INTEGRATED
ANNUAL REPORT
2012

ROYAL BAFOKENG PLATINUM

MORE THAN> MINING

towards operational excellence build flexibility grow organically pursue value enhancing opportunities

About this report

About this report

Royal Bafokeng Platinum (RBPlat) was an early adopter of the integrated approach to reporting when it published its first integrated annual report after listing on the JSE Limited (JSE) in 2010. This is the second year we have applied the reporting framework proposed by the International Integrated Reporting Committee (IIRC) to assist us in showing the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social and financial issues. Our approach is also aligned with our vision and mission to seek and deliver the good from mining through sustained stakeholder beneficiation, thereby leaving a lasting legacy. To ensure access to any additional information you may require, you will find references throughout this report that will connect you with further sources of information.

In addition to adopting an integrated approach to our reporting, we have applied King III, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the JSE Limited Listings Requirements and have been guided by the Global Reporting Initiative's (GRI) G3 guidelines and its mining and metals sector supplement, in terms of measuring our progress towards sustainability. This report meets application level B+ of the GRI G3 guidelines.

Our annual financial statements, which are compliant with International Financial Reporting Standards (IFRS), start on page 136. The annual financial statements are audited by PricewaterhouseCoopers Inc (PwC) and their unqualified audit report appears on page 135. In order to ensure that our stakeholders are provided with reliable information on our sustainability performance, we also engaged the services of Integrated Reporting and Assurance Services (IRAS) to supply independent third party Assurance over selected sustainability information included in this report.

The process we adopted to determine the issues material to our business and our stakeholders is aligned with our organisational decision-making processes and our strategies. By applying the principle of materiality we determined which issues could influence the decisions, actions and performance of our organisation and its stakeholders. We refer you to the Operating context and material issues on pages 8 and 12 of this report in which we describe the circumstances in which we operate, the key resources and relationships on which we depend, the key risks and opportunities we face and how material issues can affect our ability to create and sustain value over time.

Data is measured at source (e.g. flow meters are used to measure water consumption, pump meters to measure diesel fuel, etc). Indicator-specific descriptions of data measurement occur throughout the report. Safety, health and environmental data is checked internally and signed off by the Safety Manager, the occupational medical practitioner (medical doctor) and the Safety, Health, Environment and Risk (SHER) Manager. Sample external verification of data was undertaken by IRAS as part of the assurance process. Where we believe that a GRI G3 indicator is not applicable we have stated this in the GRI G3 Content Index. Where possible, we have defined data measurement by means of units of measure.

We would welcome your feedback on our reporting for 2012 and any suggestions you have in terms of what you would like to see incorporated in our report for 2013. To do so please contact Lindiwe Montshiwagae at lindiwe@bafokengplatinum.co.za.

Navigation icons

These icons appear in this report to highlight important facts or indicate to readers where further information is available. See page 201 for disclaimer.

Visit www.bafokengplatinum.co.za for the GRI G3 Content Index and RBPlat's King III application assessment.

Refer to relevant page

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Chairman's letter to stakeholders

It is my pleasure to introduce you to our integrated annual report, for the financial year ended 31 December 2012. Our reporting covers the activities of Royal Bafokeng Platinum (RBPlat), a producer of platinum group metals (PGMs) listed on the JSE Limited, which operates the Bafokeng Rasimone Platinum Mine (BRPM) and is constructing the Styldrift I Project, both of which are located in the North West province of South Africa.

I am delighted to inform you that our integrated annual report for the financial year ended 31 December 2011 was recognised as excellent in the Ernst & Young Excellence in Integrated Reporting Awards 2012 and our social responsibility achieved recognition when we qualified for the JSE Socially Responsible Investment (SRI) Index for 2012.

We continue to perform well in terms of our performance against the Mining Charter Scorecard and our commitment to participating in the Carbon Disclosure Project resulted in our inclusion in the Nedbank Green Index which selects companies for inclusion in the index based on their commitment to, performance and levels of disclosure on climate change issues.

At RBPlat business sustainability is about continuing to create value for our stakeholders from the safe extraction of PGMs while managing and adapting to the changes confronting our business. Our strategy addresses our sustainability while our governance framework ensures that we provide our stakeholders with accurate and transparent information through our integrated reporting. The independent internal and external assurance processes we have adopted contribute to the quality of our risk management and accuracy of our reporting and our commitment to continually improving the quality of our reporting.

> Adv Kgomotso Moroka
Chairman

On behalf of the RBPlat Board, I would like to extend my condolences to all the families that lost members during the terrible violence that beset our industry in 2012. We fervently hope that our industry and its labour force can find a way in 2013 to resolve disputes and address needs without resorting to the violence that marked 2012.

While RBPlat certainly did not remain unscathed, I would like to congratulate the RBPlat management team for its excellent management of the financial pressures we faced during the year and I would like to recognise our management, unions and employees for their response to the social pressures they encountered. This report provides you with detailed information in this regard.

Performance against strategy

As we reported last year, we did not achieve our key goal of zero harm when there was a fatality at BRPM in the first quarter and we once again extend our condolences to the family and friends of Castigo Mario Ndeve. There were no further fatalities during the year and our Styldrift I Project achieved its second fatality-free year.

> ***Our ability to engage with our stakeholders at operational level played a key role in defusing labour unrest experienced during the second half of the year.***

Achieving our strategic objectives has been a challenge, with the deteriorating global economic environment resulting in disappointing PGM prices and fixed costs increasing. Our response was to defer certain capital expenditure, however, this did not affect delivery against our organic growth objectives for Styldrift, nor did it affect our existing operations where we continue to focus on increasing BRPM's production so it can provide the revenue and cash flow we need for the development of the Styldrift Mine.

In terms of achieving operational excellence we completed our Phase II replacement projects at BRPM on time and within budget and Phase III is ahead of schedule. We also did an excellent job of delivering against our social and labour plan commitments which is described on pages 98 to 105 of this report.

We were pleased that, despite the impact of labour unrest and safety stoppages, our owner teams have made progress towards achieving the productivity targets that formed part of the three-year wage agreement we signed with the union in 2011. Our ability to retain the best talent in our senior management team is a key success factor for RBPlat. Not only have we retained our senior management team, but we were able to add two new members with the appointment of the General Manager of Styldrift and the Executive: Risk and Assurance during the year.

Political and regulatory environment

While the uncertainty surrounding nationalisation of the mining industry has been removed, some uncertainty still remains regarding proposed amendments to the Mineral and Petroleum Resources Development Bill. The industry, through the Chamber of Mines, is currently evaluating the Mineral and Petroleum Resources Development Amendment Bill 2012. We welcome the Minister's invitation to the industry to comment on the draft bill and look forward to a constructive process of consultation and engagement providing the timeous clarity and direction the industry needs to facilitate much needed investment.

>
Employees travelling on a manriding conveyor belt

Stakeholder engagement

I advised you last year that RBPlat had developed a comprehensive stakeholder engagement framework and plans to manage its sometimes extremely complex community issues. Our ability to engage with our stakeholders at operational level played a key role in defusing labour unrest experienced during the second half of the year. I would like to congratulate the BRPM management team for the excellent work they have done in this regard and I would also like to recognise the commitment of our Chief Executive Officer to personally engage with our workforce and provide our employees with an opportunity to make recommendations to our Board during his engagement with our employees.

Ongoing engagement to strengthen our partnership with the Department of Mineral Resources (DMR) is also a focus of our operations.

Our Board is responsible for effective communication with our shareholders and potential investors. We interact with shareholders at our annual general meetings and at presentations made by RBPlat's executive management team when we release our annual and half-year results. We have delegated the responsibility for engaging with our shareholders and potential investors to the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Investor Relations Manager. Details of these engagements are included in the stakeholder engagement table on the website.

The Board

The conditions prevailing in 2012 meant that our Board, which takes ownership of the Company's strategy, had to make a number of important strategic decisions to ensure the sustainability of the business.

I would like to acknowledge our Board members for their contribution to our Board debates and also for the contribution they make to the Board's committees.

We will continue to monitor global economic conditions and adapt our strategic and business plans where necessary to ensure our sustainability in difficult and unpredictable economic and social circumstances.

In conclusion

On behalf of the Board my thanks go to our executive and management teams, our employees and contractors for their efforts towards achieving our strategic objectives.

Adv Kgomotso Moroka
Chairman

For more information on our management team see pages 108 to 111

Organisational overview

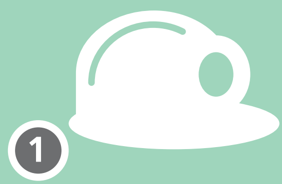
Our vision and mission

To seek and deliver the good from mining

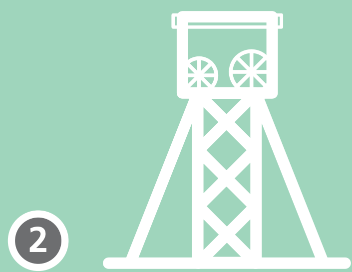
To leave a lasting legacy of sustainable benefits for our stakeholders

Our business model

The purpose of our business model is to create economic value, within a mutually beneficial joint venture, in a manner that also creates value for society

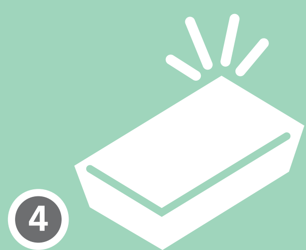


Mining BRPM, our current operation to extract platinum group metals in a safe and cost effective manner



Growing our business organically through our investment in the Styldrift I and II projects

Treating the ore we produce in our concentrator plant



Selling concentrate, which is our end product

Our strategy

The value we add

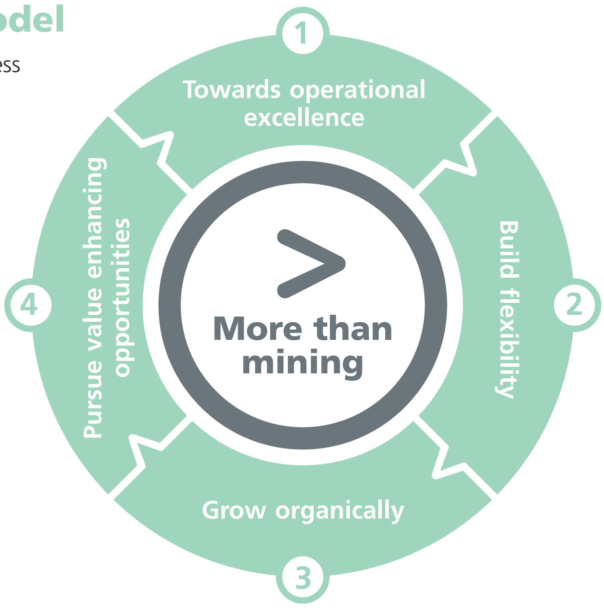
Our strategy model

The strategy driving our business has four pillars:

> Towards operational excellence
> Build flexibility
> Grow organically
> Pursue value enhancing opportunities

which are underpinned by the aspiration of ***More than mining***.

Our Chief Executive Officer discusses our performance against these strategies on pages 16 to 19.



Employees
R1 207.7m

Utilities
R171.1m

Government
R174.1m

Capital providers
R105.3m

Suppliers
R633.4m

Capital expenditure
R1 173.9m

Broader community
R126.9m

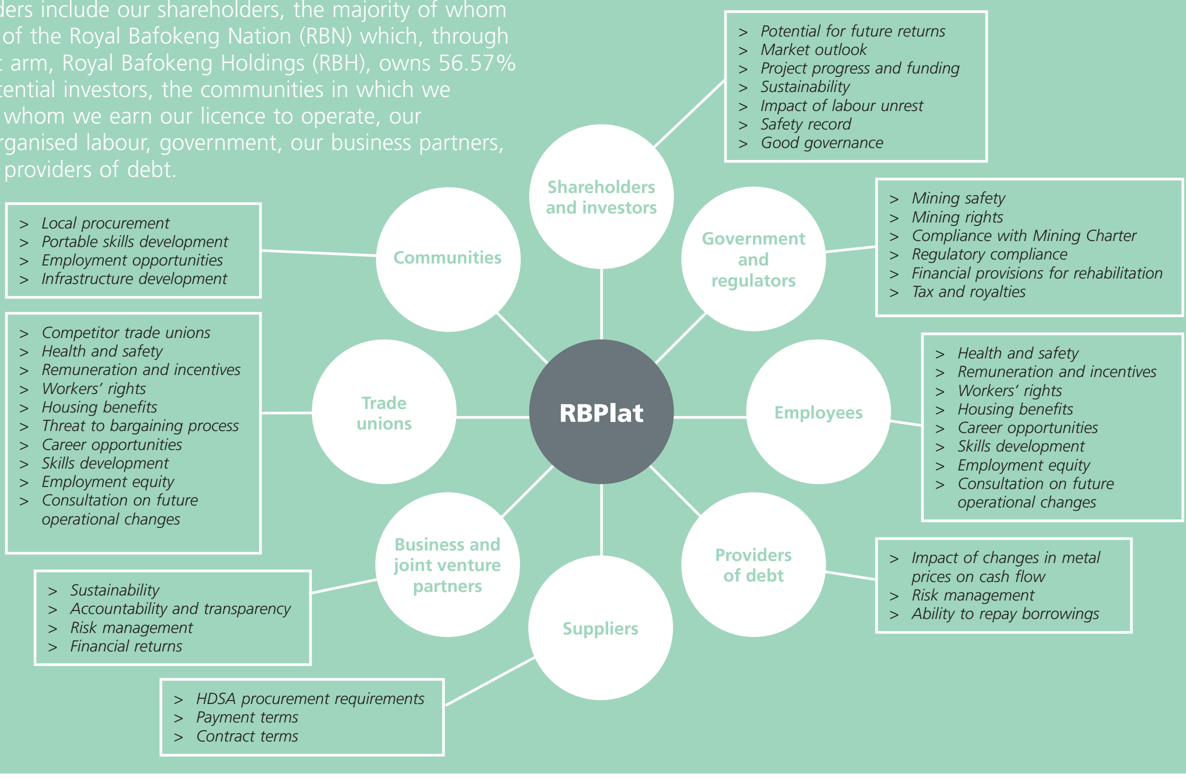
Total value distributed
R3 592.4m

Our attitude to risk

At RBPlat we understand that risk is an intrinsic aspect of our business which is inseparable from opportunity. Our material issues are discussed on pages 12 to 13 and our approach to risk is discussed in the Governance section of this report on pages 122 to 124.

Our stakeholders* and related material issues

Our stakeholders include our shareholders, the majority of whom are members of the Royal Bafokeng Nation (RBN) which, through its investment arm, Royal Bafokeng Holdings (RBH), owns 56.57% of RBPlat, potential investors, the communities in which we operate from whom we earn our licence to operate, our employees, organised labour, government, our business partners, suppliers and providers of debt.



* *See www.bafokengplatinum.co.za for more information on our stakeholder engagement*

Operating context

The global PGM environment

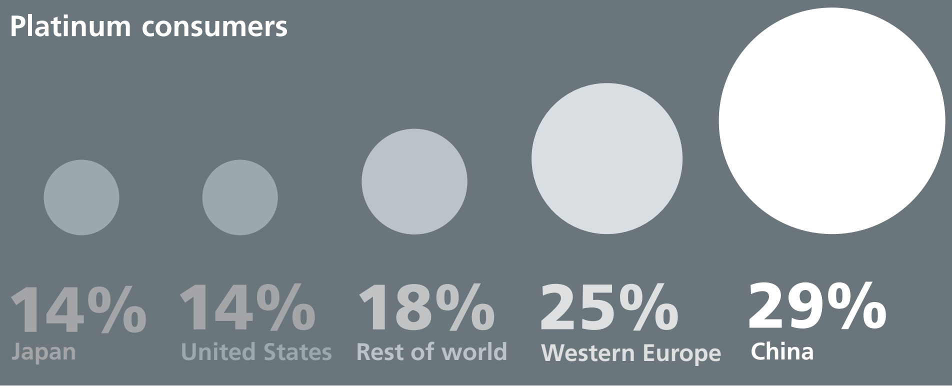
Global economy

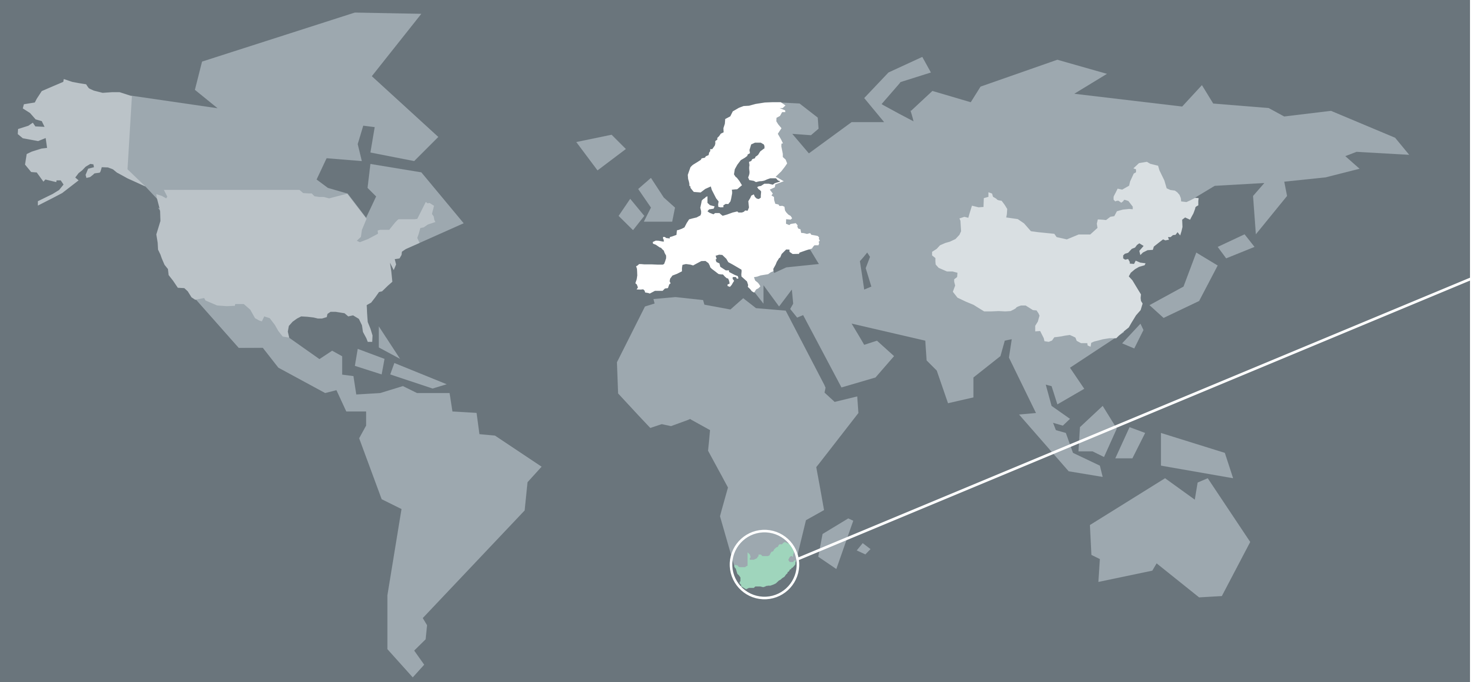
Influences:

- Demand and supply of PGMs
- R:US$ exchange rate
- PGM prices

Global demand*

Platinum consumers



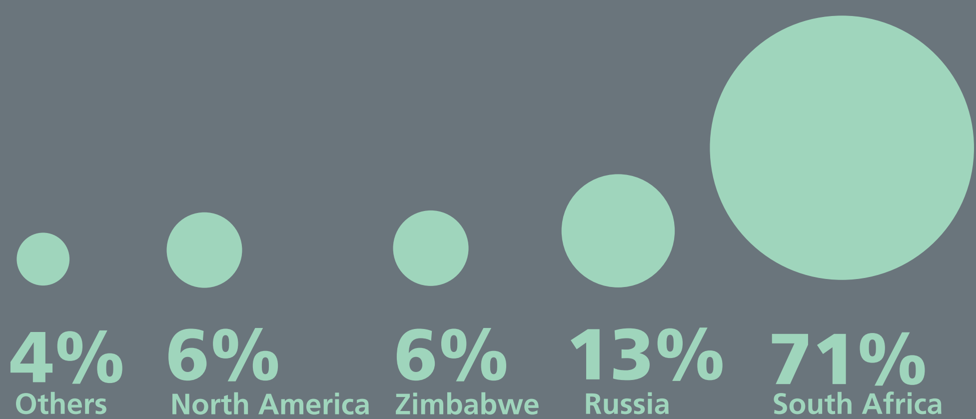


Legislation

- Emissions legislation affects demand for PGMs in terms of autocatalytic requirements

Global suppliers*

Platinum suppliers

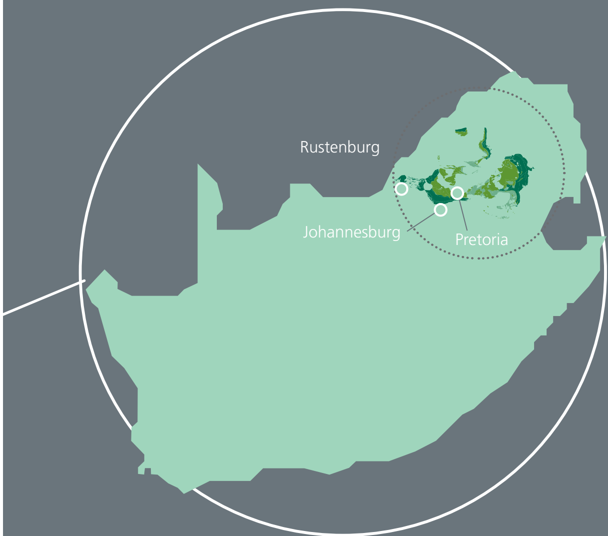


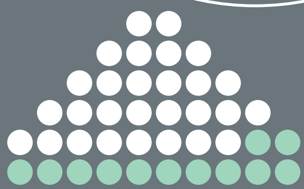
* Source: SFA

The South African PGM environment

South African source of PGMs*
(Bushveld Complex)

- Merensky Reef = higher margins
  - higher grade
  - favourable platinum prill split
  - base metals
- UG2 Reef = lower margins
  - lower grade
  - less favourable platinum prill split
  - minimal base metals
  - challenging to mine





supplies*
71%
of the world's platinum

Industry average head grade 3.41 g/t (4E)*

Average industry mining depth below surface*

1 000m

Average industry annual spend of R309.8 million on social commitments (including social and labour plans)**

Industry dynamics

- Impact of world markets
- Mineral resources and reserves depletion
- Limited growth
- Escalating costs
- Deepening mines
- Lowering grades (increasing UG2)
- Skills shortage
- Labour relations
- Limited resources
- Safety stoppages
- Socio-economic development
- Socio-political climate
- Legislation

RBPlat's position

- In excess of 60 years' life of mine
- Merensky growth project doubles production by 2018
- Long-term Merensky biased production (±70%)
- Costs escalating but remains on lower end of industry cost curve on cost per ounce basis
- Shallow mines – BRPM average mining depth 400 metres and Styldrift I average mining depth 661 metres
- Average head grade 4.07 g/t (4E)
- R95.6 million annual investment in skills development
- Three-year wage agreement and limited strike action
- Short- to medium-term energy requirements met
- 26% year-on-year improvement in lost time injury frequency rate (LTIFR)
- Annual spend of R126 million on social and labour plan commitments
- Exceed Mining Charter ownership and employment equity targets

* *Source: SFA*

** *Source: Chamber of Mines 21 January 2013 RSA PGM mining sector briefing note*

Performance

Achievements

Intersected
Styldrift Merensky Reef

600m level

Capex*
2% increase

R1 164 million
2011

R1 192 million
2012

Ungeared balance sheet

Fatality-free shifts
for RBPlat by year-end

1.78 million

Constituent of JSE SRI Index

Immediately stopable reserves (IMS)
25% improvement

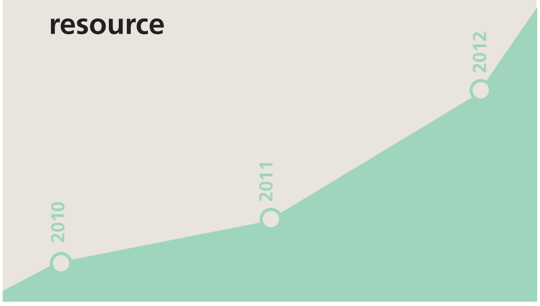
4 580 metres
2011

5 710 metres
2012

Improvements

Tonnes milled
3% increase to 2 375kt

Mineral Resources and Reserves
12% increase in measured resources to 41% of total resource



Productivity
30 tonnes milled per employee per month

* 100% BRPM JV

Challenges

Headline earnings per share
38% decrease

167 cents
2011

104 cents
2012

4E PGM ounces
4.4% decrease

Built-up head grade
6.4% reduction

Cash operating cost per tonne milled
10.4% increase

R782/tonne
2011

R864/tonne
2012

Cash position

R1 364.5 million
2011

R910.5 million
2012

Cash operating cost per platinum ounce
19% increase

R11 775/Pt oz

Cash operating cost
14% increase to
R2 051 million

For more information on our financial and operational performance see pages 24 to 55

Disappointments

Fatality
at North shaft

Our material issues

Our material issues can impact the safety of our workforce, our profitability and the existence of our business. The stakeholders that could be affected by them include our employees, contractors, trade unions, our shareholders, the communities in which we operate and government at local, provincial and national level (in particular the Department of Mineral Resources and the South African Revenue Services). In addition, we could be affected by industrial unrest in the mining industry and in particular in the platinum mining sector, and the Royal Bafokeng Administration and the Royal Bafokeng Institute are affected by the implementation of our social and labour plans and our community social investment programme.

