

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

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2021 ("REPORTING PERIOD")

OVERVIEW

- Zero fatalities
- 4.6% increase in tonnes hoisted
- 22.1% increase in tonnes milled
- 14.2% increase in 4E metals in concentrate
- 126kt ore stockpile (equating to 13.3koz 4E metals in concentrate)
- 6.9% increase in cash operating cost per 4E ounce

HEALTH AND SAFETY

In line with our aspiration of zero harm we are pleased to report that no fatalities were recorded during the reporting period. Our serious injury frequency rate improved by 62.1% to 0.36 per million man hours worked, however total injury and lost time injury frequency rates deteriorated by 27.9% and 14.3% to 8.47 and 2.16 per million man hours worked respectively, compared to the first quarter of 2020.

Safe and responsible mining and the wellness of our workforce remain key in our pursuit of establishing a resilient safety culture and ultimately realising our goal of zero harm. As such we continue to focus on fostering a collaborative culture not only with our employees, but external stakeholders and the community at large to ensure we achieve improvement in all our key safety, health and environmental objectives.

Subsequent to the peak of the second wave of COVID-19, infection rates at our operations and within the surrounding communities have steadily declined during the reporting period. Since the start of the pandemic to date we have conducted a total of 6 282 tests of which 1 511 recorded a positive result, with a recovery rate in excess of 98%. Regrettably though, an additional five COVID-19 deaths were recorded during the reporting period, bringing the total COVID-19 related deaths for the Group to eight. The Board of Directors, management and colleagues at RBPlat wish to extend their sincere condolences to the family, friends and colleagues of the deceased.

Protecting the health of our employees, their families and communities around our operations during the ongoing COVID-19 pandemic remains a key priority for our business. As such our COVID-19 operating protocols remain in force. Isolation/quarantine and treatment facilities remain operational and community support programmes will be ongoing for the foreseeable future.

Safety-related production losses for the quarter under review are estimated at 15kt or 1.7koz (4E) and were incurred during the month of March subsequent to a Section 54 instruction issued at our Styldrift operation.

PRODUCTION

4E metals production increased by 14.2% compared to the comparative 2020 period, notwithstanding numerous factors negatively impacting our first quarter performance especially the operating months of January and February. Factors impacting first quarter performance included:

- The second wave of the COVID-19 pandemic resulting in lower labour availability during the initial ramp up of operations post the festive break due to (i) the increase in infection rate (and associated isolation/quarantine requirements) and (ii) national border congestion resulting in the slow return of foreign national employees.
- Loss of operating momentum at Styldrift subsequent to the fall of ground fatal accident on the 9th of December 2020
- Securing approval of start-up procedures in line with DMRE guidelines

- Adverse weather conditions affecting surface ore handling logistics at our Maseve concentrator
- Eskom load curtailment reducing overall plant efficiencies and performance
- Complexity associated with re-issuing of work permits to foreign nationals employed by new volume contractors appointed at BRPM, further impacting BRPM labour availability.

Total reef tonnes hoisted for the quarter increased by 4.6% year-on-year to 998kt, with BRPM tonnes hoisted increasing by 1.7% to 529kt and Styldrift by 7.8% to 468kt. Total tonnes milled for the reporting period increased by 22.1% year-on-year to 1 029kt with Merensky contributing 769kt and UG2 260kt (25% of total tonnes milled).

The built-up head grade decreased by 5.2% year-on-year to 3.83g/t (4E), with the BRPM head grade reducing by 8.0% to 3.77g/t (4E) and the Styldrift head grade reducing by 1.5% to 3.90g/t (4E). The reduction in head grade is attributable to increased dilution experienced in the Merensky reef mining sections and higher contribution of lower grade UG2 to overall production volumes.

Milled volumes, built-up head grade and associated recoveries yielded 4E and platinum metals in concentrate of 102.9koz and 66.3koz, respectively compared to the previous comparative period.

Closing surface stocks for the reporting period are estimated at 126kt, equating to a 37kt reduction in stocks from December 2020. Equivalent 4E and platinum metals in surface stocks is estimated at 13.3koz and 7.4koz, respectively.

BRPM

Total tonnes hoisted for the quarter amounted to 529kt (2020: 520kt), with Merensky contributing 290kt and UG2 239kt. Total tonnes milled for the reporting period increased by 17.8% or 83kt to 550kt. Merensky tonnes milled for the quarter amounted to 290kt, equating to a 28kt reduction compared to the comparative 2020 period. UG2 tonnes milled increased by 110kt to 260kt.

The reduction in Merensky volumes is attributable to the Merensky reserve depletion at South shaft. The increase in UG2 tonnes milled is directly attributable to increased UG2 production from both North and South shaft complexes. UG2 volumes constituted 47.3% of total BRPM tonnes milled for the quarter.

