Styldrifft which achieved commercial operation status as of January 2019.

BRPM operating costs increased in line with annual labour inflation increases which were partially offset by ongoing cost control initiatives by 2.7% to R673 million. Lower year-on-year production resulted in BRPM unit operating costs per tonne milled, 4E ounce and platinum ounce increasing by 9.8%, 11.5% and 10.3% to R1 305/t, R11 497/oz and R17 655/oz respectively.

Styldrifft cash costs amounted to R550 million for the reporting period which with the operational disruptions experienced during the quarter yielded unit operating costs per tonne milled, 4E ounce and platinum ounce of R1 667/t, R16 845/oz and R25 881/oz respectively. Although the unit costs ended higher than initially anticipated at this stage of the Styldrifft ramp-up we remain confident that the operation will achieve its full year unit cost guidance of between R13 000 and R13 500/oz (4E). Cash operating costs for Styldrifft remain forecast to be 15% lower than that of BRPM once Styldrifft operates at a steady state of 230ktpm.

CAPITAL

Total capital expenditure decreased by R317.9 million to R281.4 million compared to the corresponding 2018 period, with the key contributor to the lower expenditure being Styldrifft expansion capital which decreased by R305.7 million to R260.5 million with previously capitalised operating costs now being expensed. Replacement capital expenditure decreased by R9.5 million to R1.1 million and stay-in-business (SIB) expenditure decreased by R2.7 million to R19.8 million for the quarter.

Expansion capital expenditure remains aligned with the Styldrifft mining, construction and equipping schedule required to meet the 230ktpm ramp-up schedule. Replacement and SIB capital expenditure remains aligned with the BRPM North shaft Phase III project and ongoing operational requirements.

PROJECTS

BRPM NORTH SHAFT PHASE III PROJECT (REPLACEMENT)

Project expenditure for the quarter amounted to R1.1 million. Expenditure remains aligned with project progress and construction schedule to finalise the scope of work by the first half of 2019. Estimated cost at completion is forecast at R1.2 billion against a budget of R1.4 billion, indicating a potential saving of R200 million.

STYLDRIFT PROJECT (EXPANSION)

The focus for the quarter under review remained the securing of operational resources, ore reserve development and establishing of infrastructure required to maintain operational ramp-up momentum and achieving the 230ktpm ramp-up milestone by the third quarter of 2020.

Mining and construction activities continued to make steady progress with key items completed during the reporting period being:

- 1.6km of footprint development
- Completion of ventilation shaft No.2 raiseboring
- Commissioning of a further two on-reef strike belt sections
- Commissioning of additional two trackless workshops

Capital expenditure for the reporting period amounted to R266.8 million bringing the total capital project expenditure to date to R12.07 billion.