We arrived at the material issues set out in the table below during workshops with our Executive, heads of departments and employees drawn from all the various departments that make up our corporate office and our operations.

1 Towards operational excellence

THE ISSUE:

Industrial unrest

THE RISKS:

> Loss of production due to strike action
> Increased costs
> Breakdown in relationship with our workforce
> Intimidation of workforce by strikers
> Damage to property
> The safety of our workforce

RESPONSE/OPPORTUNITIES:

> Continually engage with our workforce (employees and contractors) to achieve transparency and mutual understanding of issues
> Maintain healthy relationships with our workforce and communities through regular engagement and community forums
> Resolved employee pay demands to the benefit of both employees and the business through improved production bonus structure
> Addressing living and housing conditions through consultation with our employees and organised labour
> Zero tolerance approach to intimidation
> Three-year wage agreement in place

THE ISSUE:

Safety performance at both BRPM and Styldrift I

THE RISKS:

> Increased mining and project activity
> Unsafe working conditions which could result in injury or loss of life and lead to poor morale
> Loss of production because of safety-related stoppages by both our management and the DMR, which could result in a loss of revenue and cash flow (loss of value)
> Focus on achieving production targets could result in unsafe behaviour or conditions
> Change from vertical to horizontal development at Styldrift I increases safety risks

RESPONSE/OPPORTUNITIES:

> We are developing, implementing and continuously monitoring our safety strategy, which helped us achieve a consistent improvement in our safety performance during 2012
> Continuing to transform our safety culture into one where everybody takes responsibility for safety, which will lead to safer working, fewer injuries, a stable working environment and consistent production levels

THE ISSUE:

Availability of adequate and appropriate skills

THE RISK:

> Not meeting production targets due to the relevant skills not being available at various levels of the organisation

RESPONSE/OPPORTUNITIES:

> Early identification and development of the required skills for current and future operations
> Integrated local community skills development starting with maths and science education in local schools, skills training, artisan training, tertiary education bursary and graduate programmes
> Engage local community members for available employment opportunities
> Established a local skills database
> Adequate remuneration for skills

THE ISSUE:

Stakeholder engagement

THE RISK:

> Breakdown in our relations with our workforce, communities, trade unions, shareholders, government and regulators as a result of poor stakeholder engagement

RESPONSE/OPPORTUNITIES:

> We continually identify opportunities to engage effectively with our stakeholders. For more information on our stakeholder engagement see our website www.bafokengplatinum.co.za

1+3 Towards operational excellence and grow organically

THE ISSUE:

Delays in project completion

THE RISK:

> Negative impact on our reputation, costs, ability to achieve organic growth strategy and future revenues

RESPONSE/OPPORTUNITIES:

> Dedicated owner teams assigned to all projects to ensure effective project execution
> Dedicated project progress meetings
> Rigorous planning, cost control and risk management resulting in excellent track record in this regard
> Monitoring and management of social, environmental and ethical risks

THE ISSUE:

Global economic and market conditions

THE RISKS:

> Lower PGM demand in major markets due to global debt crisis
> PGM price volatility
> Fluctuation in currency exchange rates resulting in volatile or reduced earnings
> Reduced cash flow

RESPONSE/OPPORTUNITIES:

> Implement effective and sustaining cost efficiency and productivity improvement programmes including labour reductions, when necessary
> We introduced our cash preservation strategy which includes continual review of capital requirements to help us maintain the cash flow we require to fund the Styldrift I Project

THE ISSUE:

Escalating operating costs

THE RISK:

> Above inflation increases in labour costs, electricity costs and materials costs will negatively impact our earnings

RESPONSE/OPPORTUNITIES:

> The three-year wage agreement we concluded with our own employees which fixed our wage costs for the next three years provides predictability and also includes an incentive to improve productivity levels
> Implementation of shared services
> Labour rationalisation strategy
> Our installation of a water treatment plant will reduce the costs we incur for potable water
> We have identified and implemented ways to improve our energy efficiency – both our use of electricity and fuel and our consumption of raw materials
> Review all key contracts

THE ISSUE:

Development and implementation of the social and labour plans (SLPs)

THE RISKS:

> Not meeting our Mining Charter targets
> Inadequate implementation of our SLPs could result in disgruntled employees and community members, protest action and violence against our operations and withdrawal of our mining rights by the DMR. This would lead to cessation and the potential loss of our mining investment and development opportunity

RESPONSE/OPPORTUNITIES:

> Demonstrate the social relevance of RBPlat through innovative and effective community development projects
> Improve alignment between SLP objectives and integrated development plans (IDPs) and other regional development programmes, e.g. the RBN Masterplan
> Improve engagement with our stakeholders, including our communities and our workforce in order to manage expectations and understand changing needs
> Embark on development opportunities that will empower our employees and the community beyond the life of the mine and fulfil the social component of our mine closure plan
> Deliver our SLP projects on time and in full
> All contractors aligned with our SLP requirements
> Engaging with other mining companies to enhance SLP delivery

2+3 Build flexibility and grow organically

THE ISSUE:

Mineable reserves available on a sustainable basis

THE RISKS:

> Curtailed life of mine resulting in a loss of revenue and earnings
> Loss of production due to lack of flexibility for stoping crews
> Lack of flexibility in our operations would limit our ability to adapt to changes in the economic environment
> Inconsistent production output
> Negative impact on funding for Styldrift I and II development

RESPONSE/OPPORTUNITIES:

> Increase primary development in the short term to create sufficient face length (IMS panel ratio 1.5 per crew)
> Expedite UG2 development to establish UG2 mining platform
> Potential to maximise our value through the co-extraction of the Merensky and UG2 reefs

THE ISSUE:

Limited electricity resources

THE RISK:

> A delay in Eskom's build programme could impact on Styldrift's ability to meet its ramp-up schedule

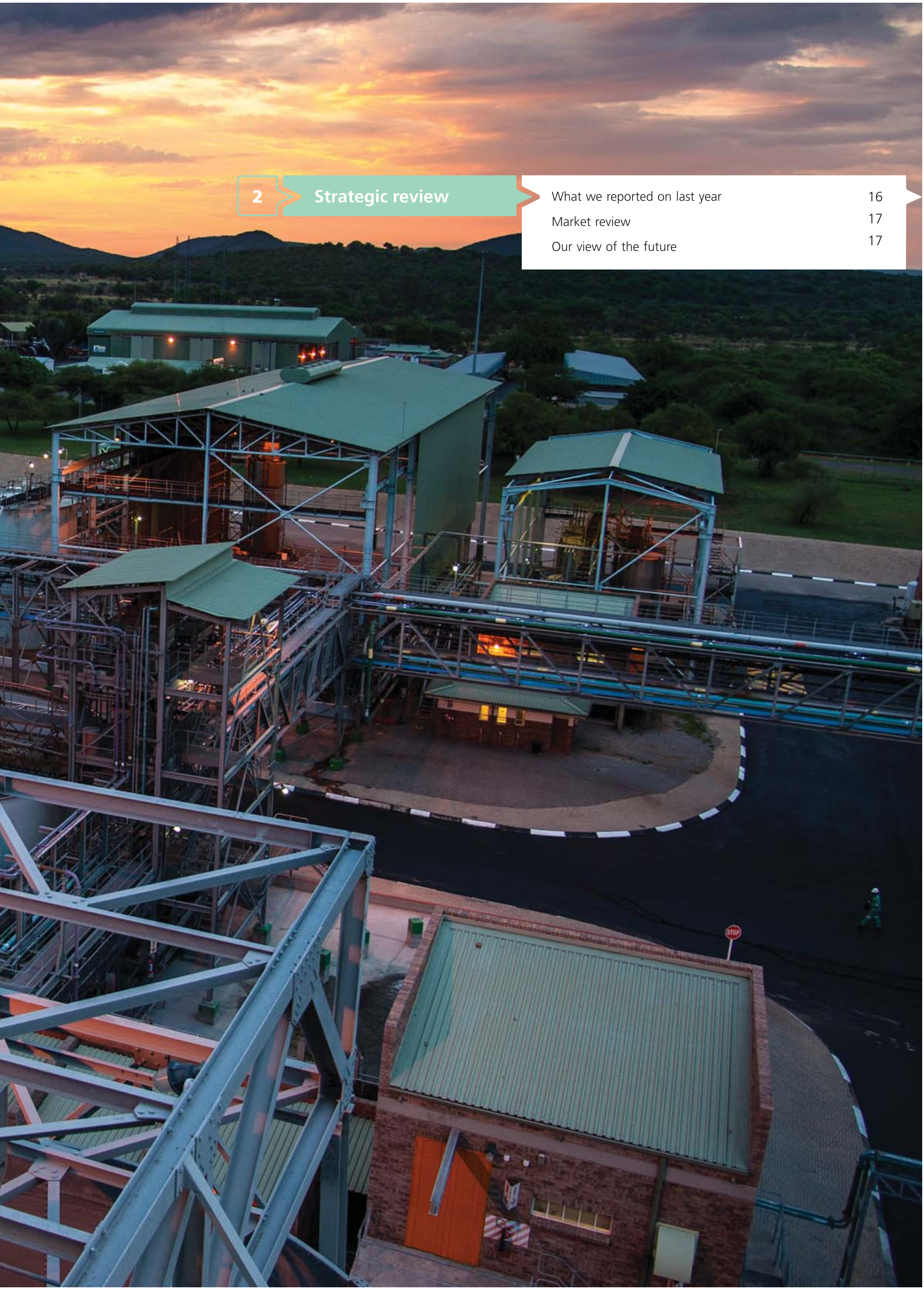
RESPONSE/OPPORTUNITIES:

> We have secured an adequate power supply for the Styldrift I construction phase
> Ongoing interaction with Eskom
> We have found opportunities to make our operations more energy efficient and continue to identify further opportunities to do so

See pages 122 to 124 for the Risk management section


Ciba

2 Strategic review



Chief Executive Officer's strategic review

I'd like to start by reflecting on what we reported in 2011

> Steve Phiri
> Chief Executive Officer

- While global economic uncertainty was having a negative effect on market conditions when we reported to you last year, we were hopeful of an improvement in demand for PGMs in 2012
- In accordance with our Employee Relations Recognition Agreement we have signed a three-year wage agreement with the National Union of Mineworkers (NUM) which is helping us manage costs and enjoy stability and certainty
- The community protests in the vicinity of our Styldrift I Project, which were fuelled by unemployment and poor service delivery, were an area of concern which I said we would be focusing on in 2012. We engaged with the community on employment opportunities, among others, at Styldrift I at that time and continue to do so

As we reported last year, 2012 started on a tragic note when a fall of ground on 6 level of the North shaft at BRPM fatally injured Mr Castigo Mario Ndeve. A month later, another fall of ground occurred in the same area, fortunately with no fatal consequences. Rightly so, Section 54 safety stoppages followed both incidents and two of our raise lines were shut down while we made sure the area was safe. While we did not achieve our zero harm target in 2012, we did achieve a significant improvement in our lost time injury frequency rate (LTIFR).

The second half of the year started well for us in terms of production, then our world changed completely from August when labour unrest rocked the platinum mining industry, resulting in so many deaths at Marikana. Due to the focus of our stakeholder engagement strategy on continually engaging with our employees and communities to strengthen our relationship with them and build mutually beneficial partnerships, we were fortunate to be less affected by the strikes than other members of our industry. We also felt the impact of unprotected strikes which, although they were short, disrupted the flow of production and unsettled our workforce. The team at BRPM must be congratulated on the excellent job they did in containing the situation at our mine. This was achieved through effective engagement with our workforce and our trade unions, NUM and United Association of South Africa (UASA), which is one of the issues we identified as an aspect that needs to be addressed if we are to achieve operational excellence. I would also like to recognise the important intermediary role the Rustenburg Local Municipality's Crisis Resolution Committee played in the resolution of the strike.

> ***The time has come for clarity on the respective roles in the mining sector if it is to remain sustainable and continue contributing to the development of South Africa.***

Market review

The grave state of the global economy, affected by the ongoing financial woes of the European Union and the consequent slowing of growth in China, has resulted in weak demand for PGMs and falling metal prices during 2012. The price of platinum has fluctuated considerably over the past two years, moving from over US$1 800/oz in January 2011 to around US$1 400/oz in August of 2012. Although the platinum price increased towards the end of 2012, briefly touching US$1 700/oz in October, this increase was not driven by a recovery in market demand, but was rather a result of uncertainty surrounding supply stemming from the impact of labour unrest on South Africa's platinum mines.

Global platinum mine supply fell 530koz to 5.64Moz in 2012, with South African output estimated to have decreased by 11% year-on-year to just under 4Moz. Softer commodity prices also reduced recycling by around 85koz, resulting in total supply declining by 7.7% to 7.4Moz.

Automotive platinum demand remained flat in 2012. European consumption reduced by an estimated 180koz, but this was offset by growth in the United States and recovery in Japan post their earthquake. Net demand from jewellery fabricators rose by 180koz, as increased wedding registrations and reduced recycling boosted restocking, however other industrial demand was down just under 200koz over the year compared to the exceptional growth of 2011. Platinum ETF holdings increased by approximately 15% to end the year at 1.5Moz with a record jump in mid August to mid September as a result of industrial action in the platinum industry.

Glass demand retreated as the industry utilised new LCD capacity and recycled returns from old tube display plant closures. The net result was flat total demand year-on-year of 7.7Moz.

In 2012 the palladium supply fell 350koz to 8.4Moz, while demand increased 260koz to 9.5Moz, leaving the market short by over 1Moz. We believe global stocks are still significant, however, and some analysts estimate stocks stand at well over a year's consumption. Nonetheless the proliferation of exchange traded funds (ETFs) in recent years has helped to allocate almost 1.8Moz of palladium stock.

The rhodium market was estimated to be in surplus by around 90koz in 2012 after three years of oversupply. If mine supply from South Africa lessens the market could swing back into deficit earlier than forecast and prices may start to rise from current levels as stock levels reduce.

While the current labour unrest and unfavourable market conditions are very concerning and disruptive, we strive to ensure that they do not distract us from our strategic goals.

In terms of achieving operational excellence, we had disappointments during the year as we have struggled under these circumstances to achieve our production and cost efficiency targets at BRPM. These events negatively affected and disrupted our production and the stabilisation of our production stream and cost efficiency efforts.

However, we have done exceptionally well in terms of completing our Phase II North and South shaft replacement projects under budget and on time, which will allow us to sustain production and enhance our ability to achieve operational excellence in the future.

While many mining companies have held off implementing their growth strategies this year, we continue to implement our long-term growth strategy with the aim of being well-positioned to benefit from any improvement in market conditions.

A highlight for us in 2012 has been the excellent progress we have made with Styldrift I, which supports our strategy to grow organically. We have successfully intersected the Merensky Reef and the project is well under budget. In addition, we have appointed a general manager for the mine, Velile Nhlapo, whose team is currently implementing the mine's operational readiness plan, to ensure a smooth ramp up to steady state production in 2018.

Despite the challenges we faced this year, our production from BRPM continues to provide the cash flow to partly fund Styldrift I.

In terms of our strategy to pursue value enhancing opportunities we are exploring areas of synergy with our neighbours. Our technical teams are working on possible opportunities for us to share infrastructure and reduce the capital cost of our projects.

Our royalty agreements with Implats allows us to extract value from the extremities of our ore body allowing us to bring cash flow forward. While we are already seeing the fruits of this cooperation, Implats' plans to mine our ore body from their 20 shaft were delayed. However, we have recently seen small initial tonnages coming out of this area, which is indeed a positive sign.

As we have said before, we are a growth company. Part of our strategy, after organic growth, is pursuing value enhancing opportunities including mergers and acquisitions. At this stage we are not involved in discussions regarding possible mergers or acquisitions, but are continuing to work towards identifying other possible value enhancing opportunities.

Our view of the future

The impact of our environment on future growth in the platinum industry

Our industry currently faces a wide array of challenges. Cost is a major concern as mines deepen, grades decline and achieving sufficient development is a challenge for most platinum miners. We are fortunate to have relatively shallow mines and we have made progress with our strategy to build flexibility into our operations by accessing into the shallow UG2 Reef on levels where we have depleted the Merensky Reef and increasing our immediately stopable reserves.

We believe our strategic goals remain relevant. Our major focus in 2013 will continue to be on cost management. We are assessing all our cost centres to see where we can make savings, contain costs and manage our margins. We have also started a process of rationalising our workforce, which will be ongoing if the pressures we are currently experiencing continue to prevail. Cost pressures are also being exacerbated by unreasonable demands for salary increases which resulted in recent wildcat strikes in the region.

In light of the above inflation cost pressures we foresee for 2013, it is essential that we improve efficiencies and control our workforce numbers.

The platinum and palladium market deficits should continue to widen, owing to constrained output from South Africa, resulting from mine cost pressures, a lack of capital investment and unresolved labour issues. While there should be a slight increase in platinum requirements ahead of the implementation of Euro VI emissions legislation in 2014, we expect platinum demand for autocatalysts to remain at current levels in 2013, as economic growth in Europe continues to deteriorate. Demand from Japan is likely to recede after the post-earthquake pickup in 2012. Consumer demand for platinum jewellery in China continues to grow and should be boosted by aggressive nationwide jewellery store expansion plans. Platinum prices are forecast to rise on the back of supply shortages, which could, however, motivate increased recycling and limit net new metal demand growth. Palladium demand growth is forecast to continue at more than 3% in 2013, as the metal benefits from the continuing increase in vehicle production, particularly in China, and tightening tailpipe emissions legislation.

Cash preservation remains critical to our business and we will therefore continue to review our capital expenditure.

The way forward for the mining industry – roles, responsibilities and accountability

We rely on investors to provide capital to fund new projects which create new jobs. Investors have been deterred by a number of issues, from the possibility of nationalisation in the past to the current environment of uncertainty, which is due to the proposed state participation and resource rent tax.

The time has come for clarity on the respective roles in the mining sector if it is to remain sustainable and continue contributing to the development of South Africa.

We need to be clear, for instance, on who, in the triad of government (municipal, provincial and national), mining companies and mine communities, is responsible for providing basic infrastructure services to local communities.

As a member of the mining industry we accept that there are legacy issues that we need to address within our local communities and RBPlat is wholeheartedly implementing the commitments we made in terms of our social and labour plan contracts with these communities. However, the need for social and economic development in the communities is far more than any single company or sector can address on its own.

We were very concerned by the unbalanced statements made by senior politicians accusing the mining industry of paying lip service to the Mining Charter and implying that it is to blame for the recent upheavals. Yet we hear no such messages regarding many municipalities not meeting their constitutional duty to deliver to communities. I believe government needs to acknowledge that many municipalities are failing the citizens of South Africa. At the same time I agree that some mining companies also, including RBPlat, need to acknowledge that they have failed mining communities and urgently need to address these shortcomings.

Chief Executive Officer's strategic review (continued)

>

A highlight for us in 2012 has been the excellent progress we have made with Styldrift I, which supports our strategy to grow organically.

The failure of some municipalities who are constitutionally responsible for providing the infrastructure communities so desperately need is contributing to the reduction of the competitiveness of the mining sector in South Africa. It has exposed mining companies, who are now expected to provide capital for broader social infrastructure, to a financial burden over and above the addressing of legacy issues while some municipalities consistently fail to use the taxpayers' money they receive for the purpose for which it was intended. Communities' expectations are growing and their unprecedented levels of desperation are manifesting not only in service delivery protests, but also in mine communities assuming the role of vigilantes and resorting to damaging mine property and intimidating mine employees.

The time has come for us to sit together and reconfirm who has a constitutional responsibility for communities and who has a secondary and supporting responsibility for them and to re-establish the partnership between government and the private sector, which already exists but is currently being neglected. We all need to contribute and ensure that our mining sector is once again a major contributor to the South African economy and an attractive option for investors.

We recognise that while business success is important, it cannot be at the expense of society, but should rather benefit society. Business needs to consider itself a part of society and together with all other role players act in the interests of sustaining society. At the same time it is government's responsibility to provide basic infrastructure

> *BRPM concentrator*

and to regulate in ways that enable shared value rather than work against it.

In conclusion

My thanks go to our employees and contractor workers whose commitment during a challenging year made it possible for us to achieve most of our strategic objectives, our joint venture partners and to our Board of directors for their contribution to our deliberations and decision-making during a difficult and demanding time.