The built-up head grade for the quarter was 3.77g/t (4E) compared to 4.10g/t (4E) achieved in the comparative period in 2020, equating to an 8.0% reduction. The reduction in BRPM head grade is attributable to increased dilution experienced in the Merensky reef mining sections, a reduction in North shaft UG2 grade as the mining footprint transitions from the higher grade Central High facies to the lower grade Leader Reef facies and an increase in lower grade South shaft UG2 volumes as the shaft continues replacing depleting Merensky reserves.

Closing surface stocks are currently estimated at 71kt.

STYLDRIFT

Total tonnes hoisted for the reporting period increased by 7.8% year-on-year to 468kt, with tonnes milled increasing by 27.7% to 479kt.

The built-up head grade reduced marginally by 1.5% to 3.90g/t (4E) compared to 2020. The decrease in head grade is directly attributable to higher on-reef dilution experienced in the stoping sections during the reporting period.

Operational focus remains geared towards commissioning the final spare IMS sections and achieving the necessary improvements in operating efficiencies required to sustain steady state production levels.

Closing surface stocks are currently estimated at 55kt.

CONCENTRATING

Total tonnes milled for the reporting period amounted to 1 029kt, representing a 22.1% increase compared to the corresponding 2020 period. The BRPM concentrator treated 593kt, of which 57kt was UG2, the Maseve concentrator treated 338kt, of which 105kt was UG2 and 99kt UG2 ore was toll treated.

Overall concentrator recovery reduced by 1.6% to 81.11% in line with the reduction in built-up head grade, variations in ore mix, increased contributions from lower recovery potential Maseve MF1 and toll treatment circuits.

The combined impact of the 22.1% increase in milled volumes and lower recovery yielded increases in platinum and 4E metals in concentrate production of 13.1% and 14.2% to 66.3koz and 102.9koz, respectively. BRPM platinum and 4E metals in concentrate production increased by 3.3% and 5.1% to 34.2koz and 53.9koz respectively, whilst those of Styldrift increased by 25.9% and 26.3% to 32.1koz and 49.0koz, respectively.

CASH OPERATING COSTS

Overall cash operating costs for the quarter increased by 22.0% to R1 662 million, compared to 2020. The increase in expenditure is mainly attributable to a combination of increased production volumes and industry-related inflation. Overall unit cash cost per tonne milled decreased by 0.1% to R1 614 (2020: R1 616) with unit cash cost per 4E ounce increasing by 6.9% to R16 151 (2020: R15 107).

BRPM cash operating costs for the quarter increased by 15.5% to R825 million (2020: R714 million) in line with volume and on-mine inflation related increases for labour, utilities and stores. Unit cash cost per tonne milled reduced by 1.9% to R1 499 whilst unit cost per 4E ounce increased by 10.1% to R15 318.

Styldrift cash operating costs for the quarter increased by 29.2% to R837 million (2020: R648 million), in line with volumes, an increase in staff resourcing to align with steady state operating requirements and associated on-mine inflation related increases for labour, utilities and stores. This resulted in unit operating cost increases per tonne milled and 4E ounce of 1.2% and 2.2% to R1 746 and R17 066, respectively.

CAPITAL

Total capital expenditure for the reporting period amounted to R321.7 million, down 1.7% compared to the first quarter of 2020. Expansion capital expenditure reduced by 52.3% to R116.7 million in line with project progress at Styldrift, Maseve concentrator MF2 upgrade and required expansion of our BRPM tailings storage facility.

Replacement capital expenditure for the quarter increased by R112.7 million to R140.9 million compared to 2020. The increase is directly attributable to the extension of Styldrift's footwall declines to the north, south and east beyond the initial capital footprint required to establish and secure ore reserves to sustain production in the longer term.

SIB capital increased by 18.5% or R10.0 million to R64.1 million in line with Styldrift trackless rebuild and strike conveyor extension requirements as the operating footprint is expanded. SIB expenditure for the reporting period equated to 5.5% of cash operating costs.

FINANCIAL POSITION AND COMPANY GUIDANCE

As at 31 March 2021, the Company was in a net cash position of R3 903 million, compared to a net cash position of R1 643 million as at 31 December 2020. Our business has enjoyed strong cash flow generation and we will continue to optimise returns through a continued focus on capital allocation. At the end of the reporting period, RBPlat had approximately R2 139 million of debt facilities available with cash and cash equivalents on hand of R4 458 million.

Notwithstanding the ongoing uncertainty about the duration, potential resurgence and associated operational impacts of the COVID-19 pandemic, we confirm our guidance for the Group as communicated at our 2020 annual results. Group production guidance for 2021, subject to any unforeseen operational disruptions, is forecast to increase to between 4.45Mt and 4.85Mt at a 4E built-up head grade of between 3.90 g/t (4E) and 3.95g/t (4E), yielding 475koz — 525koz 4E metals in concentrate. Group cash unit costs for the year are forecast to be between R14 200 and R15 400 per 4E ounce. Group capital expenditure for 2021, including escalation contingencies, is forecast to be approximately R2.2 billion.