| Description | Unit | Unaudited quarter ended 31 March 2019 | Unaudited quarter ended 31 March 2018 | Quarter 1 2018 vs. Quarter 1 2019 % Change |
|---------------------------------------|------|---|---|--|
| Safety | | | | |
| TIFR (/1 000 000 hrs) | rate | 8.39 | 10.05 | 16.5 |
| SIFR (/1 000 000 hrs) | rate | 1.60 | 2.57 | 37.7 |
| LTIFR (/1 000 000 hrs) | rate | 2.60 | 3.27 | 20.5 |
| Production | | | | |
| Tonnes delivered to concentrators | kt | 862 | 735 | 17.3 |
| BRPM | kt | 525 | 535 | (1.9) |
| Styl drift | kt | 337 | 200 | 68.5 |
| Total tonnes milled | kt | 846 | 758 | 11.6 |
| BRPM | kt | 516 | 551 | (6.4) |
| Styl drift | kt | 330 | 207 | 59.4 |
| Merensky | kt | 742 | 645 | 15.0 |
| UG2 | kt | 103 | 113 | (8.8) |
| % UG2 of total tonnes milled | % | 12% | 15% | (20.0) |
| 4E built-up head grade | g/t | 4.04 | 3.95 | 2.3 |
| BRPM | g/t | 4.18 | 4.21 | (0.7) |
| Styl drift | g/t | 3.83 | 3.24 | 18.2 |
| Merensky | g/t | 4.04 | 3.90 | 3.6 |
| UG2 | g/t | 4.06 | 4.21 | (3.6) |
| Recovery (4E) total concentrating | % | 82.97 | 84.33 | (1.6) |
| BRPM concentrator | % | 84.58 | 84.63 | (0.1) |
| Maseve concentrator | % | 78.70 | - | - |
| Metals in concentrate produced | | | | |
| RBPlat | | | | |
| 4E | koz | 91.3 | 81.1 | 12.6 |
| Platinum | koz | 59.4 | 52.3 | 13.6 |
| Palladium | koz | 24.2 | 21.7 | 11.5 |
| Rhodium | koz | 4.8 | 4.6 | 4.3 |
| Gold | koz | 2.9 | 2.5 | 16.0 |
| Iridium | koz | 1.5 | 1.5 | 0.0 |
| Ruthenium | koz | 7.9 | 7.8 | 1.3 |
| Nickel | kt | 0.597 | 0.534 | 11.8 |
| Copper | kt | 0.368 | 0.329 | 11.9 |
| BRPM | | | | |
| 4E | koz | 58.5 | 63.5 | (7.9) |
| Platinum | koz | 38.1 | 40.9 | (6.8) |
| Palladium | koz | 15.5 | 17.0 | (8.8) |
| Rhodium | koz | 3.0 | 3.7 | (18.9) |
| Gold | koz | 1.9 | 1.9 | 0.0 |
| Iridium | koz | 0.9 | 1.2 | (25.0) |
| Ruthenium | koz | 5.0 | 6.2 | (19.4) |
| Nickel | kt | 0.366 | 0.389 | (5.9) |
| Copper | kt | 0.247 | 0.246 | 0.4 |
| Styl drift | | | | |
| 4E | koz | 32.8 | 17.6 | 86.4 |
| Platinum | koz | 21.3 | 11.4 | 86.8 |
| Palladium | koz | 8.7 | 4.7 | 85.1 |
| Rhodium | koz | 1.8 | 0.9 | 100.0 |
| Gold | koz | 1.0 | 0.6 | 66.7 |
| Iridium | koz | 0.6 | 0.3 | 100.0 |
| Ruthenium | koz | 2.9 | 1.6 | 81.3 |
| Nickel | kt | 0.231 | 0.145 | 59.3 |
| Copper | kt | 0.121 | 0.083 | 45.8 |

| Description | Unit | Unaudited quarter ended 31 March 2019 | Unaudited quarter ended 31 March 2018 | Quarter 1 2018 vs. Quarter 1 2019 % Change |
|---|------|---|---|--|
| Cash operating costs | | | | |
| RBPlat cash operating cost | R'm | 1 223 | 655 | (86.7) |
| BRPM | R'm | 673 | 655 | (2.7) |
| Styldrift | R'm | 550 | - | - |
| RBPlat cash operating cost / tonne milled | R/t | 1 446 | 1 189 | (21.6) |
| BRPM | R/t | 1 305 | 1 189 | (9.8) |
| Styldrift | R/t | 1 677 | - | - |
| RBPlat cash operating cost / 4E ounce | R/oz | 13 413 | 10 310 | (30.1) |
| BRPM | R/oz | 11 497 | 10 310 | (11.5) |
| Styldrift | R/oz | 16 845 | - | - |
| RBPlat cash operating cost / Pt ounce | R/oz | 20 600 | 16 004 | (28.7) |
| BRPM | R/oz | 17 655 | 16 004 | (10.3) |
| Styldrift | R/oz | 25 881 | - | - |
| Capital expenditure | | | | |
| Total capital | R'm | 281.4 | 599.3 | 53.0 |
| Expansion | R'm | 260.5 | 566.2 | 54.0 |
| Replacement | R'm | 1.1 | 10.6 | 89.6 |
| Stay-in-business (SIB) | R'm | 19.8 | 22.5 | 12.0 |
| BRPM | R'm | 12.6 | 11.3 | (11.5) |
| Styldrift | R'm | 6.3 | 6.0 | (5.0) |
| Concentrators | R'm | 0.9 | 5.2 | 82.7 |
| BRPM SIB as a % of operating cost | % | 1.9 | 1.7 | (11.8) |
| Styldrift SIB as a % of operating cost | % | 1.2 | - | - |

The information set out in this announcement has not been reviewed and reported on by the Company's external auditors.

Johannesburg
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