Steve Phiri
Chief Executive Officer

For more information, see the listed sections and relevant pages below:

Helping members of the local community to secure employment
Styldrift I: pages 49 to 50

Report on BRPM
Operational performance: pages 42 to 43

BRPM replacement projects
Project review: page 47

Employee engagement
Human capital: pages 81 to 82

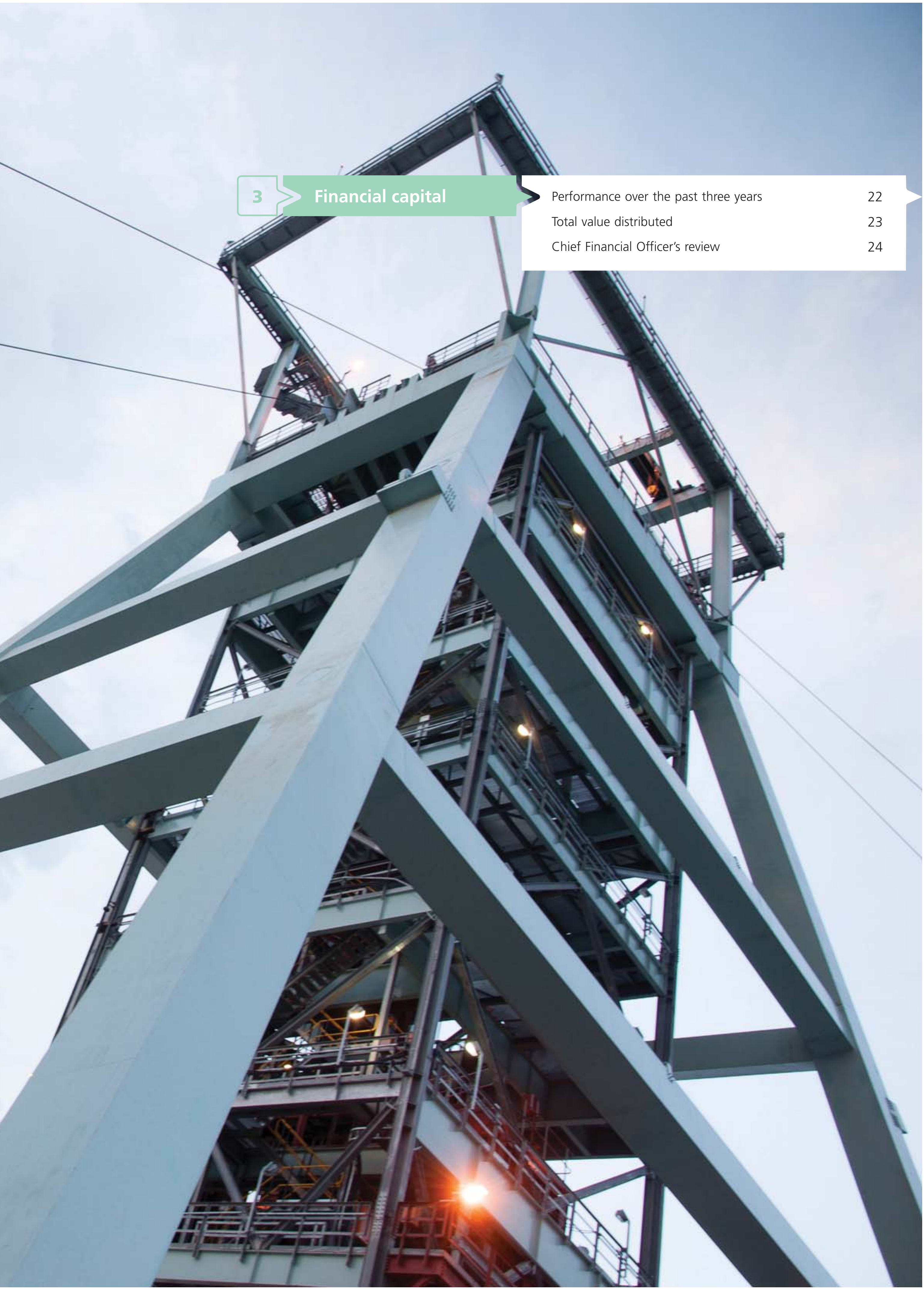
Safety performance
Human capital: pages 88 to 91

Platinum basket price in 2012
Financial capital: page 26

Our progress towards achieving our target of a face length of 5.71km of immediately stopable reserves
Manufactured capital: page 37

Implementation of our social and labour plans
Social capital: pages 98 to 105

Benefits we achieved from our royalty agreements with Implats during 2012
Financial capital: page 28

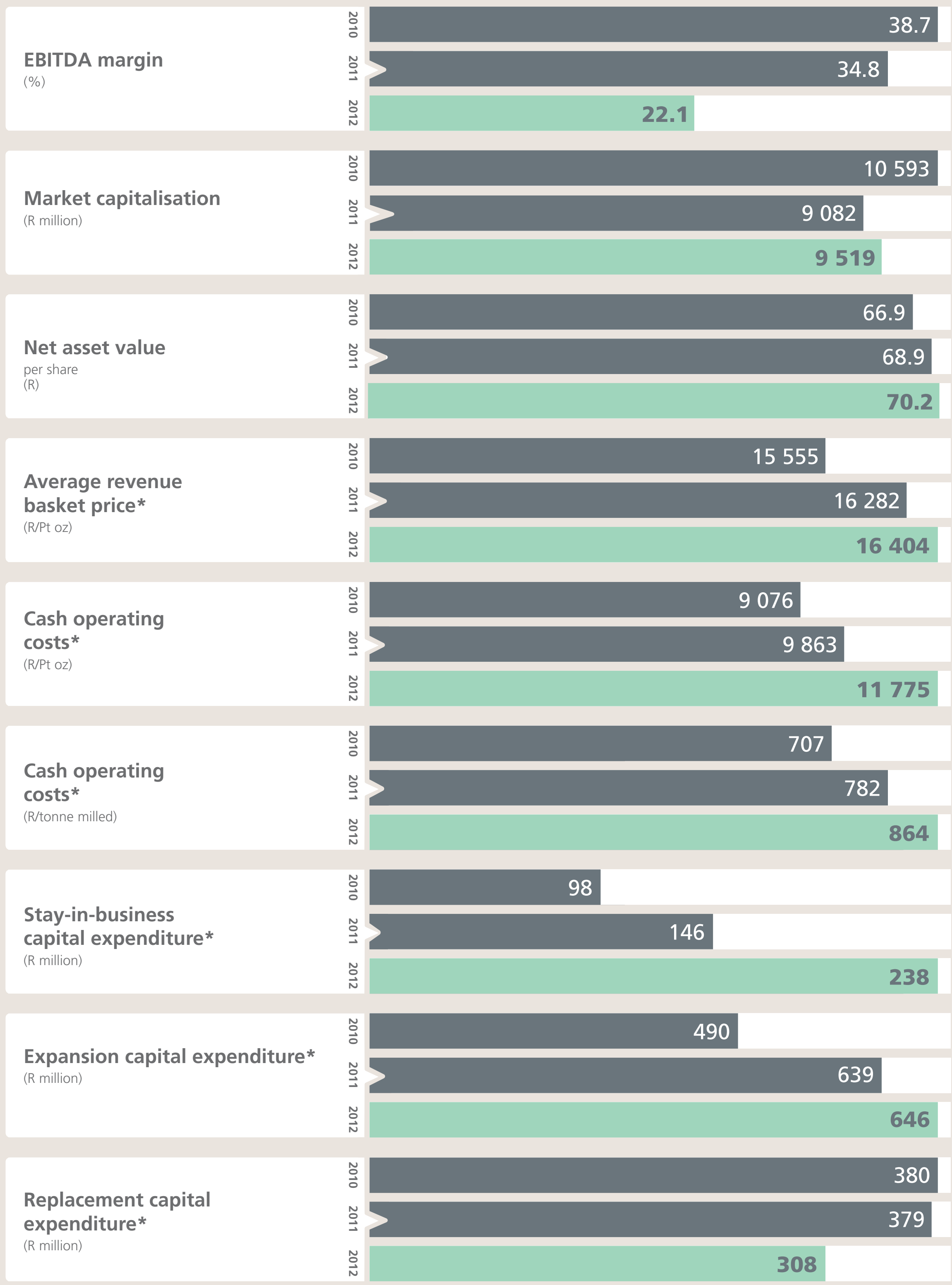


3 Financial capital

Financial capital

This section of the report demonstrates how successful we have been at achieving the sustainable development of our natural, human, social or manufactured capital

Our performance over the past three years



* 100% BRPM

Value added statement 2012

Total value distributed by the Group R3 592.4m

Employees
R1 207.7m

Utilities
R171.1m

Government
R174.1m

Capital providers
R105.3m

Suppliers
R633.4m

Capital expenditure
R1 173.9m

Broader community
R126.9m

Chief Financial Officer's review

In June this year we responded to the deteriorating global economic environment by reconsidering our strategy of building capacity ahead of when it will be required and implemented the first phase of a potential three-phase cash preservation strategy.

A decision was made to defer R462 million in project capital expenditure that will not have any immediate impact on our business. We held back on a R71.7 million cash injection into exploration drilling at BRPM's North shaft and the Styldrift II Project. This, however, will not delay the completion of the Phase III development of North shaft, which is scheduled for August 2017, and it will also not affect the Styldrift II pre-feasibility study, which we expect to complete by the end of 2014.

R380 million had been allocated to upgrade the capacity of our existing BRPM concentrator from a 200 000 tonnes a month to a 230 000 tonnes a month dual processing plant, which was scheduled for completion by the end of 2013. We deferred R300 million of this upgrade, but retained R80 million in our budget to optimise the concentrator's performance, through the construction of a Merensky/UG2 blending facility.

The expenditure of R90.7 million allocated for completion of the construction of a chairlift at BRPM's South shaft, on which we have already spent R20.5 million, was also deferred. We have, however, continued with the construction of the chairlift at North shaft, where the life of mine continues quite extensively into the future with the Phase III replacement project extending the shaft's decline system and associated infrastructure from 11 to 15 level.

While we have deferred some of our capital expenditure projects, unlike most other platinum miners, we have not reduced our production. Instead, our focus is on optimising BRPM's performance and increasing its production, as the revenue and cash flow we derive from BRPM is enabling the development of the Styldrift Mine.

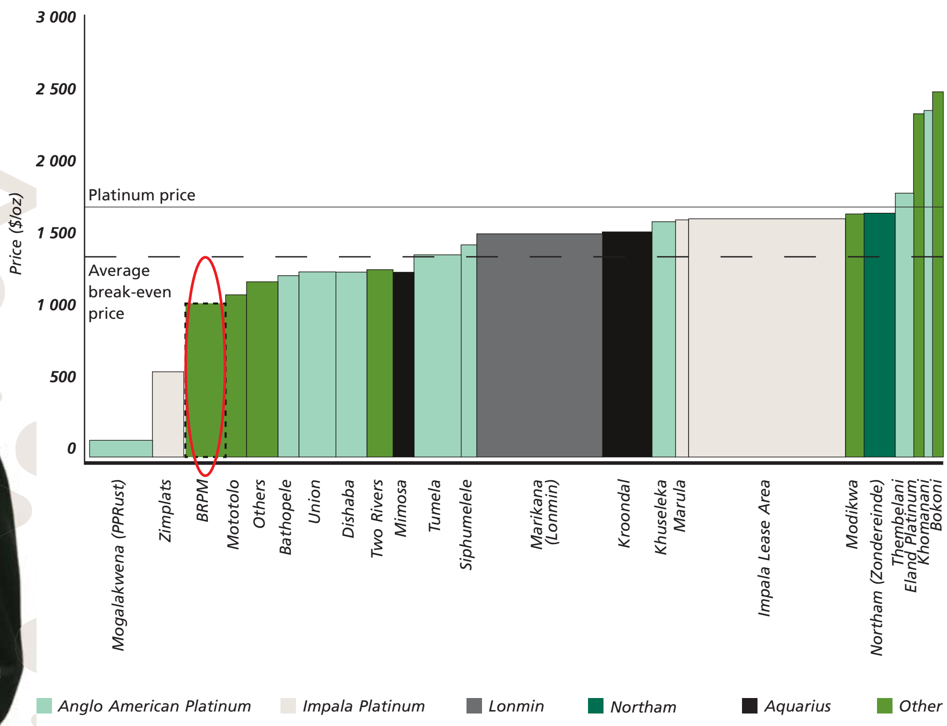
Styldrift's shallow high quality Merensky ore body gives it a number of advantages which we believe will earn it a premium when it goes into production and ensure the growth and profitability of our business in the long term. One of these advantages is that its high recovery grade and prill split makes it more profitable to mine than a typical UG2 ore body and that Merensky concentrate would become even more in demand for PGM smelters as the industry ratio of UG2 to Merensky increases.

The introduction of mining of the UG2 ore body at BRPM gives us increased flexibility. While mining UG2 ore on a total cost basis from a deepening platinum mine currently is not profitable, mining UG2 together with Merensky ore on an incremental basis in a shallow mine, as we are doing at BRPM, is viable. The platinum component of our UG2 prill split at 58.8% is also favourable in terms of its contribution to our profitability. Our mining strategy will make optimum use of our Merensky ore with UG2 ore being included incrementally. If we do not mine our UG2 ore at the same time as we mine our Merensky ore it could be lost to us as it may be prohibitively expensive to go back and mine it at a later date.

The graph below shows how well positioned BRPM is in terms of the average break-even platinum price in the platinum industry on a cash costs and stay-in-business capital expenditure basis. If we include our growth capital expenditure on Styldrift without the related future production ounces, this temporarily shifts us to the higher end of the cost curve.

> Martin Prinsloo
Chief Financial Officer

Break-even platinum price (cash cost plus stay-in-business capex)



Source: J.P. Morgan Cazenove 5 February 2013

Financial summary and statistics

	2012	2011	2010 Restated	2012 vs 2011
	R (million)	R (million)	R (million)	% change
Revenue	2 865.3	2 974.9	2 106.8	(3.7)
Cost of sales	(2 525.5)	(2 408.7)	(1 608.1)	(4.8)
Gross profit	339.8	566.2	498.7	(40.0)
Other income	66.9	54.8	1.6	22.1
Profit on remeasurement of previously held interest in BRPM	–	–	2 894.8	–
Administration expenses	(101.7)	(104.3)	(60.6)	2.5
Net finance income	56.3	57.7	3.2	(2.4)
Profit before tax	361.3	574.4	3 337.7	(37.1)
Taxation	(85.6)	(163.6)	(171.7)	47.7
Non-controlling interest	(105.4)	(137.4)	(1.2)	23.3
Profit attributable to owners of the Company	170.3	273.4	3 164.8	(37.7)
Headline earnings	170.3	273.7	290.2	(37.8)
Headline earnings per share (cents per share)	104	167	191	(37.8)
Normalised headline earnings*	233.2	350.2	399.30	(33.6)
Normalised headline earnings per share (cents per share)*	142	214	283	(33.6)
Weighted average number of ordinary shares in issue for earnings per share	163 960 709	163 677 799	141 132 832	0.2
EBITDA	633.8	1 035.5	815.3	(38.8)
Average annual R:US$ exchange rate	8.21	7.26	7.30	13.1
Closing R:US$	8.47	8.09	6.62	4.7
Average basket price (R/Pt oz)***	16 404	16 282	15 555	0.7
Gross profit margin (%)	11.9	19.0	23.7	(37.4)
EBITDA margin (%)**	22.1	34.8	38.7	(36.5)
Statement of cash flows				
Cash generated by operating activities	732.6	1 025.1	785.3	(28.5)
Capital expenditure (100% BRPM)	1 192.3	1 163.6	976.1	(2.5)
Cash, net of debt (including preference share investment)	910.5	1 364.1	1 150.3	(33.3)
RBPlat share performance on JSE				
Ordinary shares (cents/share)				
– High	6 749	7 001	7 100	(3.6)
– Low	4 374	5 261	6 050	(16.9)
– Year-end	5 750	5 500	6 675	4.5
Volume of shares traded	24 529 533	33 584 214	23 296 686	(27.0)
Number of shares issued outside the Group at year-end	164 150 804	163 677 799	163 677 799	0.3

* *Normalised headline earnings are based on headline earnings adjusted for fair value depreciation and amortisation*

** *The Company utilises certain non-IFRS performance measures and ratios (i.e. EBITDA) in managing the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior periods. Non-IFRS financial measures should be viewed in addition to and not as an alternative for the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures used by other companies*

*** *Net proceeds from total concentrate sales including revaluation of pipeline divided by total platinum ounces produced*

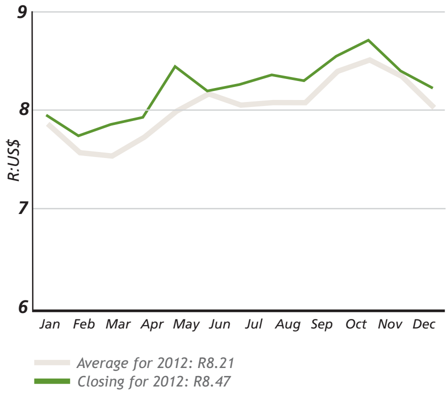
Chief Financial Officer's review (continued)

Funding strategy

The volatility of the dollar basket price and the R:US$ exchange rate both have a major impact on the revenues we earn from the concentrate we produce. During the first half of the year our average basket price held fairly steady at R15 638/Pt oz. In the period from 1 July 2012 up to the day before the start of the strike at Lonmin it dropped to R14 744/Pt oz. The events that followed at Marikana pushed it up to a high of R18 546/Pt oz. Since then the average monthly basket price has ranged between R16 400 and R17 400/Pt oz up to year-end. The impact of the basket price and the R:US$ exchange rate on the contribution that BRPM can make to the funding of the Styldrift I Project can be seen in the graph on this page which reflects our cash position in terms of the cash in RBPlat's bank account and the funds in the joint venture bank account. (In terms of our joint venture with Anglo American Platinum 67% of the funds in the joint venture account are attributable to RBPlat.)

While the weakening of the rand to some extent offset the weaker metal prices, it negatively impacted our capital expenditure on imported equipment required for the Styldrift I Project during 2012. About 5% of the total Styldrift I Project capital expenditure is on items imported from the Eurozone of which the majority will take place in 2014.

Daily average and closing R:US$ for 2012



At 31 December 2012 the Group's statement of financial position remained ungeared with cash and near cash investments on hand of R910.5 million, compared with R1 364 million on hand at 31 December 2011. Cash flows generated from our operations for 2012 of R732.6 million were not sufficient to fund expansion capital required for the Styldrift I Project and BRPM Phase II and Phase III, which meant that RBPlat had to inject some of its cash resources to fund its 67% of the shortfall at BRPM JV level.

The Group's R500 million Nedbank revolving credit facility remains undrawn. This facility was renegotiated early in 2012 resulting in a reduction in commitment fees and the interest rate, as well as an extension of the facility from 31 December 2013 to 31 December 2015.

Headline earnings

The Group's headline earnings of R170.3 million in 2012 reflect the difficulties which the BRPM JV operations faced in 2012. They are R103.4 million or 37.8% lower than our headline earnings of R273.7 million for 2011. Headline earnings per share for 2012 of 104 cents is 38% lower than the 167 cents per share reported in 2011.

Summarised statement of financial position

	2012 R (million)	2011 R (million)	% change
Non-current assets	17 947.0	17 101.5	4.9
Property, plant and equipment	8 899.2	7 999.3	11.2
Mineral rights	6 645.0	6 700.5	(0.8)
Goodwill	2 275.1	2 275.1	0.0
Environmental trust deposit	103.1	92.4	11.6
Deferred tax asset	24.6	34.2	(28.1)
Current assets	2 154.4	2 391.1	(9.9)
Accounts receivable, inventories and other	1 243.9	1 027.0	21.1
Cash and cash equivalents (including preference share investment)	910.5	1 364.1	(33.3)
Total assets	20 101.4	19 492.6	3.1
Total equity	15 480.3	15 137.2	2.3
Non-current liabilities	4 175.1	4 112.2	1.5
Deferred tax liability	4 112.6	4 054.1	1.4
Long-term provisions	62.5	58.1	7.6
Current liabilities	445.7	243.2	83.3
Total equity and liabilities	20 101.4	19 492.6	3.1

Headline earnings variance analysis

Cashflow analysis

Sales volumes

The 2012 and 2011 sales volumes and average US dollar price per metal are illustrated in the table below.

	2012	2011	2012	2011
	Sales volumes	Sales volumes	Average price achieved*	Average price achieved*
Platinum (oz)	174 665	182 712	1 552/oz	1 697/oz
Palladium (oz)	72 007	74 820	649/oz	720/oz
Gold (oz)	8 761	9 806	1 672/oz	1 716/oz
Rhodium (oz)	14 488	14 260	1 143/oz	1 789/oz
Iridium (oz)	4 813	4 762	1 037/oz	1 095/oz
Ruthenium (oz)	24 858	24 475	92/oz	137/oz
Nickel (tonnes)	1 875	2 071	7.68/lb	9.63/lb
Copper (tonnes)	1 175	1 302	3.50/lb	3.28/lb

* *Grossed up to 100% from amount received in terms of the disposal of concentrate agreement, excludes pipeline revaluation*

Revenue

Revenue of R2 865.3 million for 2012 was 3.7% lower than the R2 974.9 million for 2011. The reduction is due to a 4.4% decrease in production volumes and 0.7% increase in our rand basket price.

Revenue from production through the BRPM concentrator decreased by 4.4% from R2 846.6 million in 2011 to R2 720.9 million in 2012 due to a 5.1% reduction in ounces produced. Revenue from toll concentrating of UG2 increased by 12.5% from R128.3 million in 2011 to R144.4 million in 2012 mainly as a result of a 10.4% increase in toll concentrating ounces.

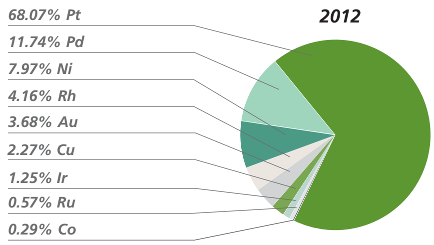
Gross profit

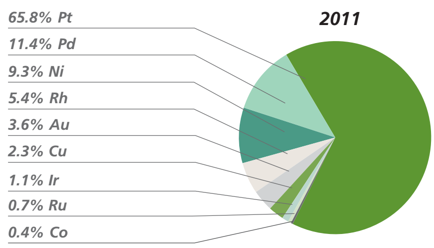
Our gross profit margin declined from 19% in 2011 to 11.9% in 2012. This was due to the 3.7% decrease in net revenue and a 10.4% increase in cash operating cost per tonne milled.

Cash operating costs

BRPM's average cash operating unit cost for 2011 was R782 per tonne milled and R9 863 per platinum ounce produced. Our average cash operating unit cost in 2012 was R864 per tonne milled and R11 775 per platinum ounce produced. This increase of 19% was a source of disappointment. The factors affecting our ability to contain costs included an increase in our fixed costs (these included Eskom tariff increases and high winter power rates, increased water tariffs and above inflation annual salary and wage increases), which account for the majority of BRPM's costs, the impact of safety stoppages and labour unrest on productivity and lower than expected 4E built-up head grade.

Contributions per metal





Chief Financial Officer's review (continued)

The lower than expected head grade was largely impacted by the use of 59 931 tonnes of low grade (2.0g/t 4E) surface stockpile ore treated through the BRPM concentrator to offset the impact of safety stoppages encountered during the first half of the year.

We advised you last year that we would be embarking on two significant projects that would release us from service level agreements with Anglo American Platinum and increase our independence. These were the migration of our ICT systems and the establishing of our own standalone supply chain capability. Not only did we successfully complete both these projects on time and within budget without any disruption to the business, but we were also able to optimise our systems and processes, increase our flexibility and afford ourselves the ability to customise the systems to suit our specific needs.

Depreciation

Depreciation charges included in cost of sales decreased from R462.1 million in 2011 to R272.1 million in 2012, due to the inclusion of theUG2 ounce base in the calculation of depreciation on the units of production basis.

Social and labour plan expenditure (SLP)

SLP expenditure increased significantly from the R35.8 million incurred in 2011 to R126.9 million in 2012 after some significant improvements were made to our SLP delivery capability.

Administration costs

Administration costs reduced slightly from R104.3 million in 2011 to R101.7 million in 2012 due to an enhanced focus on cost savings measures.

Other income

Other income increased from R54.8 million in 2011 to R66.9 million in 2012 despite the fact that other income for 2011 included a once off amount of R28.9 million relating to income received as a result of the settlement of the Rustenburg Platinum Mine (RPM) inter-company balance received in 2011. The increase in other income is mainly due to the significant increase in the royalty income from Impala from R24.9 million in 2011 to R61.8 million in 2012.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA as a percentage of revenue decreased from 34.8% in 2011 to 22.1% in 2012, mainly as a result of reduced sales volumes and an increase in cash operating costs at the BRPM operation.

Finance income

Finance income decreased slightly from R62.6 million in 2011 to R59.7 million in 2012.

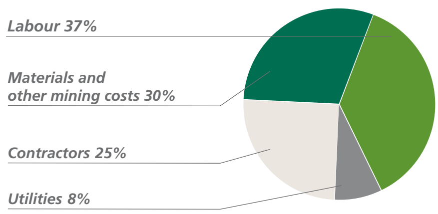
Taxation

The current income tax charge decreased from R29.9 million in 2011 to R17.5 million in 2012 due to the decrease in taxable non-mining income. Deferred tax decreased from R133.7 million in 2011 to R68.1 million in 2012. Deferred tax decreased from the prior year mainly due to the calculation relating to RPM's share of the BRPM JV profits being refined.

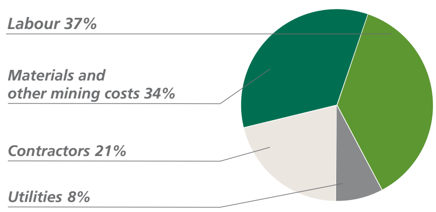
Dividend policy

Last year we told you RBPlat did not intend declaring a dividend until 2017. The mine optimisation study for Styldrift I we completed this year resulted in a change to the project and pushed out the date on which the mine will achieve steady state production to 2018. This is likely to affect the payment of our first dividend, which is now likely to be declared in 2018.