Description	Unit	Unaudited quarter ended 31 March 2021	Unaudited quarter ended 31 March 2020	Quarter 1 2021 vs. Quarter 1 2020 % change
Safety				
TIFR (/1000 000 hrs)	rate	8.47	6.62	(27.9)
SIFR (/1000 000 hrs)	rate	0.36	0.95	62.1
LTIFR (/1000 000 hrs)	rate	2.16	1.89	(14.3)
Production				
Total reef tonnes hoisted	kt	998	954	4.6
BRPM	kt	529	520	1.7
Styldrift	kt	468	434	7.8
Tonnes delivered to concentrators	kt	1 023	865	18.3
BRPM	kt	541	476	13.7
Styldrift	kt	482	389	23.9
Total tonnes milled	kt	1 029	843	22.1
BRPM	kt	550	467	17.8
Styldrift	kt	479	375	27.7
Merensky	kt	769	693	11.0
UG2	kt	260	150	73.3
% UG2 of total tonnes milled	%	25	18	38.9
Closing surface stocks	kt	126	112	12.5
BRPM	kt	71	53	34.0
Styldrift	kt	55	59	(6.8)
4E built-up head grade	g/t	3.83	4.04	(5.2)
BRPM	g/t	3.77	4.10	(8.0)
Styldrift	g/t	3.90	3.96	(1.5)
Merensky	g/t	3.87	4.07	(4.9)
UG2	g/t	3.71	3.90	(4.9)
Concentrator recovery (4E)	%	81.11	82.40	(1.6)
BRPM concentrator	%	82.90	84.08	(1.4)
Maseve concentrator	%	78.75	78.70	0.1
Metals in concentrate produced				
Total				
4E	koz	102.9	90.1	14.2
Platinum	koz	66.3	58.6	13.1
Palladium	koz	27.5	23.8	15.5
Rhodium	koz	6.3	5.1	23.5
Gold	koz	2.8	2.6	7.7
Iridium	koz	2.1	1.7	23.5
Ruthenium	koz	10.5	8.6	22.1
Nickel	kt	0.613	0.593	3.4
Copper	kt	0.430	0.366	17.5
BRPM				
4E	koz	53.9	51.3	5.1
Platinum	koz	34.2	33.1	3.3
Palladium	koz	14.5	13.6	6.6
Rhodium	koz	4.1	3.3	24.2
Gold	koz	1.1	1.2	(8.3)
Iridium	koz	1.2	0.9	33.3
Ruthenium	koz	5.9	4.8	22.9
Nickel	kt	0.226	0.271	(16.6)
Copper	kt	0.191	0.172	11.0

Description	Unit	Unaudited quarter ended 31 March 2021	Unaudited quarter ended 31 March 2020	Quarter 1 2021 vs. Quarter 1 2020 % change
Styldrift				
4E	koz	49.0	38.8	26.3
Platinum	koz	32.1	25.5	25.9
Palladium	koz	13.0	10.2	27.5
Rhodium	koz	2.2	1.7	29.4
Gold	koz	1.7	1.4	21.4
Iridium	koz	0.9	0.8	12.5
Ruthenium	koz	4.6	3.8	21.1
Nickel	kt	0.387	0.321	20.6
Copper	kt	0.239	0.194	23.2
Cash operating costs*				
Total cash operating costs	R'm	1 662	1 362	(22.0)
BRPM	R'm	825	714	(15.5)
Styldrift	R'm	837	648	(29.2)
Total cash operating cost / tonne milled	R/t	1 614	1 616	0.1
BRPM	R/t	1 499	1 528	1.9
Styldrift	R/t	1 746	1 725	(1.2)
Total cash operating cost / 4E ounce	R/oz	16 151	15 107	(6.9)
BRPM	R/oz	15 318	13 908	(10.1)
Styldrift	R/oz	17 066	16 695	(2.2)
Total cash operating cost / Pt ounce	R/oz	25 059	23 228	(7.9)
BRPM	R/oz	24 121	21 553	(11.9)
Styldrift	R/oz	26 058	25 406	(2.6)
Capital expenditure				
Total capital expenditure	R'm	321.7	327.1	1.7
Expansion	R'm	116.7	244.8	52.3
Replacement	R'm	140.9	28.2	(399.6)
Stay-in-business (SIB)	R'm	64.1	54.1	(18.5)
BRPM	R'm	14.9	22.0	32.3
Styldrift	R'm	45.7	24.8	(84.3)
Concentrators	R'm	3.5	7.2	51.4
BRPM SIB as a % of operating costs	%	1.8	3.1	41.9
Styldrift SIB as a % of operating costs	%	5.5	3.8	(44.7)

* Cash operating costs for Quarter 1 2020 restated (R3.47 million reduction) to align with IFRS16 reporting requirements

** Please note any difference in totals in this table is due to rounding

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

Johannesburg

21 April 2021

JSE Sponsor:
Merrill Lynch South Africa (Pty) Ltd

For further information, please contact:

Lindiwe Montshiwagae
Executive: Investor Relations and Corporate Communications
+27 (0) 10 590 4510
lindiwe@bafokengplatinum.co.za