Cash cost breakdown 2012

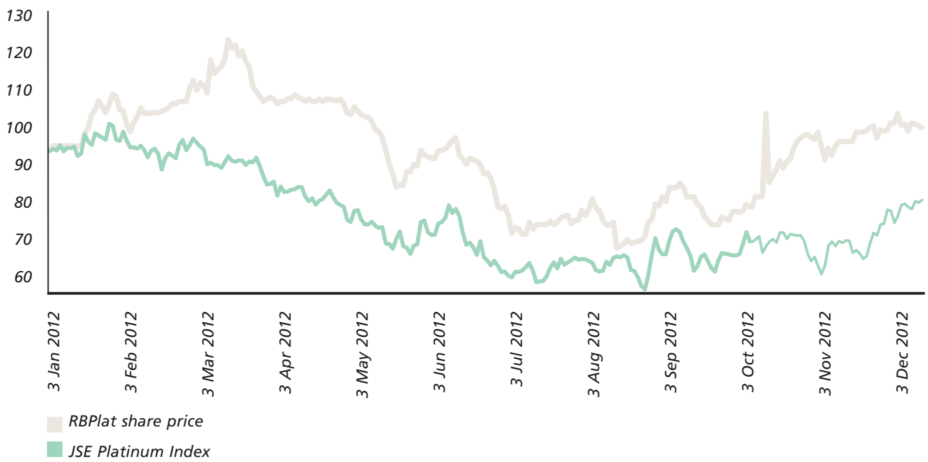


Cash cost breakdown 2011

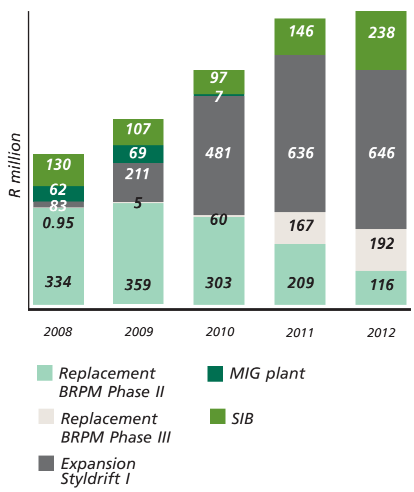


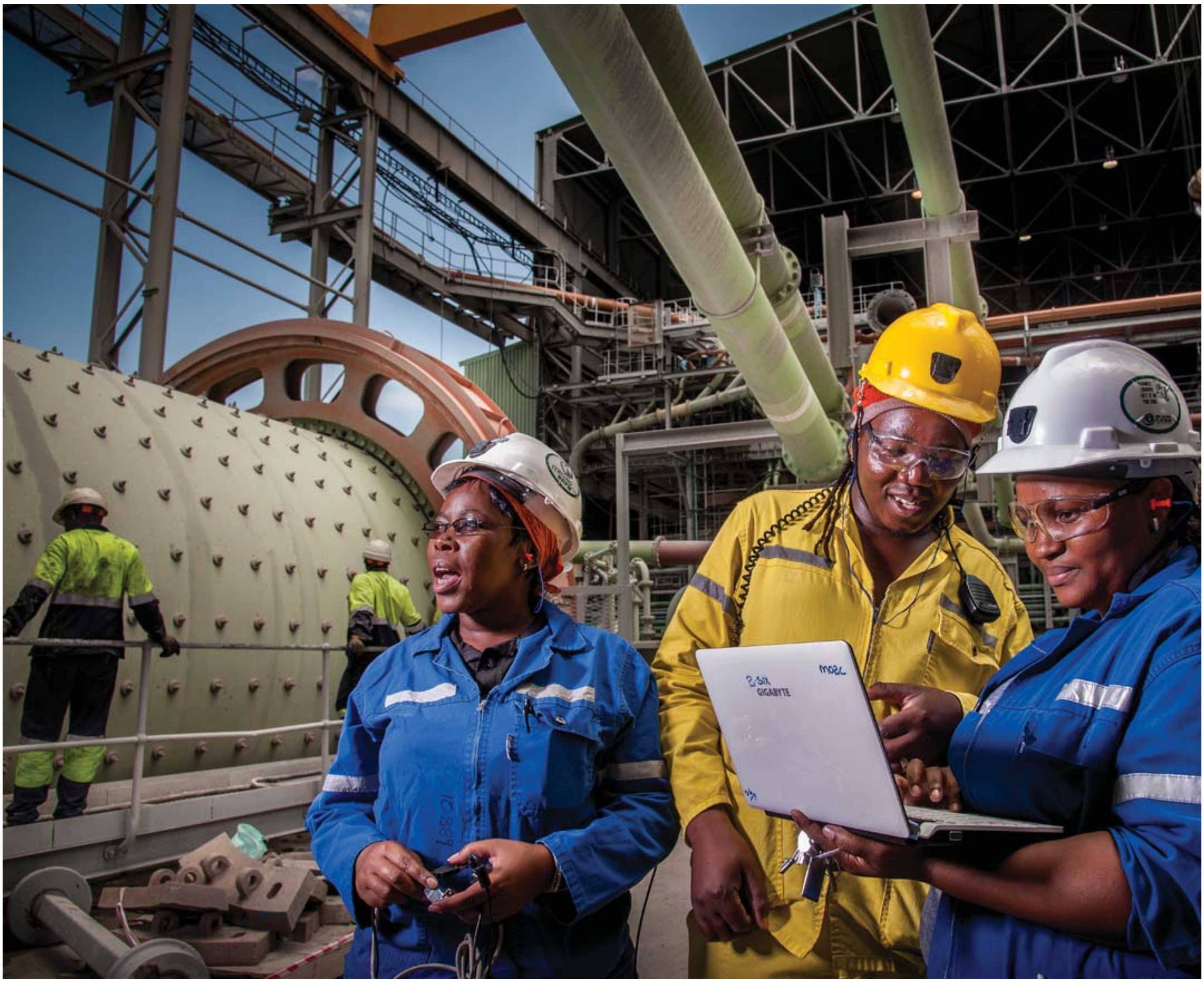
Share price performance

RBPlat share price performance compared to the JSE Platinum Index (rebased to 100)



BRPM capital expenditure breakdown





>
Women employees at the BRPM concentrator plant

Capital expenditure

Capital expenditure consisting of stay-in-business, replacement and expansion capital expenditure at BRPM for the year amounted to R1 192.3 million compared to R1 164 million in 2011. The capital expenditure for 2012 of R1 192.3 million was funded from cash flows generated by the operations of R732.6 million and the remainder funded by contributions from the JV partners. The level of capital expenditure is expected to increase in 2013 as a result of the increased capital expenditure for Styldrift I.

To date, savings declared against budget remain at R323 million for Styldrift I.

Our contribution

RBPlat contributes to the local economy where it operates. This includes providing direct and indirect employment, generating business for local suppliers and service providers through the procurement of consumables, services and capital goods, paying corporate local taxes and royalties and promoting the upliftment of the communities through employment, job creation and corporate social investment activities. From a quantitative financial perspective, a measure of the benefits associated with our activities includes the levels of payment to employees and suppliers, and the distribution of value added to our employees, providers of capital and to the public sector as shown in the value added statement.

Chief Financial Officer's review (continued)

Value added statement

	2012 R (million)	2011 R (million)	2010 R (million)
Revenue	2 865.3	2 974.9	2 106.8
Value added by operations	2 865.3	2 974.9	2 106.8
Add: Other income	64.2	54.8	1.6
Add: Profit on remeasurement of previously held interest in BRPM	–	–	2 896.4
Add: Net finance income	56.3	58.6	3.2
Total value added	2 985.8	3 088.3	5 008.0
Value distribution			
Employees and contractors of BRPM	1 145.7	973.9	682.7
Contractor payments	478.4	377.0	264.1
Salaries and wages including retirement benefits funds and healthcare funds	753.1	673.9	489.5
Share-based payment expense	43.6	33.1	7.2
PAYE deduction	(114.6)	(97.2)	(68.7)
UIF	(7.8)	(7.1)	(5.0)
SDL	(7.0)	(5.8)	(4.4)
Corporate office employees and non-executive directors	61.9	58.3	29.3
Salaries and wages including retirement benefits funds and healthcare funds	55.5	43.1	26.3
Share-based payment expense	24.1	29.2	11.6
PAYE deduction	(16.9)	(13.5)	(8.3)
UIF	(0.1)	(0.1)	(0.1)
SDL	(0.7)	(0.4)	(0.2)
Water and electricity providers	171.1	144.5	87.6
Magalies Water	14.6	10.8	8.8
Eskom	156.5	133.7	78.8
Government	174.1	168.0	95.5
Mining and non-mining income tax (excludes deferred tax)	17.4	29.9	0.4
Royalties	9.6	14.1	8.4
PAYE deducted from employees	131.5	110.7	77.0
UIF	7.9	7.1	5.1
SDL	7.7	6.2	4.6
Providers of capital	105.0	137.4	11.7
Non-controlling interest	105.0	137.4	1.9
Finance cost	–	–	9.8
Suppliers of materials	407.6	391.5	243.4
Suppliers of services	203.7	239.4	94.1
Suppliers of corporate office services and goods	22.1	32.1	22.7
Capital expenditure	1 173.9	1 146.5	718.5
Broader community	126.9	35.9	7.6
Social and labour plan – HRD	81.6	25.3	7.1
Social and labour plan – CED	45.3	10.5	–
Other (sponsorships and administration)		0.1	0.5
Total value distribution	3 592.0	3 327.5	1 993.1
Retained by Group	(606.3)	(239.2)	3 014.9
Depreciation and amortisation	327.6	518.8	375.6
Deferred tax	69.1	133.7	171.3
Profit on remeasurement of previously held interest in BRPM retained by the Group	–	–	2 896.4
Utilisation of shareholder fund for capital investment	(1 003.0)	(891.7)	(428.4)

>
Styldrift I head gear

Future outlook

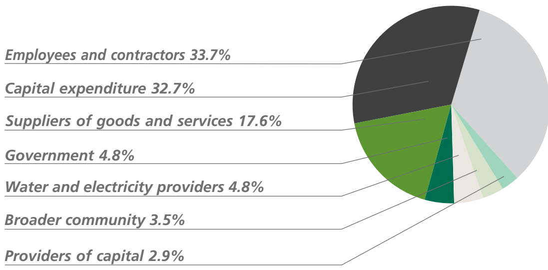
We should experience some level of improvement in metal prices given the marginal supply deficits that resulted from the industry-wide labour unrest during 2012, combined with the anticipated deficits in supply forecast by most market analysts for 2013. The R:US$ exchange rate is anticipated to remain within the current range for the short term and therefore we expect a slight improvement in our revenue basket for 2013.

The accelerated capital expenditure profile for Styldrift I will result in increased demand on our surplus cash resources to supplement the funding toward Styldrift I capital and as was initially anticipated, we should start tapping into our debt facilities for this purpose during the course of 2013.

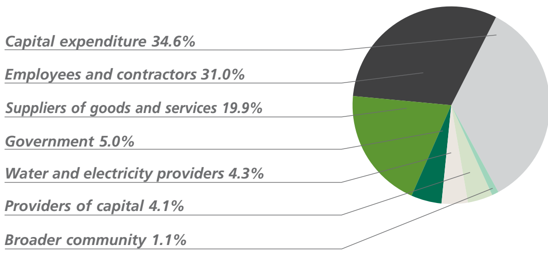
An enhanced focus on improved cost reporting, management and control, as well as progression towards an optimal longer-term funding solution will be key deliverables for 2013.

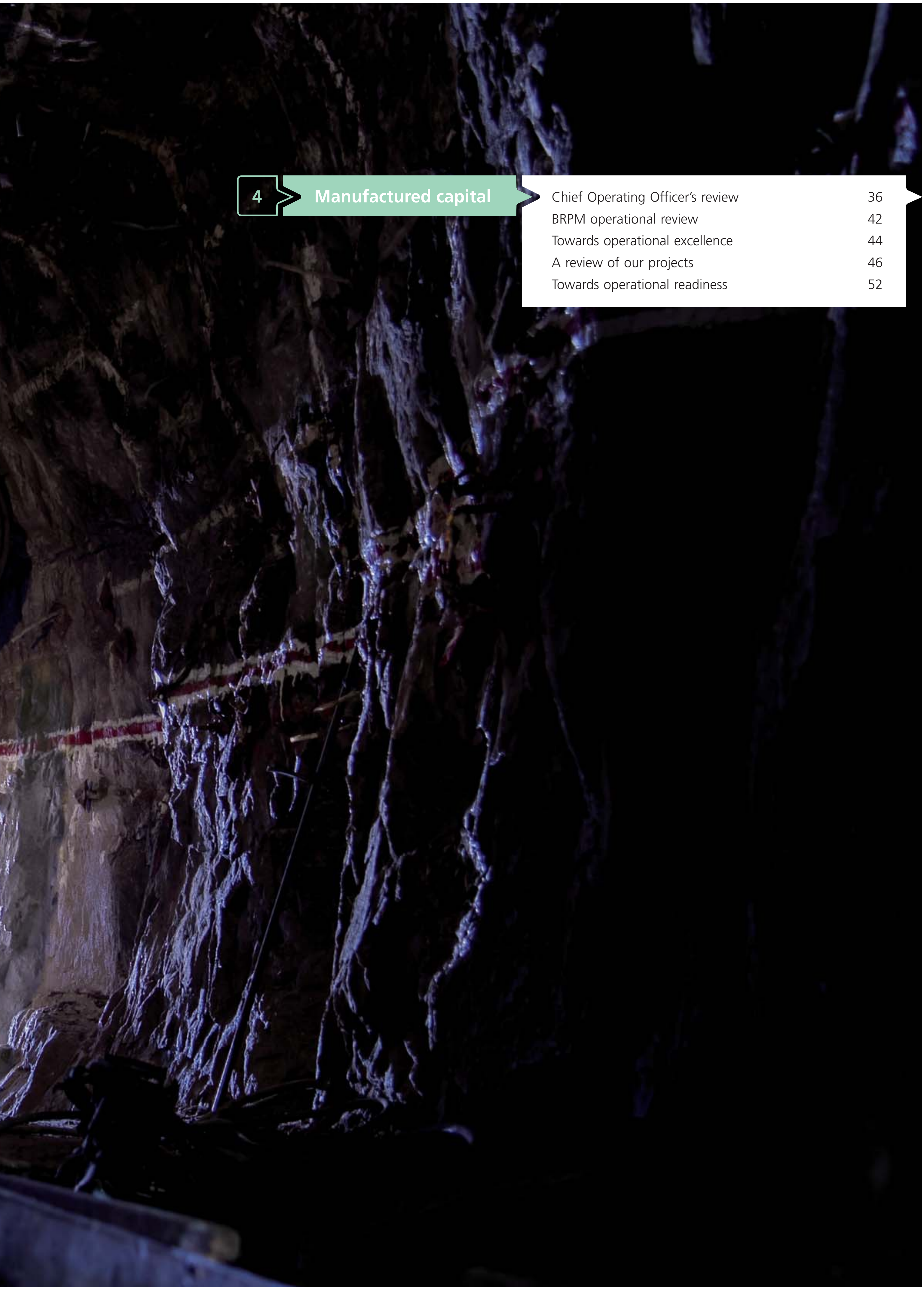
Martin Prinsloo
Chief Financial Officer

Value distribution split 2012



Value distribution split 2011





4 Manufactured capital

Manufactured capital

This section of the report describes the mining and processing of our minerals and how successful we have been in achieving this

Disappointments

Production stoppages

Unprotected industrial action and safety stoppages

STOP

=

Severe pressure on operations to meet production and cost targets

=

187kt production losses (tonnes milled)

=

117kt safety

+

70kt industrial action

Achievements

Increased shaft sinking rates
at Styldrift I Project and Merensky Reef horizon intersected

Immediately stopable reserves face length increased to 5 710 metres
25% improvement

2011 2012

IMS panel ratio
increased to
1.48

Phase II South shaft replacement project completed
on schedule and below budget

Phase III North shaft replacement project
ahead of schedule and below budget

Fatality
at North shaft

Improvements

Milled tonnes
increased
3%
to 2 375kt

Improved injury frequency rates
26%
reduction in LTIFR
10%
reduction in SIFR

Challenge

Built-up head grade
reduced by
6.4%
to 4.07g/t (4E)

Chief Operating Officer's review

RBPlat concluded its third year in charge of the BRPM Joint Venture operations in 2012. We are pleased with the continued improvement in safety performance, increase in operational flexibility, labour reduction and the operational stability we maintained during the much publicised industry unrest. Our key improvement opportunities include cost reduction, grade improvement and in the context of the industry volatility in the past year, stakeholder engagement. Project execution was a highlight of 2012 with all our key capital projects, and Styldrift in particular, on schedule and under budget.

Overview

Our principal mining strategy at BRPM is to maximise Merensky output and thereafter fill infrastructure capacity with additional UG2 production. As previously reported, our Merensky output in recent years has been constrained by the limited number of Merensky production levels and the low ratio of immediately available stoping (IMS) panels to stoping crews. We realised significant improvements in this regard during the past year through a 31% increase in development. However, Merensky production was compromised by safety stoppages resulting from mine injuries and operational disruptions emanating from industry-related rock drill operator remuneration disputes. This resulted in a 4% decline in Merensky tonnes milled.

The lower Merensky output was offset by an increase in UG2 production and the treatment of approximately 60kt of low grade surface stockpile. The net result was a 3% increase in total tonnes milled, but a head grade reduction of 6.4% due to the lower grades associated with the UG2 and surface stockpile. Overall concentrator recovery was reduced by 0.9% as a result of the increased UG2 contribution and lower head grade, and as a consequence we had a net 4.4% reduction in 4E ounce output.

Cash operating costs increased by 14% year-on-year. The increase in unit cost per tonne milled was mitigated to 10% by the increase in tonnes milled, but the increase in unit cost per platinum and 4E ounce compounded to 19% by the reduction in head grade and overall ounce output.

> Nico Muller
Chief Operating Officer

Safety

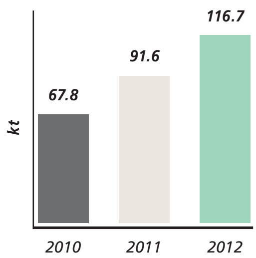
We made significant progress in terms of safety at both BRPM and Styldrift during 2012. This was achieved through the implementation of our safety strategy, which is aimed at developing a resilient safety culture and reducing exposure to high risk areas. A major contributor to this progress was the extensive development we achieved in the four barriers to injuries: leadership, design, systems and behaviour.

The success of our safety programme was evidenced by a 26% reduction in our lost time injury frequency rate and a 10% reduction in our serious injury frequency rate. Regrettably, however, a fatal injury occurred on 6 February due to a fall of ground incident at our North shaft. Subsequent to this initial disappointment no further fatalities were recorded with 1.78 million fatality-free shifts achieved by year-end.

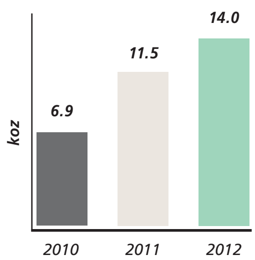
The principle of zero harm is becoming well-established in certain areas of our business as is reflected by the safety performance of our concentrator plant and central services where no lost time injuries were recorded throughout 2012 and at Styldrift where no lost time injuries were recorded in the fourth quarter.

We are pleased that the applicable 2013 Health Milestones were met before year-end with no machinery and equipment at the operations emitting a noise level above 110dBa.

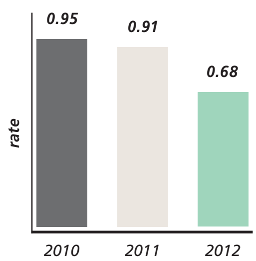
Milled tonnes lost – safety stoppages



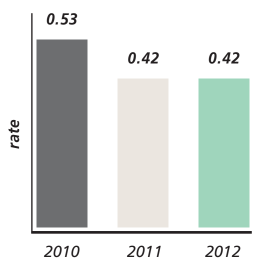
4E ounces lost – safety stoppages (metals in concentrate)



LTIFR (per 200 000 hours)



SIFR (per 200 000 hours)



Our organisation remains fully committed to our policy of zero harm. To this end we will interact and collaborate with our employees, unions and business partners as well as the DMR and other PGM producers, to further improve our performance.

Operational disruptions

Safety stoppages for the year resulted in production losses amounting to 117kt compared to 92kt the previous year. The increase in safety stoppages impacted adversely on production, and in particular Merensky production. On a positive note, however, the stoppages bore a significantly increased correlation with injuries or factors directly contributing to injuries compared to previous years. To this end we believe the trend of continual safety improvement at our operations should mitigate this risk in future years.

Despite the exemplary efforts of management, unions, employees and protection services to maintain operational stability during the regional industrial unrest, we were not immune to the disruptive impact of the events and suffered production losses amounting to 70kt that were a direct result of this unrest. We believe employee and other stakeholder engagement will play an increasingly important role in the performance of the South African mining industry and we will continue to align our strategies accordingly.

Operational flexibility

RBPlat identified limited operational flexibility on the Merensky Reef as a key business driver prior to assuming operational control in 2010 and adopted a multipronged remedial strategy.

> **UG2:** While we prioritised the higher grade and more favourable prill split Merensky Reef, development to establish a secondary operational platform on the UG2 reef was initiated in early 2010. To this end we are pleased with the increase in UG2 contribution from 78kt in 2010 to 425kt in 2012, representing 18% of our total production. Due to the lower operating margins on the UG2 we will continue to exploit it as a supplementary resource and not at the cost of Merensky Reef and subject to it making a positive contribution to the overall profitability of our business.

> **Merensky levels:** We prioritised the timely execution of the Phase II and III shaft deepening projects and are pleased to report that Phase II has been completed on schedule and Phase III is currently ahead of schedule. This resulted in ledging commencing on North shaft level 10 and the handover to working cost development of North shaft level 11 and South shaft level 10 during 2012. The combination of existing and new levels will support a Merensky output of around 1.9 million tonnes per annum until 2015, when Merensky production at South shaft starts to decline due to depletion of the upper levels. The 500kt shortfall against the mine design capacity of 2.4 million tonnes per annum will be made up from UG2 production. From 2016 UG2 production will increase proportional to the reduction of Merensky production at South shaft.

> **Immediately stopable reserves:** Our stated objective was to increase the ratio of immediately available panels to stoping crews during 2012. To achieve this overall development increased by 31% from 30.2km to 39.4km which includes primary development as well as redevelopment to re-establish panels that had been temporarily lost due to geological conditions. The result was an increase in immediately stopable reserve face length from 4.58km to 5.71km and an increase in panel ratio from 1.01 at the start of the year to 1.48 at the end of the year.

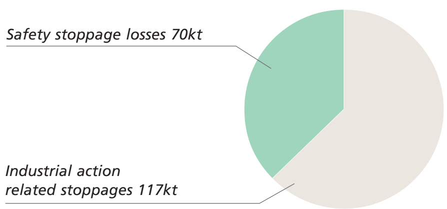
The initiatives undertaken to improve operational flexibility contributed to an increase in cost and a reduction in grade during the year. We are, however, confident that the structurally improved mining platform will support increased productivity and cost reductions in 2013.

Mining

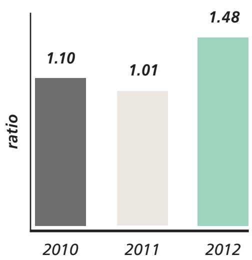
Overall, tonnes delivered to the concentrators increased by 4% to 2.38 million tonnes despite the challenging operating environment. We attribute this increase to a 65% increase in UG2 from 258kt in 2011 to 425kt in 2012 and the treatment of a 60kt low grade surface stockpile. Merensky production reduced by 3% from 2.03 million tonnes in 2011 to 1.96 million tonnes in 2012 due to the constraints previously discussed.

We are confident that mining volumes in 2013 will match or improve on the 2012 performance and that the key challenges will migrate to improve grade and reduce operating costs.

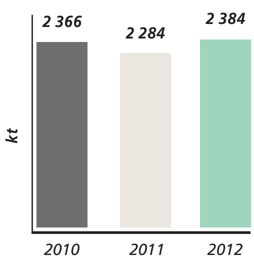
Production losses



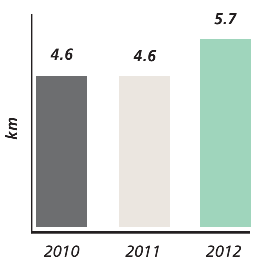
IMS panel ratio



Tonnes delivered to concentrator



IMS face metres available



For more information, see the listed sections and relevant pages below:

Styldrift's safety performance
Human capital: page 49

BRPM's safety performance
Human capital: page 42

Our progress with the Styldrift I Project
Manufactured capital: pages 49 and 50

Progress with the Styldrift Mine operational readiness programme
Manufactured capital: pages 52 to 55

Grade

The built-up head grade reduced by 6.4% from 4.35g/t (4E) to 4.07g/t (4E) due to increased UG2 contributions, the increased reef development to stoping ratio, treatment of 60kt of low grade surface stockpile and low grades achieved at South shaft UG2.

At North shaft the Merensky and UG2 grades were 4.37g/t (4E) and 3.64g/t (4E) respectively, both in line with expectations other than additional dilution from increased development. At South shaft the Merensky grade was 4.24g/t (4E) and similarly in line with expectation. The UG2 grade, however, was 2.96g/t (4E) and well below the expected grade of 3.51g/t (4E). The lower grades are attributed to difficult mining conditions caused by rolling reef, combined with a narrow reef width and a high reef development to stoping ratio due to the early phase of stope establishment. Mining to date has been from one raise line only and we expect an improvement in development to stoping ratio with the increase in the number of raise lines and stopes mined. The stoping conditions in the first raise line may in addition not be sufficiently representative of the whole UG2 Reef to conclude a long-term view on mining conditions. We will continue to review results as the South shaft UG2 platform is expanded in 2013.

We anticipate a reduction in overall primary development and redevelopment rates once we have achieved our required IMS panel ratio target of 1.5 in the second quarter of 2013. Given the expected changes in dilution we expect the 2013 grade to improve to 4.18g/t (4E).

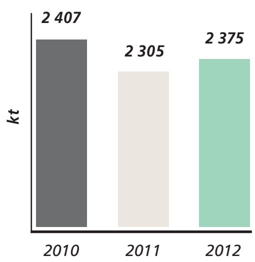
Concentrating

Our total tonnes milled increased by 3% to 2 375kt with 2 214kt treated at the BRPM concentrator and 160kt tonnes at the Waterval concentrator. UG2 volumes treated at BRPM increased from 116kt to 257kt representing an increase in contribution from 5.35% to 12%. The increase in UG2 volumes was facilitated by the installation of a blending facility.

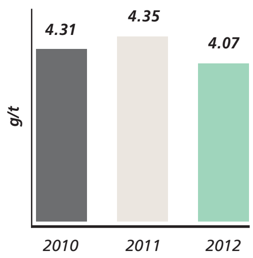
Overall concentrator recovery reduced by 0.9% from 87.47% to 86.71% due to the reduction in head grade, increase in UG2 volumes and a 35% recovery penalty incurred at the Waterval concentrator in the first quarter when the delivered UG2 grade dropped below the contractually agreed grade of 3.1g/t (4E).

The increase in throughput and reduction in head grade and recovery yielded a total of 269koz (4E) metals in concentrate which is 4% down year-on-year.

Total tonnes milled



4E built-up head grade – combined



>
UG2 panel crew

Labour

Operating labour reduced by 8% from 2011 to 6 057 by 2012 year-end in line with our business optimisation strategy. The reduction was achieved through a review of organisational structures and employee complements and leveraging opportunities to share services with Styldrift.

As a result of the impact of safety stoppages and labour unrest, there was no significant improvement in stoping crew and total labour efficiencies year-on-year. We were, however, encouraged by improvements achieved during the fourth quarter with stoping crew efficiency showing a 29% improvement compared to the corresponding period in 2011. We anticipate that stoping crew efficiency improvements will be supported by the increase in operational flexibility, and a new incentive scheme implemented in October as part of the resolution of the labour unrest we experienced at BRPM.

To promote operational readiness we appointed the General Manager and key functional heads at Styldrift during the course of the year and commenced with local community skills development for mining and engineering functions.

Operating costs

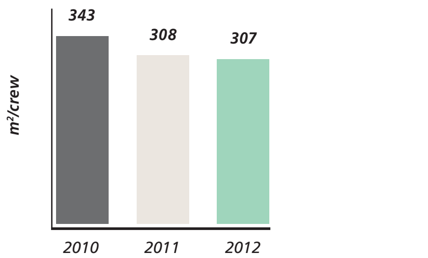
Cash operating costs increased by 14% to R2.05 billion. Key contributing factors to the significant cost increase included a newly implemented production incentive scheme which applies to enrolled and contractor employees, additional development and above inflation increases for labour and utilities.

The objective of the new incentive scheme and additional development is to promote productivity and thereby ultimately cost reductions. Utility cost increases exceeded CPIX by 11% and labour cost increases by 3.4%. Labour cost increases are governed by our current three-year wage agreement.

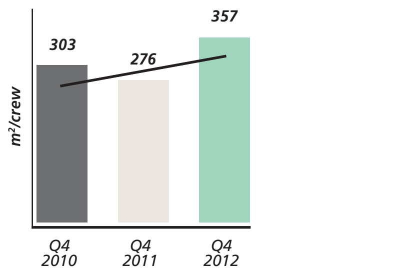
The increase in cash operating cost was partially mitigated by the increase in milled tonnes resulting in a unit operating cost increase of 10% to R864 per tonne milled. The 6% reduction in head grade, combined with a 1% reduction in recovery, contributed to a 19% increase in unit operating costs to R7 616 per 4E ounce and R11 775 per platinum ounce.

Given the current economic climate and the level of cost increases in 2012, cost management will be a key success driver for RBPlat during 2013.

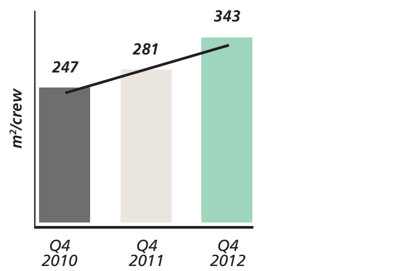
m² per stoping crew total BRPM



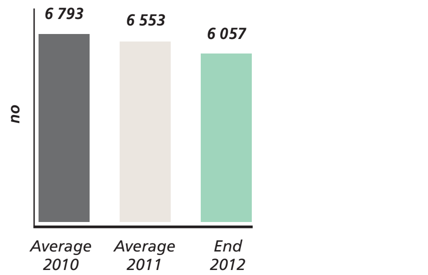
m² per stoping crew total BRPM



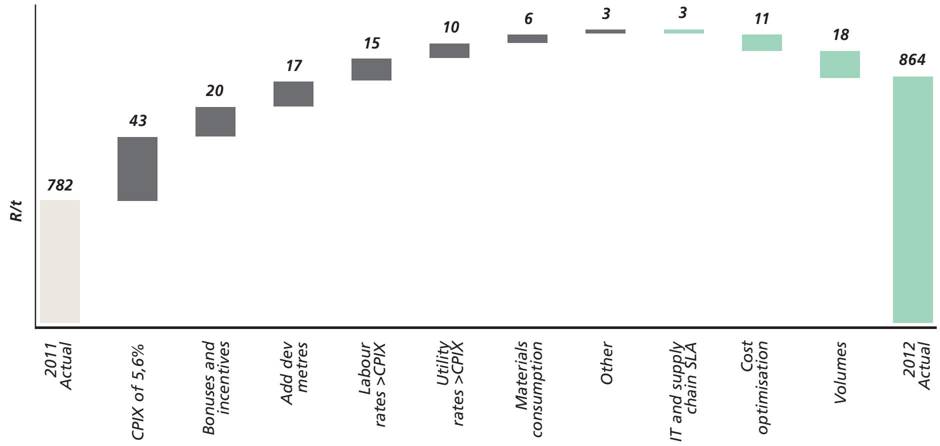
m² per stoping crew – enrolled



Working cost labour complement



BRPM JV – R/tonne milled



Chief Operating Officer's review (continued)

Capital expenditure

Total capital expenditure increased by 2% to R1 192 million. Expansion capital expenditure at Styldrift increased by R8 million to R646 million, in line with the construction schedule. The project remained well below budget with a forecasted saving at completion of R323 million.

Replacement capital reduced from R379 million in 2011 to R308 million in 2012 due the completion of the Merensky Phase II project. This saving was offset by an increase in stay-in-business capital (SIB) from R146 million in 2011 to R238 million in 2012. The increase in SIB capital can be attributed to a number of large projects, most notably the North shaft chairlift project (R51.0 million), the SAP ICT (R27.4 million) and supply chain (R8.7 million) migration projects to achieve increased independence from Anglo American Platinum, the tailings line replacement (R16.9 million) and a security surveillance system (R4.36 million) to increase our protection against unrest.

We will continue to review our capital expenditure and, where possible, reduce expenditure, provided that it does not place business sustainability at risk.

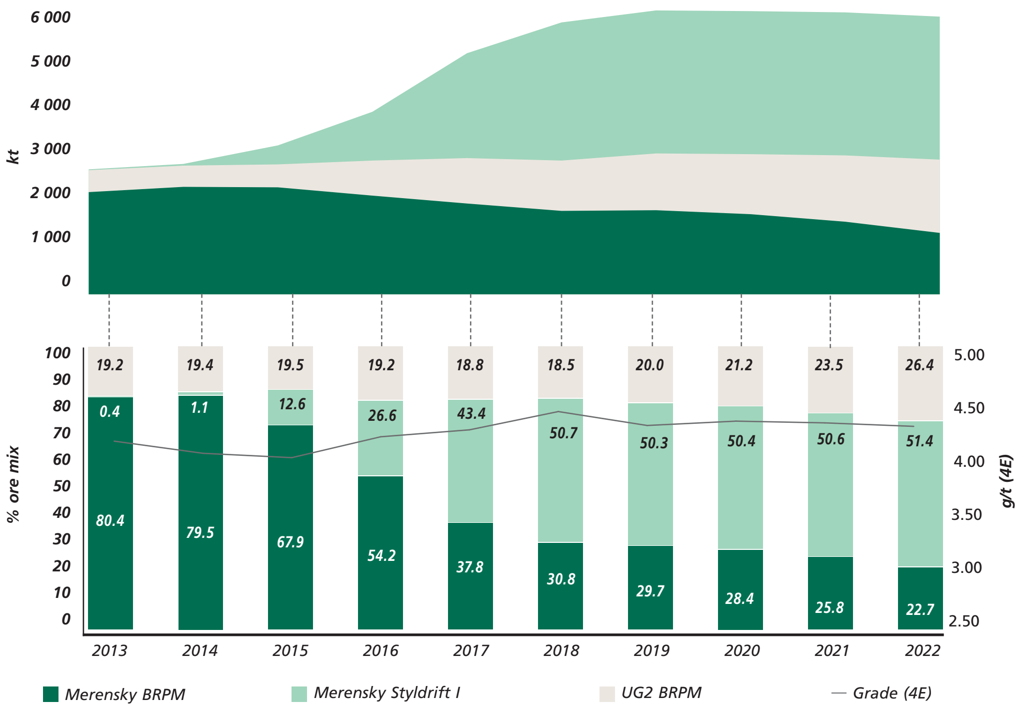
Future outlook

We believe our operational platform has been significantly improved by the growth in IMS face length, additional mining levels, access to both Merensky and UG2 reefs, timely execution of replacement and expansion projects, improved incentive schemes and our continual safety performance improvements. We will leverage this strength through our ongoing high focus on stakeholder engagement, which is aimed at reducing the risk of unnecessary operational disruptions.

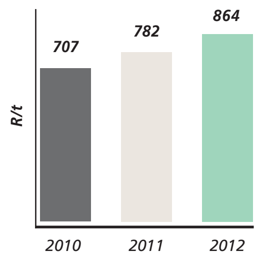
Given this framework, we are optimistic about maintaining production levels at BRPM at around 2.4 million tonnes and expect a 20% UG2 contribution up to 2015, increasing thereafter to offset the declining Merensky production at our South shaft. We are forecasting that we will maintain head grade at BRPM between 4.1g/t (4E) and 4.2g/t (4E), based on the forecasted Merensky and UG2 ratios.

Styldrift remains on schedule to commence production in 2015 and to ramp up to full production in 2018. We expect the overall joint venture head grade to benefit from the Styldrift Merensky contribution from 2016 and to increase to between 4.25g/t (4E) and 4.30g/t (4E).

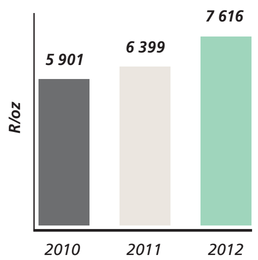
BRPM JV tonnage profile



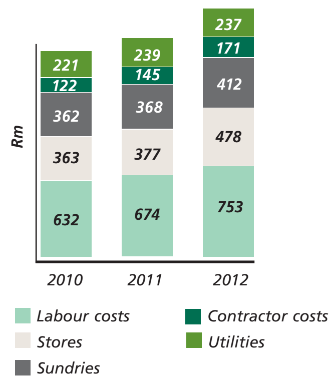
Cash on-mine cost/ tonnes milled



Cash on-mine cost/4E oz metals in concentrate



BRPM JV cash costs



SIB capital (% of Opex)

Operating costs will be a critical success driver during 2013, given the prevailing macro-economic conditions and the importance of the partial funding of Styldrift I from BRPM profits. We believe we will benefit from improved operational flexibility and productivity improvements.

Total capital expenditure is forecast to increase to around R1.5 billion in 2013 and escalate to a peak of R3.0 billion in 2015 (including escalation contingencies), in line with our capital construction programme for Styldrift I. SIB capital is forecast at around 9% of operating costs for 2013 and 2014 due to around R50 million per annum required for the North shaft chairlift. From 2015 SIB capital will return to around 6% of operating costs. Replacement capital, which ran at over R300 million per annum for the past five years, will reduce to between R200 and R230 million after the completion of Phase II. The remaining replacement capital can be attributed largely to the Merensky Phase III deepening project at our North shaft and to a lesser extent UG2 capital development.

To promote future organic growth the Styldrift II pre-feasibility study initiated in 2012 will continue in 2013.

Nico Muller

Chief Operating Officer

>

The Styldrift II Project is a key component of the future growth strategy of RBPlat. Its combination of a high quality ore body with an average mining depth of 1 000 metres compares favourably with other platinum projects being developed.

RBPlat operating statistics

Description	Unit	Var %**	2012	2011	2010
Safety					
Fatal injuries	No.	(100)	1	–	3
LTIFR	/200 000	26	0.68	0.91	0.95
SIFR	/200 000	10	0.42	0.47	0.53
Mining production					
Total tonnes delivered	kt	4	2 384	2 284	2 366
Merensky	kt	(3)	1 959	2 026	2 288
UG2	kt	65	425	258	78
Total development	km	31	39.4	30.2	33.4
Replacement rate	m²/m	16	27.1	32.2	35.0
Immediately stopable reserves	months	22	6.70	5.48	4.90
Immediately stopable reserves	km	25	5.71	4.58	4.57
Delivered ROM grade (4E)	g/t	(3)	4.14	4.27	4.28
Merensky delivered grade (4E)	g/t	(1)	4.30	4.36	4.30
UG2 delivered grade (4E)	g/t	(5)	3.38	3.54	3.67
Concentrator production					
Total tonnes milled	kt	3	2 375	2 305	2 407
BRPM tonnes milled	kt	2	2 214	2 162	2 380
Waterval tonnes milled	kt	13	160	142	27
Merensky	kt	(4)	1 958	2 047	2 329
UG2	kt	61	417	258	78
Total UG2	%	57	18	11	3
BRPM UG2	%	117	12	5	2
Built-up head grade (4E)	g/t	(6.4)	4.07	4.35	4.31
Merensky built-up head grade (4E)	g/t	(5)	4.22	4.44	4.32
UG2 built-up head grade (4E)	g/t	(7)	3.36	3.60	3.83
Recovery – 4E (total concentrator)	%	(0.9)	86.71	87.47	86.43
Recovery BRPM concentrator	%	(0.7)	87.21	87.83	86.49
4E metals in concentrate	koz	(4.4)	269	282	288
Pt metal in concentrate	koz	(4.7)	174	183	187
Safety stoppage losses	kt	(28)	117	92	
Safety stoppage losses	4E koz	(22)	14.0	11.5	
Labour					
Total labour	No.	(3)	7 743	7 942	7 670
Working cost labour	No.	(8)	6 057*	6 553	6 793
Capital labour	No.	(21)	1 686	1 389	877
m² per stoping crew	m²/crew	0	307	308	343
Tonnes milled/total employee	t/emp	2	30	29	30
Operating costs					
Cash operating costs	R'm	(14)	2 051	1 802	1 700
Cash unit cost	R/t	(10)	864	782	707
Cash unit cost	R/4E oz	(19)	7 616	6 399	5 901
Cash unit cost	R/Pt oz	(19)	11 775	9 863	9 076
Capital expenditure					
Total capital expenditure	R'm	2	1 192	1 164	967
SIB	R'm	63	238	146	98
Replacement	R'm	19	308	379	380
Expansion	R'm	1	646	639	490

* *2012 number is a year-end number while numbers for 2010 and 2011 are averaged for the year*

** *Please note that any difference in variance percentages in this table is due to rounding*

Bafokeng Rasimone Platinum Mine (BRPM) operational review

Focus for 2012	Progress
Keep the focus on zero harm	Sadly, we had a fatality at the beginning of the year but overall our safety performance has improved
Fully implement new safety strategy	This was achieved
Increase immediately stopable reserves (IMS)	Good progress has been made despite disruptions with a 25% improvement on IMS available by year-end
Achieve our production targets	We did not achieve our production targets due to a number of factors explained in this review
Deliver our social and labour plan projects on time	We made excellent progress in this regard – please see pages 98 to 105

> Glenn Harris
General Manager: BRPM

The key operational drivers for BRPM during 2012 were the mitigation of safety stoppages through improved safety performance, improving operational flexibility and a significant increase in emphasis on employee and community engagement.

Safety

As our COO said we were able to record a significant improvement in our key safety indicators through the implementation of our Road to Resilience safety strategy, with BRPM's lost time injury frequency rate and serious injury frequency rate improving by 28% and 7% respectively, despite an environment in which our workforce was often distracted by events in our industry. I was further encouraged when a survey into our safety culture revealed that it was at a mature stage and well embedded in our workforce.

SIFR

LTIFR

For more information on the steps we took this year to transform our safety culture see page 89 of this report. I am optimistic that the work we have done so far will allow us to achieve our target of zero fatalities in 2013 and a further improvement on our key safety indicators.

Engagement

Effective engagement with our stakeholders, which includes our employees, organised labour structures, government departments and business partners, plays an important role in the achievement of our safety, production and social goals.

This year our ability to communicate effectively with our employees was tested during strike action and I believe we successfully rose to this challenge, limiting the impact of the regional industrial unrest on the operation when compared to other industry players. We do however recognise that this is an area where there is always room for improvement and we will be working hard at doing even better in 2013.

We made excellent progress in terms of community engagement and I would like to congratulate our team on the excellent work they did this year to ensure that we delivered on all our social and labour plan commitments as well as our human resource development programmes.

Labour

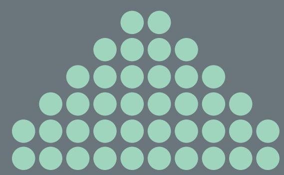
Our operating labour complement ended 8% lower at 6 057, compared with the average for 2011 of 6 553, with the bulk of this reduction taking place during the second half of the year. This reduction in labour, combined with the increase in tonnes delivered, resulted in a marginal

Focus for 2013

- Continue focusing on zero harm, further development of the four barriers to injuries – leadership, design, systems and behaviour
- Implement our new health and environmental management strategies
- Continue to increase IMS panel ratio: Merensky to 1.5, UG2 to 2.0
- Achieve our business plan production targets
- Continue delivering our social and labour plan projects

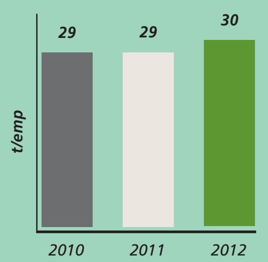
25%

improvement
on immediately stopable reserves (IMS)



improvement of 3% in our overall labour productivity on a tonnes delivered per employee basis. Tonnes delivered per operating employee ended on 30 tonnes per employee for the year, compared with the 29 tonnes per employee that we achieved in 2011. This is a noteworthy achievement, given the challenging operating environment.

Tonnes delivered/total operating employee



Although overall stoping efficiencies at 307m²/crew remained flat compared to 2011, as a result of the increase in stoppages experienced, I am encouraged by the 4% improvement in owner team efficiencies.

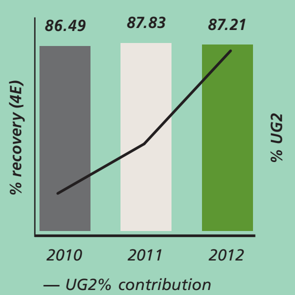
BRPM concentrator

The BRPM concentrator team is very proud of achieving 363 injury-free days in 2012 of which 275 were consecutive. The concentrator's last lost time injury was 542 days prior to 31 December 2012.

In 2012 the main focus for our concentrator has been to find the optimal processing solution for the increasing UG2 volumes given the deferment of the concentrator upgrade project and involves manipulating our recovery process, to maximise the recovery potential of the ore blend into the concentrator. This was achieved by introducing a blending plant into the concentrator circuit. The new blending plant reduces variability in the Merensky and UG2 blend and makes the Merensky circuit hydraulically capable of treating the UG2 to which it is exposed.

The tonnes milled at the BRPM concentrator increased by 2% to 2 214kt compared to 2011 of which 1 958kt were Merensky ore and 257kt UG2 ore. UG2 production equated to 11.59% of total tonnes milled. Concentrator recovery reduced marginally by 0.7% to 87.21% from the 87.83% achieved in 2011. The reduction in BRPM recovery is in line with recovery expectations at the reduced head grade and increased UG2 volumes.

BRPM plant – concentrate recovery (4E)



Future outlook

Our strategic focus in 2013 will continue to be on achieving operational excellence and building flexibility. We will be working hard to continue transforming our safety culture and achieving zero harm, and engaging with our employees to ensure transparency, promote mutual understanding, increase productivity and achieve stable labour relations. Cost management will, of course, be a key focus for BRPM, as will continuing to increase our immediately stopable reserves and achieving our production targets.

Glenn Harris
General Manager: BRPM

Towards operational excellence:
Reducing costs through improved efficiencies in our shared services

Challenges	Progress
Transition information, communication and technology (ICT) infrastructure landscape and the mine technical system (MTS) portfolio	Successfully and cost-efficiently completed
Transition the SAP and peripheral systems portfolio	Successfully and cost-efficiently completed
Ensure non-disruptive SAP go-lives	Successfully completed within the agreed timeframes and with no disruption to our operations apart from planned and communicated downtimes
Establish a competent supply chain capability	Successfully completed
Facilitate supplier and end user adoption	Newly created supply chain function adopted by RBPlat employees and our suppliers without any disruption to our supply chain
Migrate RBPlat supply chain contracts	Six legal contract templates developed and 299 contracts successfully negotiated and migrated
Ensure a non-disruptive go-live supply chain migration	Smooth migration of all supply chain activities without any disruption to our supply chain

We advised you last year that we would be embarking on two significant projects that would release us from service level agreements with Anglo American Platinum. Not only were both these projects successfully completed, but we were also able at the same time to optimise our systems and processes, and increase our flexibility.

Before we could embark on these migrations we had first to develop blueprints for every business process to ensure we had the capacity and the people to carry out all the tasks required. This process helped us identify and rectify deficiencies in some of our business processes and systems.

Engagement

Communication, driven by detailed and well thought out communication plans, played a major role in the successful roll-out of these projects, as did the way our senior business leaders took ownership of the projects. We certainly could not have succeeded without the commitment of everyone at RBPlat and our knowledgeable and equally committed service providers.

During the ICT migration we worked closely with Anglo American Platinum, ICT suppliers and RBPlat super users on all migration aspects and kept employees informed on all the required milestones achieved during the process.

A communication programme that involved ourselves, Anglo American Platinum and our existing suppliers managed perceptions during the supply chain migration project. By engaging suppliers in negotiations and establishing our own supplier relationships where previously the relationship had been with Anglo American Platinum, we achieved a seamless adoption of RBPlat as their customer. We also engaged with, consulted and involved our own employees to ensure their support of our newly created supply chain function.

Focus for 2013

- Stabilisation and support of the migrated ICT landscape and optimisation of MTS
- Further optimisation of the SAP and peripheral systems portfolio and SAP system environments
- Bedding down of the ICT service and governance processes
- Stabilisation of the supply chain activities and processes
  Styldrift supply chain readiness
- Continue building mutual beneficial and sustainable relationships with key suppliers and users
- Ongoing management and maintenance of contracts with regular price reviews
  Improve access to procurement opportunities for local suppliers
- Ensure stable supply chain service

6
legal contract templates developed

299
contracts successfully negotiated and migrated

ICT migration project

Transitioning our ICT infrastructure landscape and our MTS systems portfolio involved creating and setting up a secure RBPlat domain with the necessary permissions and firewalls, transitioning 667 RBPlat users from the Anglo American Platinum domain to the RBPlat domain, migrating all our corporate office users to our domain, transitioning 27 MTS systems from Anglo American Platinum to ourselves and managing all the infrastructure-related services such as back-up and restore, print, fax and email. In addition, we migrated all our application servers, network links and LAN infrastructure to our domain, set up new internet, mail and remote access services and an RBPlat service desk to handle any ICT-related calls. A disaster recovery site was also established.

Before transitioning the SAP and peripheral systems portfolio we analysed which applications were necessary to our business and which were not and were able to reduce the number of system applications we used from 123 to 68. We believe we will continue to find ways to further optimise our systems use in the future. The transition of the SAP and peripheral systems portfolio meant we could terminate four service level agreements with Anglo American Platinum and further increase our ability to manage our business processes and reduce our costs through system rationalisation and increased efficiencies. These were the ICT, supply chain, capital management services and finance information technology service level agreements.

Optimising our supply chain

We needed to establish our own stand-alone supply chain capability. We started by establishing a supply chain transition team, consisting of representatives from Anglo American Platinum and RBPlat, to manage the technical and transition elements of this process.

We appointed our supply chain manager in February 2012, who set up a department to manage our contracts with suppliers and used our existing supply chain infrastructure to establish a fully equipped independent supply chain capability. RBPlat supply chain policies and the Procurement Committee terms of reference were developed, the policy concerning our discretionary procurement from historically disadvantaged South Africans was amended and revised supply chain processes were documented. The contract team developed our own legal contract templates, designed to ensure they are concise and easy for suppliers to understand, and migrated all 299 of our contracts by August 2012 of which 28 strategic contracts had to be newly negotiated. Significantly, we have been able to maintain our procurement costs at previous levels.

To optimise our stock holdings we conducted an internal review of our material resource planning stock settings.

We minimised our exposure to operational, financial and reputational risk by providing all the people employed in our supply chain office with training in the roles to which they were newly appointed.

For more information see the CFO's report on pages 24 to 31

Delivering against our strategy to **build flexibility** and **grow organically:** A review of our projects

Challenges	Progress
Drive for zero harm	No fatalities on our projects LTIFR of 1.18 at Styldrift I Project SIFR 0.65 at Styldrift I Project
Deliver on our capital projects	BRPM Phase II completed. Phase III ahead of schedule and below budget
Reach key milestone at Styldrift of Merensky Reef intersection, 600 metres below surface by September 2012	This was achieved in August 2012
Styldrift I operational readiness planning	Under way – see report on Styldrift on pages 52 to 55
Continue to move Styldrift II along its project lifecycle	Pre-feasibility study in progress. Completed concept study

> *Neil Carr*
Head of Projects and Engineering

Organic growth is a key pillar of our strategy and the future sustainability of RBPlat depends on our ability to achieve this growth. Our project team, which was formed in 2009, is responsible for the successful delivery of our projects and has a key role to play in achieving this strategy.

The right level of owner involvement is the key to project success. We identified a team with appropriate management, technical and supervisory skills at all levels of the project organisation and all with the ability to work as integrated members of the team with a common goal. Our definition of a successful project is one that is delivered on time, within budget and according to plan.

The team was responsible for five projects in 2012:

- *BRPM Phase II South shaft replacement project*
- *BRPM Phase III North shaft replacement project*
- *BRPM North shaft chairlift*
- *Styldrift I*
- *Styldrift II*

Focus for 2013

> Reduce Styldrift's LTIFR to below 1.00 and reduce serious injuries to achieve a SIFR of below 0.60

> Continue with strong performance on BRPM Phase III

> 2 349 metres of level and infrastructure development and 159 sinking metres

> Start surface facility construction for completion in 2014/15
> Sink Service and Main shafts to 708 level
> Complete feasibility study for the concentrator

> Pre-feasibility study for Styldrift II to be completed by 2014

2 349 metres

of level and infrastructure development for 2013

BRPM Phase II replacement project

✓ **Safety performance in 2012:** Good

✓ **Performance against budget:** Total cost of project R2.3 billion under budget by R110 million

✓ **Delivery:** On time

The Phase II project commenced in 2004, with the key deliverables being:

> New Merensky production levels from 6 to 10 level at both North and South shafts
> A continued bias towards Merensky Reef production at BRPM.

The North shaft was completed in 2011 and we committed to completing South shaft in September 2012, which was successfully achieved. This involved final development of the decline system, development and handing over of 10 level (the final level of Phase II) to production and construction and commissioning of the main pump station and water handling infrastructure.

BRPM Phase III North shaft replacement project

✓ **Safety performance in 2012:** Good

✓ **Performance against budget:** Actual project expenditure to date R410 million

✓ **Delivery:** 47 days ahead of schedule

The Phase III project commenced in November 2010 with completion planned for the third quarter of 2017. It will result in:

> New Merensky production from 11 to 15 level (boundary of the mine) at North shaft
> 8.8 million reef tonnes
> Access to 1.41 million Merensky ounces (4E).

This seven-year replacement project, extending the decline system and associated infrastructure from 10 to 15 level at North shaft, is progressing ahead of schedule and under budget.

The total development for the project to date is 544 metres ahead of schedule, with 3 987 metres completed against a plan of 3 443 metres. During the year the first level of Phase III (11 level) was handed over to operations for lateral development. The overall project is presently 40% complete.

North shaft chairlift project

The North shaft chairlift project allows for the development and installation of a chairlift from surface to 5 level. This will replace the use of the personnel-riding belt to transport people. The project commenced in 2012 and is 35% complete against a plan of 19% and equates to being 592 metres ahead on the development schedule. The capital expenditure to date amounts to R28.44 million, with a final estimated cost of R136 million.

Neil Carr
Head of Projects and Engineering

Delivering against our strategy to **build flexibility** and **grow organically:** A review of our projects (continued)

Merensky Reef intersection Styldrift Main shaft

600 level station cutting Main shaft at Styldrift

Styldrift I Project

- ✓ **Safety performance in 2012:** Good
- ✓ **Performance against budget:** Under budget to date
- ✓ **Delivery:** Currently on schedule
- ✓ **Mining method:** Initially mechanised bord and pillar mining with conventional mining introduced in later years
- ✓ **Steady state production from quarter 3 2018:** 230kt a month

The project, with a capital budget of R11.8 billion, is to establish a 230kt per month Merensky mine with twin vertical shafts (a main shaft and a service shaft). The Main shaft will be sunk to a depth of 758 metres below surface and the Service shaft will be sunk to a depth of 723 metres. A concentrator plant will be constructed adjacent to the mine to be commissioned as the mine ramps up to full production. Styldrift is expected to increase RBPlat's annual production to over 600koz PGMs (4E), compared with our current production capacity of 280koz PGMs (4E) in line with our organic growth strategy.

Located on one of the last known blocks of shallow Merensky Reef deposits with an average mining depth of 658 metres, the favourable dip of approximately 4^0 and wide PGM mineralisation of the Merensky Reef horizon, the mine lends itself to bord and pillar trackless mechanised mining methodology for 67% of the ore body.

While the original investment proposal for the Styldrift Mine was based on mining only the Merensky Reef, we are busy with a UG2 feasibility study to establish if there is a business case for mining the UG2 ore body. We have made provision within the current project scope for the infrastructure required to mine the UG2 ore body, such as the shaft station and underground silos and breakaways for access haulages to the UG2 Reef horizon.

Progress

During the first eight months of 2012 we made excellent progress on both the Main and Service shafts. A significant milestone on the Styldrift I Project this year was intersecting the Merensky Reef level 600 metres below surface on 15 August, a month ahead of schedule. The Service shaft reached the 600 level on 18 October.

Lateral development then commenced on both shafts on the 600 level and after achieving the planned development metres we then commenced sinking the Service shaft on 17 November and the Main shaft on 7 December to the 642 level.

Optimisation study

During 2012 we completed a mining optimisation study which resulted in the following changes to the project:

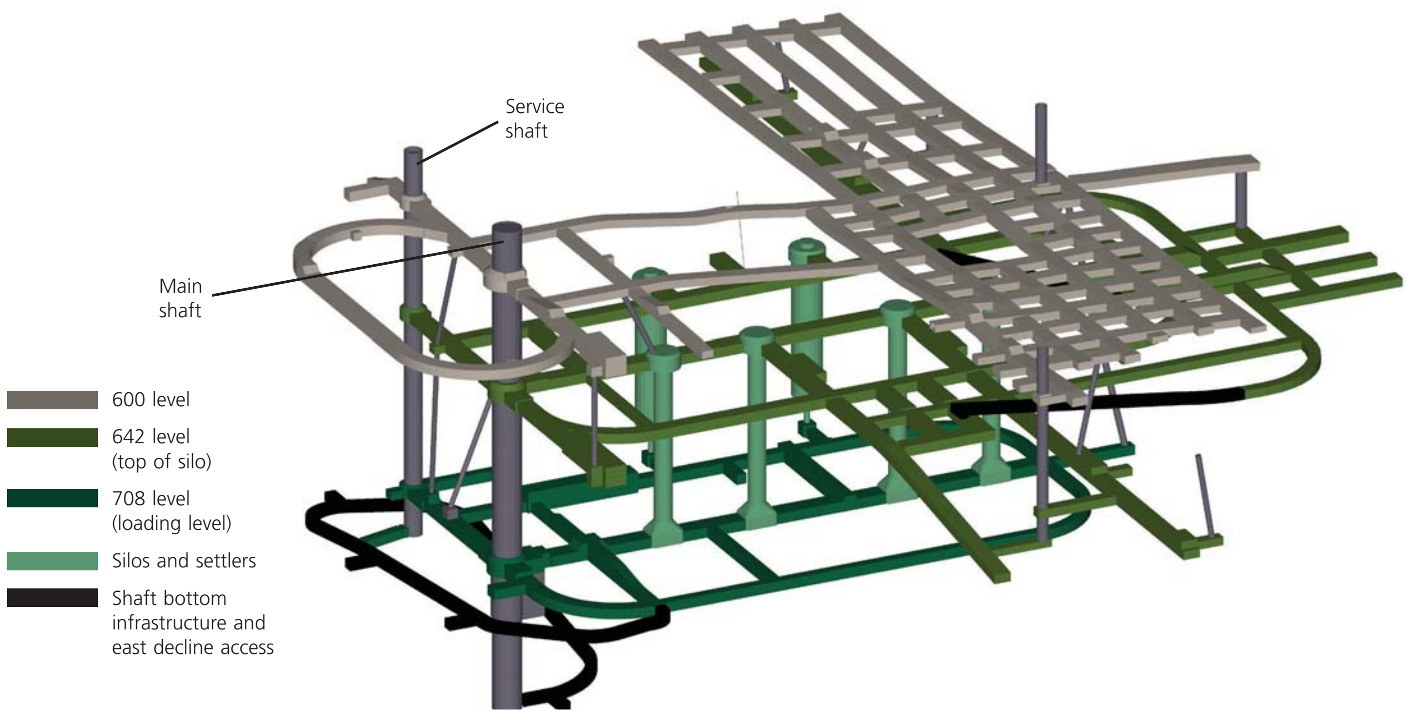
- Bord widths have been reduced from 13m to 8m, resulting in a non-yield pillar layout as opposed to the original yielding pillar layout leading to a reduction in ore reserves of 13% from 68Mt to 60Mt
- Truck transporting of ore in footwall waste drives was replaced with on-reef strike conveyors, reducing the overall amount of development required
- The shaft depths have been increased by 18 metres to alleviate the geotechnical risk associated with the UG1 strata zone intersecting key life of mine excavations
- Detailed mine designs were concluded for station and level layouts and critical infrastructure including underground workshops and material and rock handling infrastructure
- Hydro-powered drilling will replace the initially proposed electric drilling for the conventional mining sections
- Detailed labour planning has been completed based on the new mining layouts and configuration.
- Extended ramp-up from two years to three years.

Capital expenditure

With the mining and infrastructure portion of the project now approximately 34% complete, our capital commitments to date are R2.26 billion and our actual capital expenditure has been R1.85 billion. There has been no negative impact from the optimisation study on the capital expenditure and savings to date remain at R323 million.

The diagram below shows the shafts and their relative positions to the key life of mine excavation.

Styldrift shaft positions relative to key life of mine excavations



Delivering against our strategy to **build flexibility** and **grow organically:** A review of our projects (continued)

Concentrator

We completed a pre-feasibility study on the concentrator plant during the first half of 2012, which concluded that a stand-alone concentrator adjacent to the Styldrift Mine would be the optimal location for this plant. Geomet testwork is currently being conducted to establish the optimal comminution circuit configuration and confirm the proposed flotation circuit design. We commenced the feasibility study in mid-2012, which will be concluded by the third quarter of 2013. Construction of the concentrator will need to begin in the second half of 2014 for completion by the second half of 2016.

The future

During 2013 we will install the permanent rock winder. The Main and Service shafts will progress to 642 level (top of silo) and 708 level (loading station) and approximately 2 300 metres of lateral development will be completed on the various levels.

We plan to complete the equipping of the Main shaft hoisting system by the fourth quarter of 2014. Thereafter, the remaining lateral development will continue until June 2015 when we plan to commence production ramp-up. A planned 36-month production ramp-up will bring the mine to steady state production of 230kt per month in the third quarter of 2018. See project timeline below.

We believe that the use of technology to improve operational efficiency, in terms of both improved safety and productivity, will progressively play a more important role in mining in the future. To this end RBPlat stays abreast of industry developments and establishes key partnerships with industry stakeholders to explore various options. Given our current organisational size, our approach to technological innovation is to adopt well-tested technologies with a proven track record.

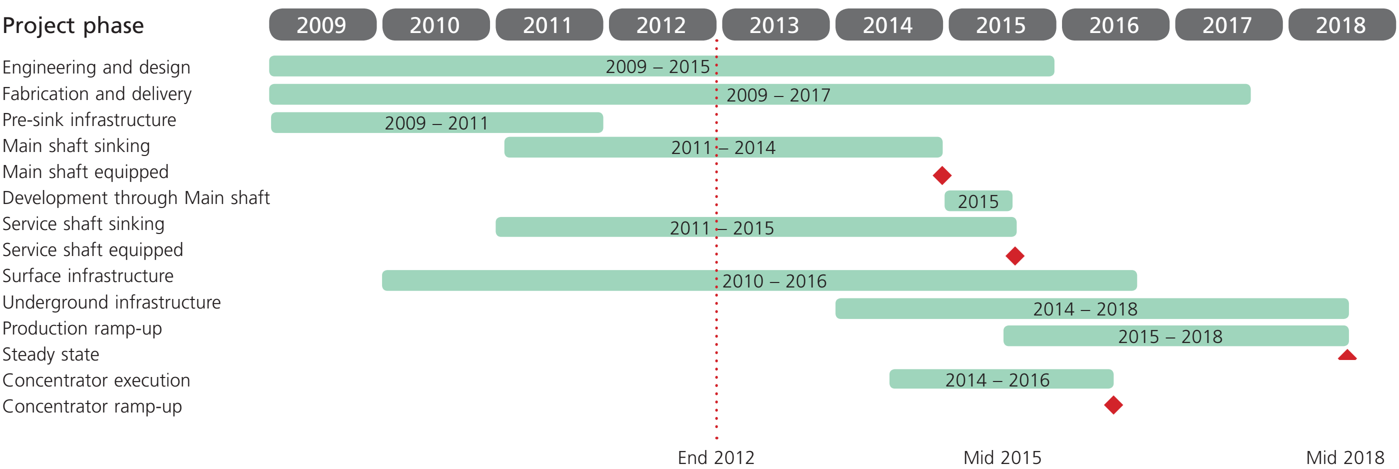
The critical milestones for the project to achieve steady state production are:

Milestone	Forecast date
Main shaft: sink to 642 level	Quarter 1 2013
Main shaft: sink to 708 level	Quarter 2 2013
Main shaft: sink to shaft bottom	Quarter 2 2014
Main shaft: equipping	Quarter 4 2014
Service shaft: sink to 642 level	Quarter 1 2013
Service shaft: sink to 708 level	Quarter 4 2013
Service shaft: sink to shaft bottom	Quarter 1 2014
Start ramp-up	Quarter 3 2015
Steady state achieved	Quarter 3 2018

Operational readiness

Last year I disclosed that we had started with work related to operational readiness in order to prepare the mine for the ramp-up phase and safe sustainable long-term production. During 2012 RBPlat appointed the General Manager of Styldrift I, Velile Nhlapo, who will be reporting on the progress made towards operational readiness on pages 52 to 55 of this report.

Project timeline



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Styldrift I surface infrastructure.

Styldrift II Project

An exploration project with organic growth potential, the Styldrift II Project has a resource area covering approximately 24 million square metres varying in depth between 900 and 1 500 metres, at an average dip of 9^0 and accounts for 40% of the total BRPM JV resource. Unique to the project area is the fact that the Merensky resource is exclusively underlain by the Swartklip Facies, which is generally characterised by improved lateral continuity of grade and consistency in the mineralised envelope width, when compared to the Rustenburg Facies found on BRPM and Styldrift I.

Progress

During 2012 we completed the concept study initiated in 2011 and updated the geological model with the exploration drilling data accumulated from the 2011 exploration drilling programme.

Updating the geological model has resulted in an improvement in our overall resource confidence levels to the extent that they can support both pre-feasibility and feasibility study work. It also confirmed the lateral grade continuity and consistency of the mineralised envelope.

The outcome of the concept study was presented to the RBPlat Executive Committee and approval was granted to proceed with the pre-feasibility study which we expect to take approximately 18 months and we anticipate completing during the first half of 2014.

To further enhance our understanding of the ore body in the project we are planning to drill an additional 27 000 metres in 2013.

Delivering against our strategy to **grow organically:** Towards operational readiness at Styldrift

As our CEO reported in our 2011 Integrated annual report, I started work as General Manager of Styldrift Mine on 1 February this year, with my main task being to ensure we are ready to operate the mine when the project team hands it over to the Styldrift team in 2015. During the year we assembled our management team, developed a framework based on what we needed to do to achieve operational readiness and prioritised what we need to do.

Issues	Achievements in 2012	Focus for 2013
Operational readiness team	> HOD team in place	> Implementation of operational strategies
Production equipment scheduling	> Equipment and crew scheduling aligned to production ramp-up	> Orders to be placed for primary and secondary equipment for first delivery in 2014
SHER readiness	> Preparing for OHSAS 18001 (occupational health and safety management system) certification for Styldrift during 2013 > All Statutory Codes of Practice prepared submitted to DMR	> SHE management system ready for OHSAS 18001 certification by end October 2014 > Address increased risk profile through Styldrift Mine SHE management systems > Consolidated environmental impact assessment (EIA)/environmental management plan (EMP) > Obtain amendments to water use licence

> *Velile Nhlapo*
> *General Manager: Styldrift Mine*

Issues	Achievements in 2012	Focus for 2013
HR readiness	> Detailed labour planning completed allowing for approximately 4 000 people at steady state as established during the optimisation study > Considering employment methodology alternatives having commissioned a study into what worked best in new PGM mines established in the past 15 years > Community skills development and apprenticeship programme started	> Employment strategy – outsourcing philosophy > Appointment of contract miner for ramp-up period > Recruit key operational skills > Execute SLP commitments > Regular community engagement > Prepare training centre infrastructure design and accreditation roadmap
Finance and supply chain	> Management accounting strategy framework > Supply chain operational readiness framework strategy developed, surface warehouse requirements designed	> SAP configuration to be finalised > Finalise strategy with engineering, procurement construction management for phased handover of capital contracts to supply chain > Prepare warehousing and logistics implementation strategy
Engineering	> Infrastructure and equipment design aligned with revised mine design	> Engineering and maintenance philosophies > Expand strategic partnerships with OEMs
Technical	> Mine design layout > Grade modelling > Survey systems > Rock engineering support designs	> Ore management and accounting > Rock engineering design > Life of mine extraction strategy > Ventilation design
Processing	> Concentrator pre-feasibility study completed	> Complete feasibility study

Delivering against our strategy to **grow organically:** Towards operational readiness at Styldrift (continued)

Senior management team at Styldrift

Operations

A key issue was the finalisation of our employment strategy for the mine. A study of new PGM mines established in the last 15 years concluded that the combination of using a contractor miner at the outset followed by the systematic introduction of owner-operated mining was the most successful approach. We have therefore decided to adopt this approach. Our engineering team is busy developing a shaft maintenance philosophy, operating procedures and standards and key contractual agreements, procuring primary and secondary machinery to support the ramp-up by 2015 and preparing to staff the shaft complex from 2015 onwards.

Safety, health and environment (SHE)

SHE operational readiness involves designing our safety, health and environment management systems, codes of practice, standards and procedures and a risk management framework.

Our SHE team is already busy on site. Their role during the project phase is to ensure the contractors on site follow our safety, health and environmental standards. Detailed information on our safety, health and environmental achievements and focus areas can be found in the relevant sections of this report on pages 52 to 53.

Human resources

This Styldrift optimisation study established that a labour force of 3 926 will be required at peak production.

In discussions with the community we agreed to train a minimum of 300 community members to become trackless machine operators with a further 60 members of the local community to be trained as artisans. Please see the section on training and development on page 87 for information on the progress we made in this regard.

Accommodation

Providing accommodation for our employees is a key strategy. We are currently investigating a number of possible solutions to this challenge, including exploring possible synergies with neighbouring mines.

Training centre

A training centre will be established on the mine to cater for its specific training requirements. We are engaging with our neighbours to explore possible synergies relating to training.

Progress against our SLP

The original SLP for Styldrift was prepared in 2008. The baseline used then is no longer applicable. As a result, in consultation with the community we have included other projects in our delivery against our SLP. In 2012, our SLP programme included the building of roads, education support projects, refurbishing community clinics, providing support infrastructure and equipment for these clinics and training in portable skills for community members. We have now prepared a new SLP for 2013 – 2017 with a total budget of R146 million over the five years, please refer to the Community section of this report on page 103 for information on our progress against our SLP.

Engagement

Our key engagement during the operational readiness phase of the mine includes our local communities, the project team, the contractors working on site and the various government departments with whom we need to liaise, including the Department of Mineral Resources (DMR), the Department of Water Affairs (DWA), the Department of Environmental Affairs (DEA), local government and the Royal Bafokeng Administration (RBA).

We established a regular stakeholder engagement programme with the community during 2011. This includes a monthly meeting attended by myself in my role as General Manager of the mine and our heads of department. We use this meeting to update the community on progress at the mine and to receive any suggestions from the community.

Our engagement with the project team and the contractors currently developing the mine is through a series of regular weekly and monthly meetings.

For more information, see the listed sections and relevant pages below:

Progress we have made with regard to training members of the local community
Human capital: page 87

Styldrift SLP details on page 103

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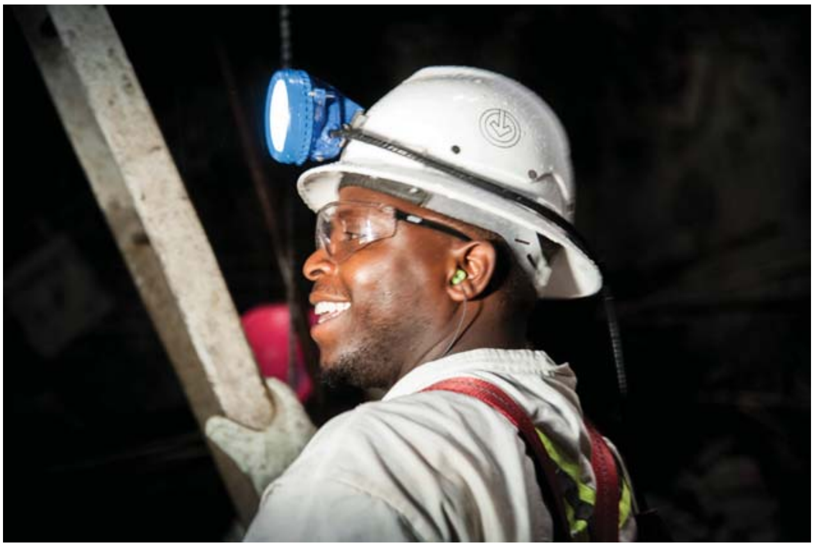
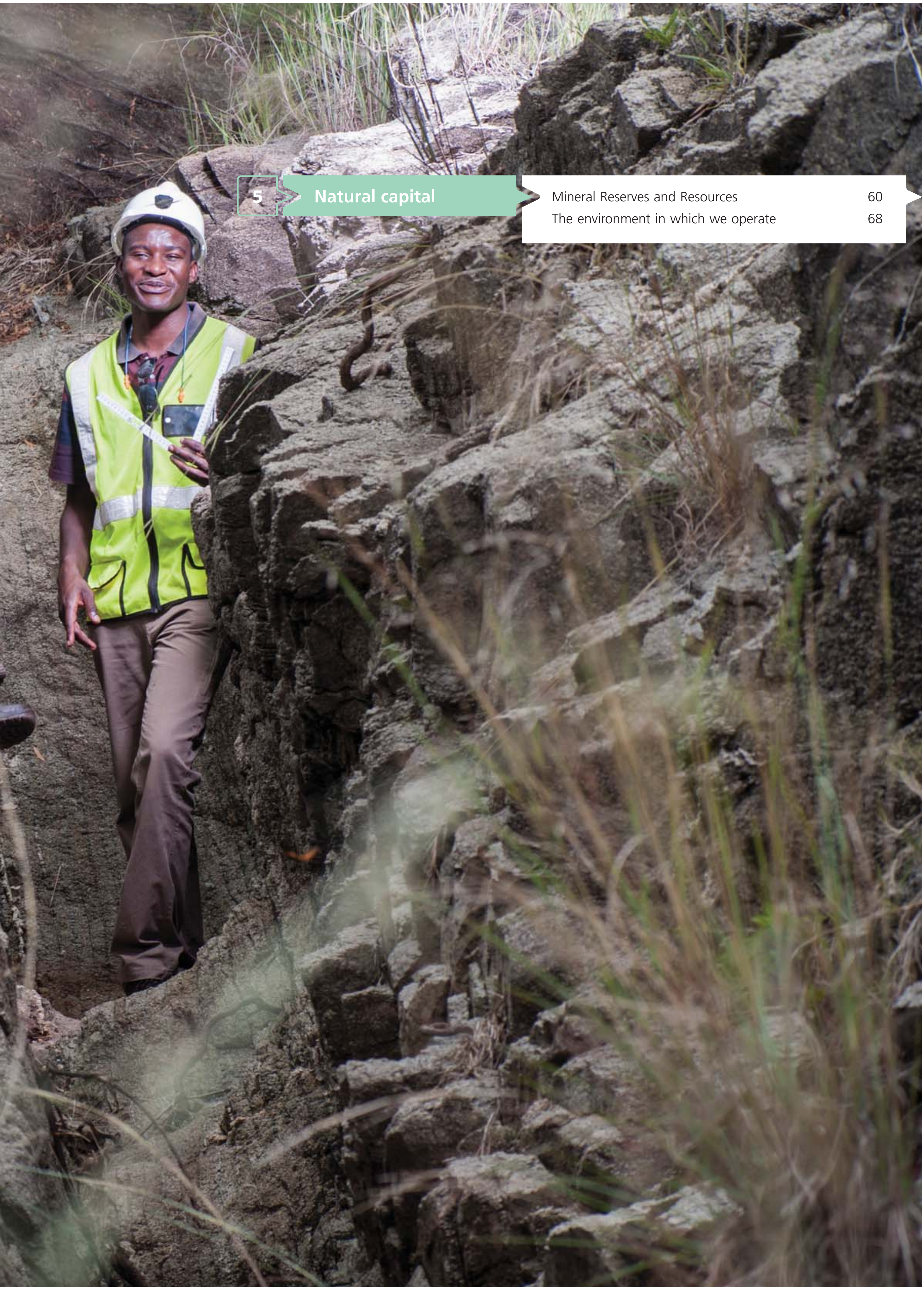
From top to bottom:
Tom Sertic – Senior Project Manager Styldrift and Velile Nhlapo – General Manager Styldrift



5 Natural capital



Natural capital

This section of the report is about our approach to managing renewable and non-renewable resources, particularly scarce resources, emissions, climate change and the neutralising or recycling of waste and how successful our approach has been

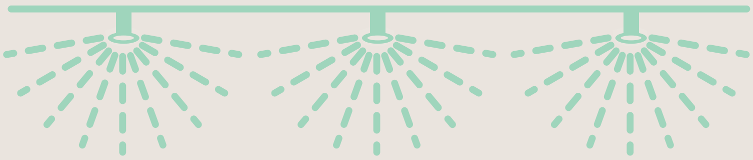
The environment

Improvements

Installed and commissioned a **Level 2 electricity metering and measurement** system at BRPM

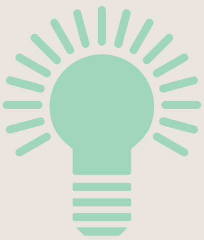
Completed installation of system for the separation of run-off rain water from industrial areas in terms of **Regulation 704** of the National Environmental Management Act

Installed sprinkler system at our tailings dam complex as an interim measure to evaporate excess water not already captured by our recycling system



Successes

Successfully completed **major energy conservation** projects at BRPM (see page 70)



Energy consumption per tonne of ore treated improved by

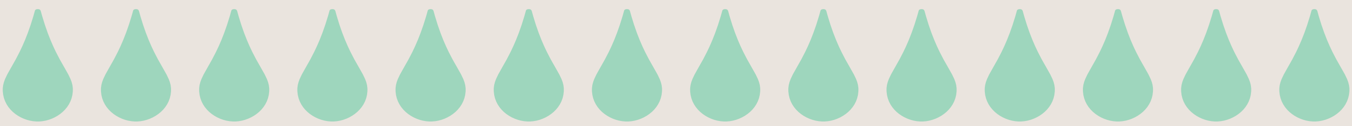
3.2%

4.6%

decrease in **explosives consumption** by our operations

Disappointments

Approval of environmental impact assessment for installation of a **water treatment plant** at BRPM still awaited



Mineral Reserves and Resources

Total attributable Mineral Reserves
11.16 million 4E ounces

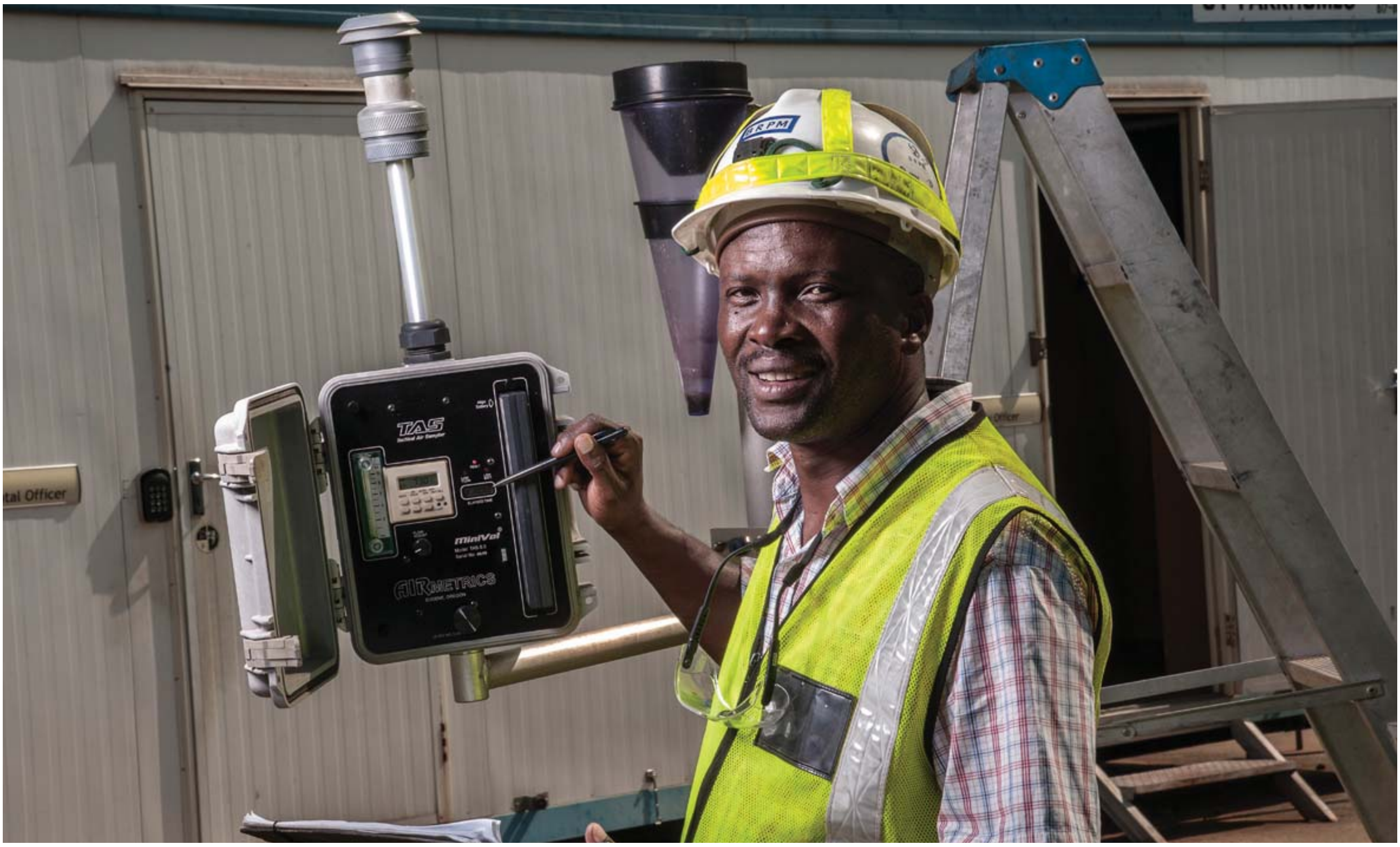
After depletion **Merensky Mineral Reserve tonnage** decreased

1.5% to **47.95Mt**
at 4.31g/t (4E)

Due to better understanding of the continuity in the Mineral Resource inherent in Styldrift II, tremendous gains in **Mineral Resource confidence realised**

Significant improvement
in the delineation of the transition between the regional Rustenburg and the Swartklip Facies resulted in

12%
increase in the Measured Resource category



Calibrating a weather station at BRPM

Mineral Resources and Reserves

Key features

The Mineral Resources and Reserves stated in this report are the 67% attributable interest of Royal Bafokeng Platinum

The total remaining in situ 2012 Mineral Resources reported for the Merensky and UG2 reefs contains 48.52Moz at a 4E grade of 6.18g/t. The net decrease in total ounces from 50.25Moz to 48.52Moz is primarily due to the decrease in our Merensky ounces. The 2010 and 2011 Styldrift II drilling campaigns demarcated the transition between the regional Rustenburg and the Swartklip Facies within the Western Bushveld Complex, the extent of which is unique to Styldrift. This has resulted in a decrease in the tonnes and ounce estimation.

Significant improvement in the delineation of this transition area resulted in a 12% increase in the Measured category, 7% decrease in Indicated and 5% decrease in Inferred for both reef types (Graph 1).

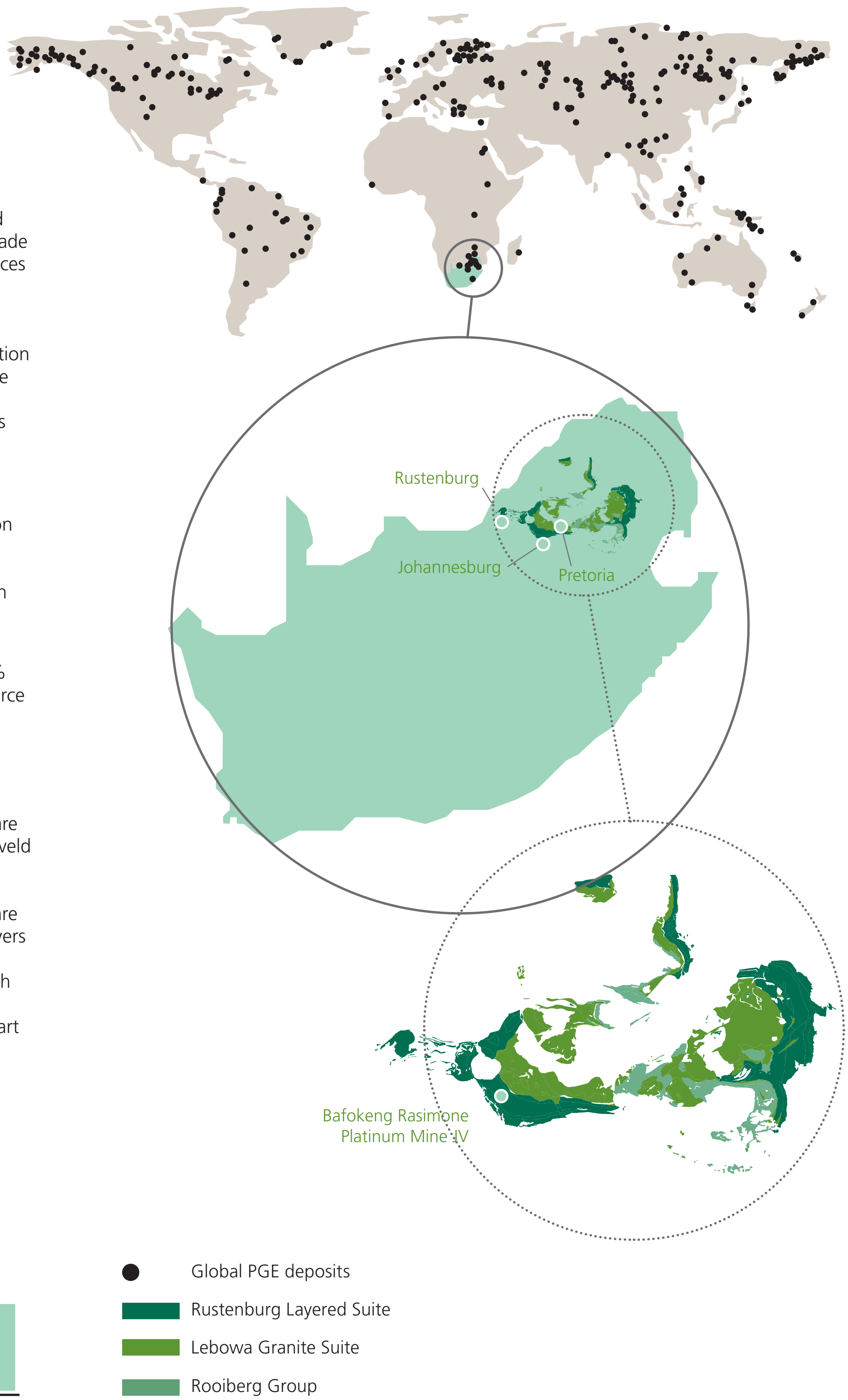
In 2012 the Merensky resource contains 45% Measured, 36% Indicated and 19% Inferred 4E ounces. The 2012 UG2 resource has 38% Measured, 41% Indicated and 21% Inferred 4E ounces.

Geological setting

RBPlat's mining operations and projects are located in the Western Limb of the Bushveld Complex (BC). The BC hosts several commodities which include PGMs and chromitite. The economic horizons that are mined are the platiniferous chromitite layers of the Upper Group number two seam (UG2 Reef) and the Merensky Reef, which are located in the Critical Zone of the Rustenburg Layered Suite which forms part of the BC (Figure1).

Graph 1: RBPlat Resource classification, Merensky and UG2 Reef

Figure 1: Geographical location of the BRPM JV



Mineral Rights status

The status of Mineral Rights is indicated in Table 1. Sixty seven percent of all mineral rights on the specified farms and portions, as tabled below, are attributed to RBPlat and 33% to Rustenburg Platinum Mines (RPM), a wholly owned subsidiary of Anglo American Platinum, as per our Joint Venture Agreement.

Table 1: RBPlat Mineral Rights status

Properties	Percentage interest	Status
Boschkoppie 104 JQ	67	New Order Mining Right – Granted and registered
Styldrift 90 JQ	67	New Order Mining Right – Granted and registered
Frischgewaagd 96 JQ Ptns 10, 14	67	Prospecting Right renewal – Processed
Frischgewaagd 96 JQ Ptn 17	67	Prospecting Right renewal – Processed

Mineral Resource management

Mineral Resource management is an integral part of RBPlat's business and sustainability strategies. The main objective of our exploration programmes, continuous investigation and study of the ore bodies is to optimally exploit the current Mineral Resources available to RBPlat.

The reporting of Mineral Resources and Reserves is done in accordance with the JSE Listings Requirements and industry/professional guidelines. The classifications are based on the South African Code for Reporting Mineral Resources and Reserves, namely the SAMREC Code 2007 (amended in 2009). The Mineral Resources and Reserves are signed off and reported by a group of professionals classified as Competent Persons in their respective fields according to the SAMREC Code. With regard to the Mineral Resources, RBPlat has a service level agreement in place with Anglo American Platinum for annual reporting.

The Competent Persons for Mineral Resources and Reserves are as follows:

Mineral Resources:

> **GJ Vermeulen Pr.Sci.Nat. (400232/12)**
BSc Hons (Geology)
RBPlat Group Geologist

> **GP du Plessis Pr.Sci.Nat. (400050/50)**
BSc Hons MSc (Geology)
RBPlat Project Geologist

> **K Mohanlal Pr.Sci.Nat. (400003/05)**
BSc Hons (Geology)
Anglo American Platinum
Resource Geologist

Mineral Reserves:

> **C Ackhurst Pr.Eng. ECSA (20090200)**
BSc Eng
RBPlat Mineral Resource Manager BRPM

> **G van Greunen Pr.Eng. ECSA (20110356)**
BSc Eng
RBPlat Mineral Resource Manager Styldrift

Mineral Resources and Reserves (continued)

Salient points regarding resources

> Mineral Resources are reported as in situ tonnes and grade and allow for geological losses
> Mineral Resources 2012 are estimated at a minimum cut of 0.90m
> RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No Mineral Resources are excluded from the 2012 declaration relative to 2011 as a result of the cut-off grade consideration
> Rounding of figures may result in computational discrepancies

Mineral Resources summary

The Merensky Reef estimation increased Measured Resources up to 42% (Figure 2 and Graph 2) comprising 11.68Moz at 7.49g/t. The inclusive Merensky Mineral Resources tonnage decreased by 8% from 117.63Mt to 108.69Mt, but due to a 5% increase in the 4E grade, the 4E ounce content decreased by only 3% from 26.48Moz to 25.74Moz (Table 2). These variances in the resources are chiefly attributed to the resource cut which decreased by 9.4% from 1.24 to 1.13, due to additional drill hole information and a better defined resource envelope, specifically in the Styldrift II area. A marked increase in the classification confidence for Styldrift should be noted from 27% to 45% within the Measured category (Figure 2).

The UG2 Reef estimation increased Measured Resources (Figure 3 and Graph 3) by 10% up to 39% comprising 8.82Moz from 51.60Mt at 5.31g/t. This increase in confidence occurs mostly within the Styldrift area. There are no significant differences to be reported in the total UG2 resources and separate mine areas, as these were less than 2% when compared to the previous year. The Inclusive UG2 Mineral Resource tonnage increased by 2% from 133.19Mt to 135.55Mt, which resulted in a slight increase in the ounces from 22.76Moz to 22.78Moz, in 2012 (Table 2). These variances in the resources are mainly attributed to:

> Resource cut: Increased by 1.7% from 1.10m to 1.12m, which is mainly due to refined UG2 model facies domains
> Geological loss: Decreased by 2.1% from 35.21% to 34.48%.

>

Mineral Resource management is an integral part of RBPlat's business and sustainability strategies.

Figure 2: Merensky Reef resource classification 2012

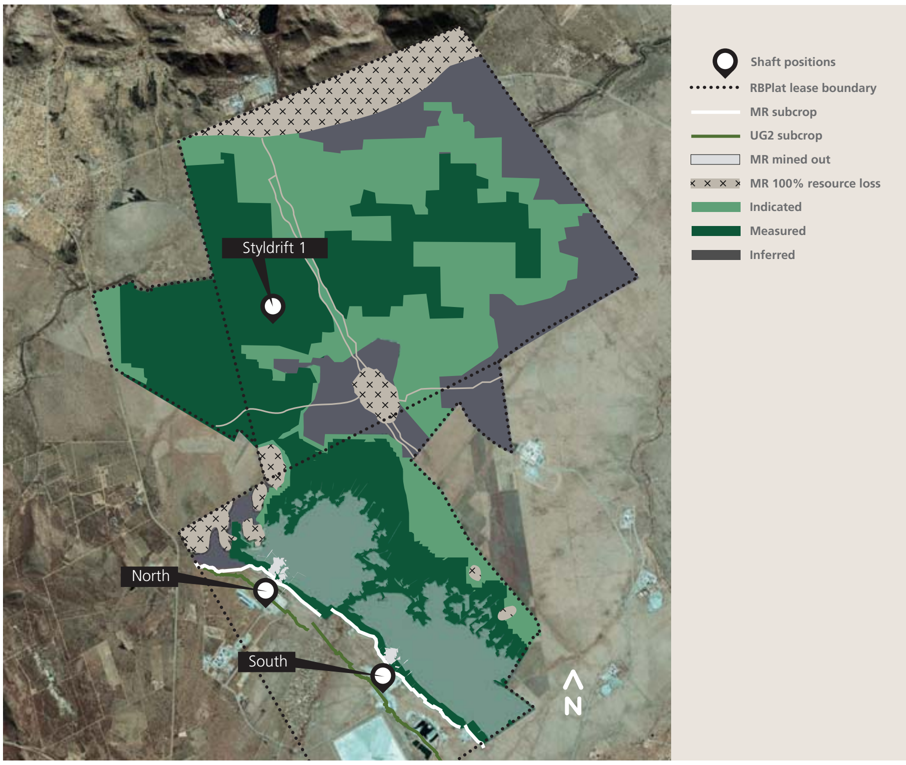
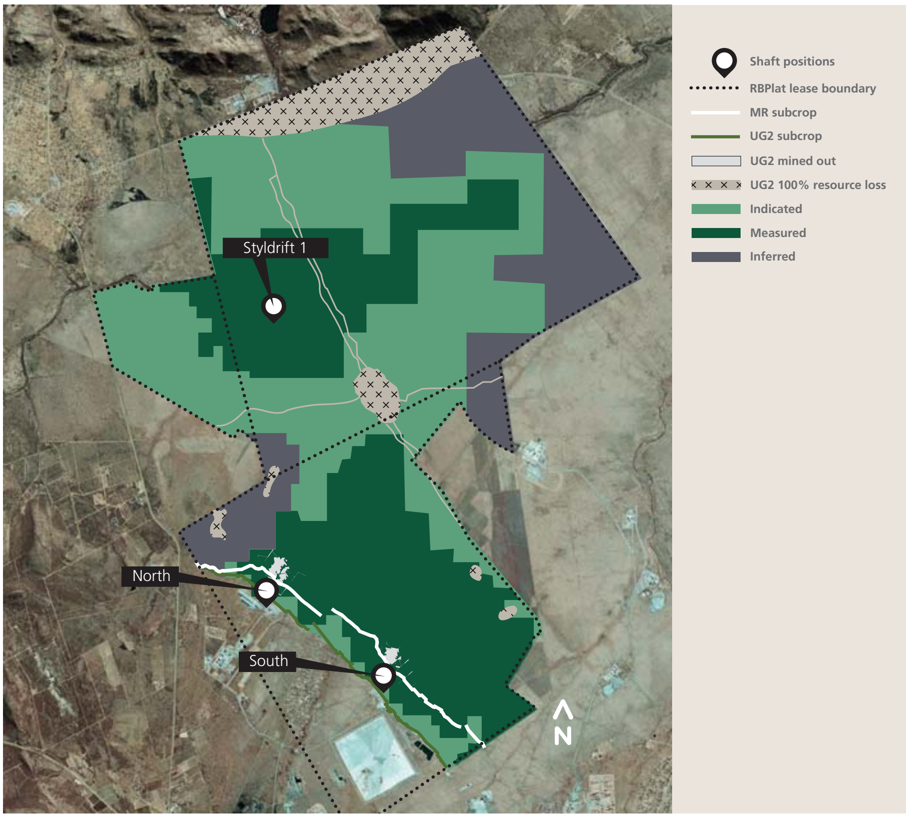


Figure 3: UG2 Reef resource classification 2012



Mineral Resource summary and explanation

Table 2: Mineral Resources (inclusive of Reserves) as at 31 December 2012, 67% attributable to RBPlat

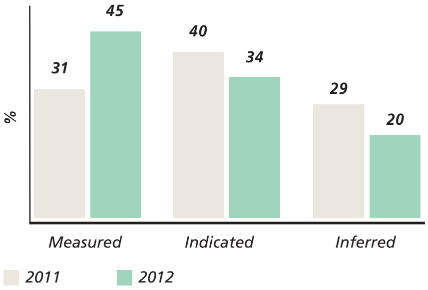
Reef	Resource classification	Tonnes (million tonnes)		Grade (4E g/t)		Contained 4E (million troy ounces)	
		2012	2011	2012	2011	2012	2011
Merensky	Measured	48.49	36.09	7.49	7.17	11.68	8.32
	Indicated	39.34	48.96	6.98	6.72	8.83	10.57
	Inferred	20.86	32.59	7.80	7.24	5.23	7.59
	Total	108.69	117.63	7.37	7.00	25.74	26.48
UG2	Measured	51.60	38.22	5.31	5.35	8.82	6.57
	Indicated	55.98	65.18	5.14	5.21	9.24	10.92
	Inferred	27.96	29.79	5.25	5.50	4.72	5.27
	Total	135.55	133.19	5.23	5.31	22.78	22.76

Table 3: Mineral Resources (exclusive of Reserves) as at 31 December 2012, 67% attributable to RBPlat

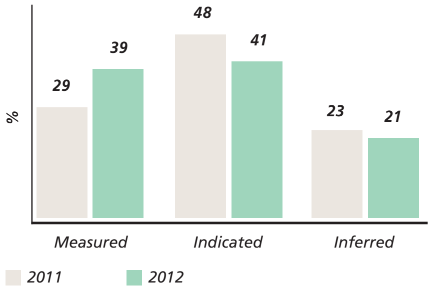
Reef	Resource classification	Tonnes (million tonnes)		Grade (4E g/t)		Contained 4E (million troy ounces)	
		2012	2011	2012	2011	2012	2011
Merensky	Measured	20.80	9.95	8.06	7.30	5.39	2.33
	Indicated	25.92	35.36	7.10	6.72	5.92	7.65
	Inferred	20.86	32.59	7.80	7.24	5.23	7.59
	Total	67.59	77.91	7.61	7.01	16.54	17.57
UG2	Measured	24.75	12.96	5.21	5.22	4.14	2.18
	Indicated	48.21	55.39	5.18	5.24	8.03	9.33
	Inferred	27.96	29.79	5.25	5.50	4.72	5.27
	Total	100.91	98.15	5.21	5.32	16.89	16.77

Mineral Resources and Reserves (continued)

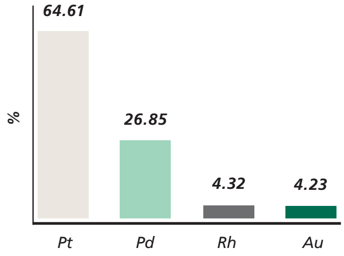
Graph 2: RBPlat resource classification, Merensky Reef



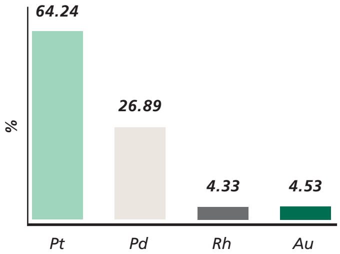
Graph 3: RBPlat resource classification, UG2 Reef



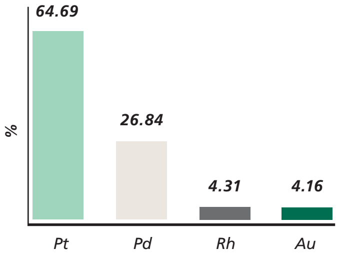
Graph 4: RBPlat Merensky Reef 4E prill split



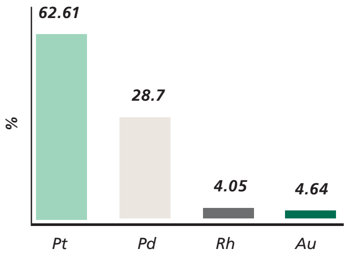
Graph 5: RBPlat BRPM Merensky Reef 4E prill split



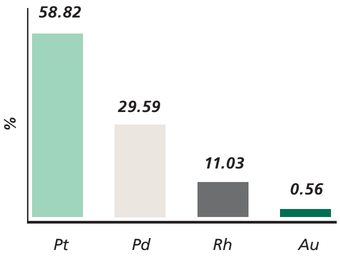
Graph 6: RBPlat Styldrift Merensky Reef 4E prill split



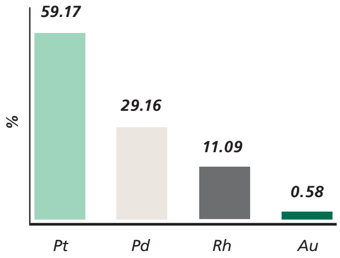
Graph 7: RBPlat Frischgewaagd Merensky Reef 4E prill split



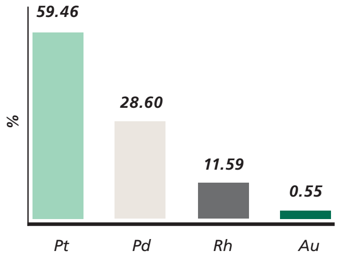
Graph 8: RBPlat UG2 Reef 4E prill split



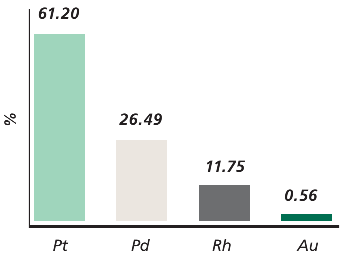
Graph 9: RBPlat BRPM UG2 Reef 4E prill split



Graph 10: RBPlat Styldrift I UG2 Reef 4E prill split



Graph 11: RBPlat Frischgewaagd UG2 Reef prill split



Salient points regarding reserves

- Merensky reserves at Styldrift I shaft remain relatively unchanged, with a slight increase in mining blocks or resource area converted, offset by a reduction in resource width and density. With the intersection of reef in the shaft the first sample sections have been taken
- Only scheduled resources have been converted to Mineral Reserves with no Inferred Resources converted
- Frischgewaagd resources will be converted to a reserve as soon as the conversion to mining right is approved
- Styldrift II shaft area, which is the subject of a pre-feasibility study, has not been converted to a reserve
- No UG2 at Styldrift I shaft has been converted to a reserve
- Rounding off of figures may result in minor computational discrepancies
- RBPlat takes cognisance of cut-off grades derived from information on pay limits. No reserves are required to be excluded from the 2012 declaration relative to 2011 as a result of cut-off grade consideration

The Mineral Reserve interest expressed here is the 67% attributable to RBPlat for the New Order Mining Right held over portions of Boschkoppie 104 JQ and Styldrift 90 JQ as at 31 December 2012. Based on the level of confidence the resource area scheduled per investment centre has been converted to a reserve for the life of mine (LOM).

Total attributable Mineral Reserves decreased by 0.17 million 4E ounces to 11.16 million 4E ounces. Year-on-year comparisons indicate a stable inventory with the decrease being a result of depletion. Although no additional resources were brought to book this year, additional work resulted in updated estimates in certain areas.

After depletion Merensky Mineral Reserve tonnage decreased by only 1.5% from 48.69Mt to 47.95Mt (0.75Mt). In line with this, and at a slightly improved 4E grade (4.30g/t to 4.31g/t) Merensky Mineral Reserve 4E ounces decreased by 1.3% from 6.73Moz to 6.64Moz (0.09Moz) (Table 4).

- Production depletion: 1.34Mt equating to 0.19Moz
- Mine design and boundary changes resulted in a marginal gain in reserve of 0.5Mt equating to 0.07Moz

The UG2 Mineral Reserve tonnage decreased by 1% from 36.92Mt to 36.57Mt (0.35Mt). The UG2 Mineral Reserve ounces decreased by 1.7% from 4.60Moz to 4.52Moz (0.08Moz) primarily owing to the following:

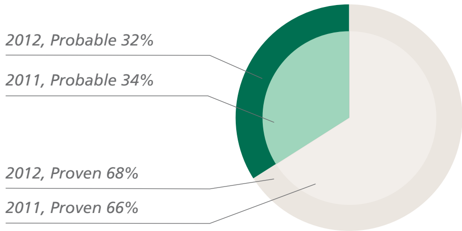
- Production depletion: 0.24Mt equating to 0.03Moz
- Mine design and boundary changes: 0.29Mt and 0.03Moz.

The procedure followed for the conversion of Mineral Resources to Mineral Reserves was in accordance with the procedures approved by RBPlat and Anglo American Platinum and is in line with the South African Code for Reporting Mineral Resources and Reserves – SAMREC Code.

It comprises the following:

- Updated designs and layouts which are applied to the resource areas as dictated by current and planned mining methods to derive a mineable resource
- Modifying factors (technical, mining, geotechnical, concentrating, financial, legal, market and social/government factors) for the conversion of Mineral Resources to Mineral Reserves are applied using a consistent approach based on historical performance or benchmarked for new areas
- The mineable resource is then scheduled for extraction and this extraction schedule forms the input into conversion of the mineable reserves
- Both modifying factors and forecast economic parameters are then applied in the conversion of Mineral Resources to Mineral Reserves
- The mineable resource extraction schedule forms an input into RBPlat's new business plan.

Graph 12: Merensky Reef attributable reserve summary



Graph 13: UG2 Reef attributable reserve summary

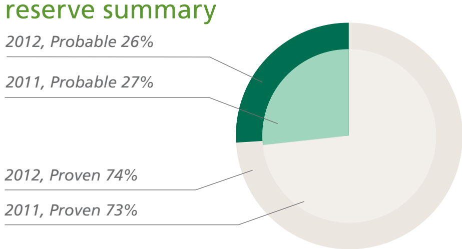


Table 4: Mineral Reserves as at 31 December 2012, 67% attributable to RBPlat

Reef	Reserve classification	Tonnes (million tonnes)		Grade (4E g/t)		Contained 4E (million troy ounces)	
		2012	2011	2012	2011	2012	2011
Merensky	Proven	31.57	30.68	4.42	4.52	4.49	4.46
	Probable	16.38	18.01	4.09	3.92	2.15	2.27
	Total	47.95	48.69	4.31	4.30	6.64	6.73
UG2	Proven	26.93	26.51	3.88	3.93	3.36	3.35
	Probable	9.64	10.41	3.74	3.73	1.16	1.25
	Total	36.57	36.92	3.84	3.88	4.52	4.60
Total	Proven	58.50	57.19	4.17	4.25	7.85	7.81
	Probable	26.02	28.42	3.96	3.85	3.31	3.52
	Total	84.52	85.61	4.11	4.12	11.16	11.33

Mineral Resources and Reserves (continued)

Figure 4: Merensky Reef reserve classification 2012

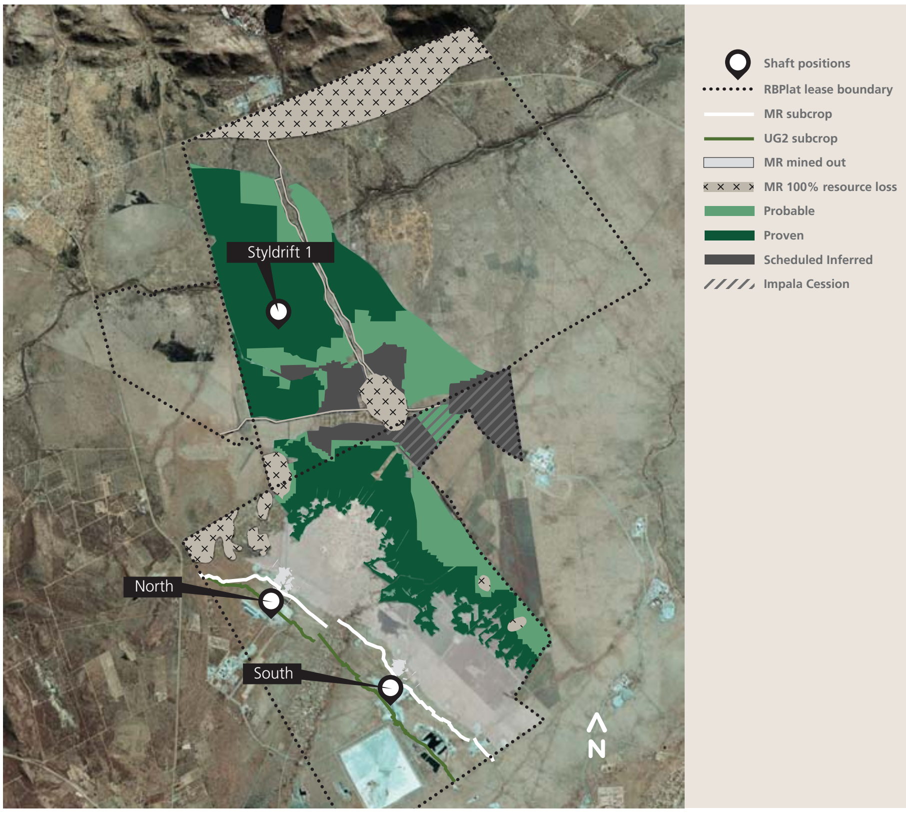
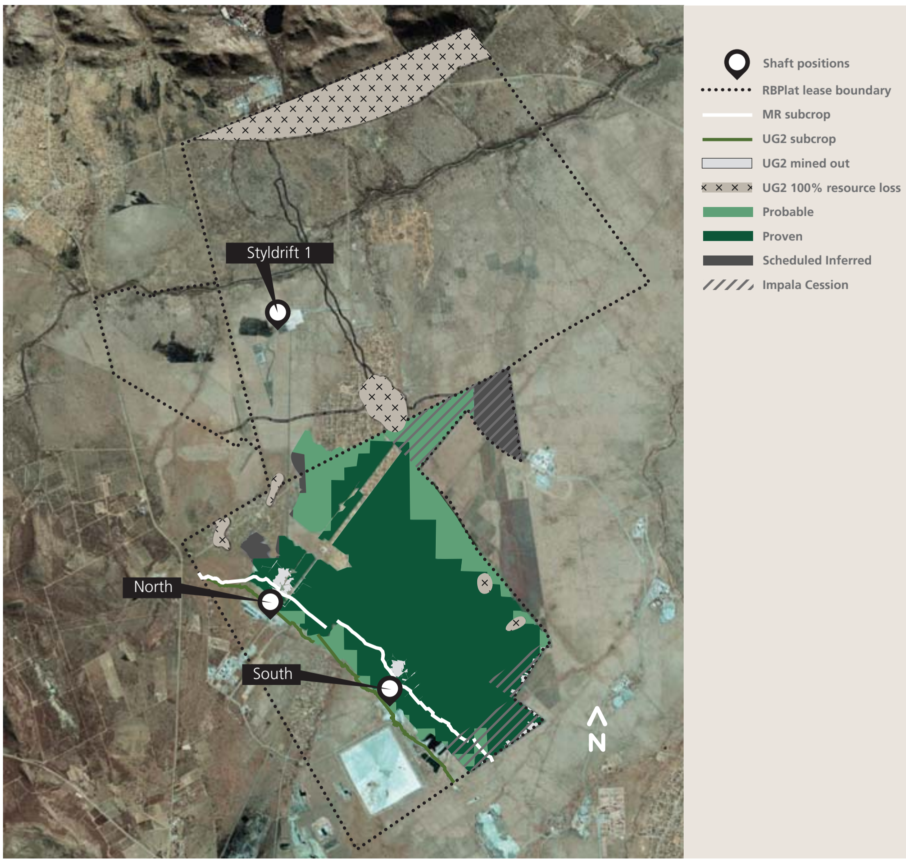


Figure 5: UG2 Reef Reserve classification 2012

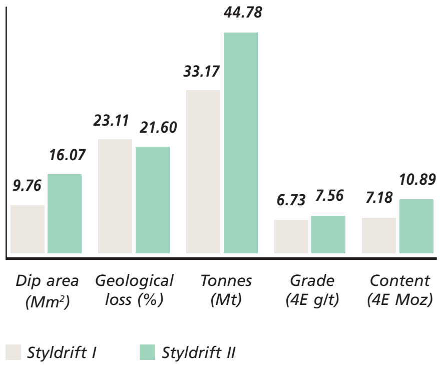


Mineral Resource development

Over the past two years the primary focus of our exploration programmes has been on the development and understanding of the Merensky and UG2 Reefs underlying the Styldrift II investment area. Due to better continuity in the Mineral Resource inherent at Styldrift II, specifically related to the Merensky Reef, tremendous gains in Mineral Resource confidence have been realised with safely executed drilling programmes. The Styldrift II investment area comprises the deeper portion of the Styldrift 90 JQ farm. It is a stable, larger and deeper area, with an average depth of 1 050 metres below surface (MBS), than that of Styldrift I (average depth 720 MBS), with 1.51% lower estimated geological losses.

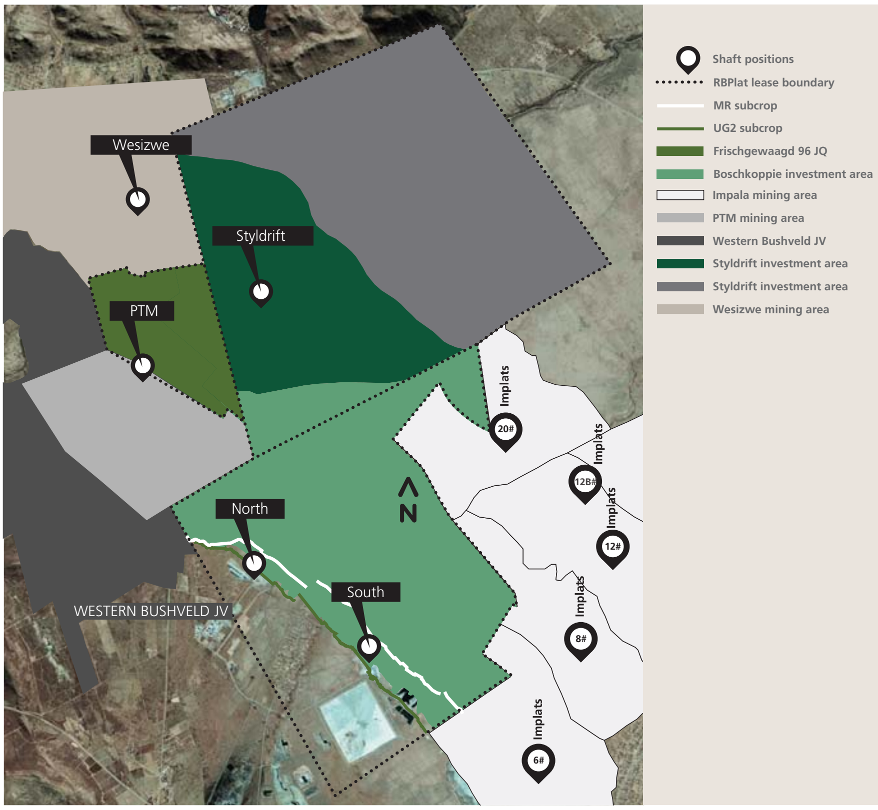
The dominant Merensky Reef facies type is the variant called Main Reef Facies. This facies type differs slightly from Styldrift I being thinner, consistently stable and of a slightly higher grade. Styldrift II is bounded by geological structures, with less geological disturbance (potholing, faulting, dykes etc.) within the area. The ore body dips towards the east north east at 9°.

Graph 14: Merensky Resource comparison Styldrift I vs Styldrift II



The primary focus of our exploration programme has been on the development and understanding of the Merensky and UG2 reefs underlying the Styldrift II investment area.

Figure 6: BRPM JV resource investment areas



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Collecting samples for cutting in the core yard at BRPM

Towards operational excellence: The environment in which we operate

Focus for 2012	Progress
Finalising our environmental strategy	Distribution planned towards end of quarter three in 2013
Energy efficiencies	Considerable progress has been made (refer to page 70 for information in this regard)
Water and waste management	Good progress with water management. The Regulation 704 construction work for the separation of clean and dirty water was completed this year

There is a great deal we can do to mitigate the major impacts mining activities have on the natural environment and to ensure these impacts are not long term. Central to RBPlat's approach to environmental management is the preservation and restoration of the natural environment throughout the lifecycle of our mining activities.

Focus for 2013

- Implementing our strategy
- Implement further energy reduction projects that were identified during the gap analysis conducted in 2012
- Installation and commissioning of a water treatment plant once the environmental impact assessment (EIA) has been approved

Construction work for the separation of run-off rain water was completed this year

Our approach is based on international best practice, legal compliance and maintaining our environmental and social licence to operate.

Our approach to the environment

Our Board of directors and our Chief Executive Officer, assisted by the Board's Social and Ethics Committee, are accountable for RBPlat's environmental management and the management of our impact on climate change. The Social and Ethics Committee also provides overall direction on our sustainable development.

We completed our new RBPlat environmental strategy during 2012 and will implement it as an integrated part of our SHE management system in 2013. In the meantime we continue to employ the Anglo American Platinum environmental strategy, that was in place when we took over management and control of BRPM and the Styldrift Project.

Our environmental team ensures that the RBPlat policies are aligned with all legal and regulatory requirements .The environmental team is also responsible for the auditing of the implementation of policy, standards and procedures. Line management is accountable for the effective implementation and uses our SHE management systems for this purpose.

We review our environmental risks and opportunities annually as part of our business strategy and planning process. BRPM is ISO 14001:2004 certified and environmental management at Styldrift Mine is the responsibility of the Environmental Coordinator based at BRPM. In future environmental management will be a shared service with one environmental coordinator overseeing the BRPM Joint Venture.

Engagement

We engage with the relevant government departments and communities on environmental issues and EIAs.

Minimising impacts

We are committed to minimising our environmental impacts throughout the life of our operations and rehabilitate the land once our operations have ceased, where possible concurrent rehabilitation is done.

We continuously identify and mitigate the negative environmental impacts of our activities and our operations have closure plans in place.

They are captured in our impact register at operational and corporate office level and considered by the Board Audit and Risk Committee. This approach involves the management team in the analysis and treatment of environmental risks and performance. We train our employees in risk management and environmental awareness.

Towards operational excellence:
The environment in which we operate (continued)

Total direct and indirect GHG emissions by weight

	2012			2011			2010
	Total RBPlat CO_2-e tonnes	BRPM CO_2-e tonnes	Styldrift CO_2-e tonnes	Total RBPlat CO_2-e tonnes	BRPM CO_2-e tonnes	Styldrift CO_2-e tonnes	Total CO_2-e tonnes
Scope 1 emissions – direct GHG emissions from sources that are controlled or owned by RBPlat (Source: fuel such as diesel and petrol)	3 336	2 147	1 193	2 262	2 259	3	1 861
Scope 2 emissions – indirect GHG emissions from purchased electricity to run our operations, generated mostly from burning fossil fuels	316 681	296 631	20 050	293 539	285 789	7 750	298 650
Scope 3 emissions – other indirect GHG emissions from sources not owned or controlled by RBPlat	17 692	11 332	6 359	16 305	5 055	11 250	6 941
Total CO_2-e tonnes	337 709	310 120	27 603	312 106	291 641	19 003	307 452

Energy consumption

Type of energy	2012	2011	2010	% change year-on-year
Electricity (MWh) BRPM*	285 362	287 304	292 552	(0.7)
Electricity (MWh) Styldrift*	19 377	7 791	–	59.8
Electricity (MWh) RBPlat*	304 739	295 095	292 552	3.2
Diesel (kℓ) (direct) RBPlat	405	429	511	(5.9)
Petrol (kℓ) (direct) RBPlat	22	22	31	–
Total energy use in GJ RBPlat	1 096 989	1 093 890	1 074 025	0.3

** Eskom's emission factor increased from 0.99 to 1.03*

Managing resources and emissions

Our most significant emissions to air are Scope 2 emissions (indirect greenhouse gas (GHG) emissions) resulting from the production of the electricity we purchase from Eskom and use in our operations.

In 2012 we completed a general energy audit which identified the potential to reduce our electricity consumption and related emissions by 5%.

During the year RBPlat increased its GHG emissions by 25 603 CO_2-e tonnes, mainly due to the increased energy consumption resulting from the increased shaft sinking activities at Styldrift I.

BRPM's energy consumption improved by 3.2% per tonne of ore treated and its energy consumption improved by 0.8% per tonne of ore treated.

We successfully completed major energy conservation projects at BRPM this year.

We installed and commissioned a Level 2 electricity metering and measurement system at BRPM to enhance electricity consumption management.

Some of the significant consumers of electricity in our mines are the main ventilation fans and compressors. Vanes were installed on first phase main ventilation fans to enable a potential reduction in electricity consumption by 13.2MWh a month. The vanes allow us to control the use of electricity during off-peak periods by reducing the size of the aperture through which we distribute air to the underground workings and in turn reducing our energy usage by up to 60%. We also implemented a management system change which shuts off 50% of our ventilation fans over weekends when we do not have people working underground.

We continued with the installation of an underground compressed air control system which has now also been installed on 9 and 10 levels at North shaft and 9 level at South shaft. By changing the control philosophy of our compressed air system we reduced our energy consumption by a further 2MWh a month. Our off-peak consumption period for compressed air coincides with Eskom's peak consumption period, when electricity is at its most expensive and in short supply.

We are able to shut off the compressed air supply to our underground workings at this time, reducing our electricity consumption and associated GHG emissions. We also embarked on a programme to reduce leakages on our main compressed air system. This included addressing air leakages in our stopes and closing off compressed air columns in all mined out areas.

The energy consumption audit we conducted at BRPM this year identified additional areas where we can reduce energy consumption. Most significant is the installation of variable speed drives to control our main ventilation fans which it is estimated would reduce our energy consumption by a further 9 800MWh per annum. Two other recommendations were the optimising of the compressors' cooling circuits and installing soft-starters on the main compressors to manage maximum energy demand. We plan to take advantage of some of these energy saving ideas to further reduce our energy consumption per tonne of ore treated.

Climate change

Climate change remains an important longer-term risk for our business. The potential risks we face from climate change are both physical and financial. They are also complex as they include operational risks such as business continuity, employee health and safety, environmental aspects and regulatory aspects. We concluded a climate risk vulnerability assessment which identified the potential risks to RBPlat.

Possible physical and financial impacts

Physically, climate change could materially affect our operations and the communities in which we operate through damage or possible business interruption caused by flooding, extreme storms, reduced availability of water and possible health impacts. Prolonged drought conditions could limit production growth or prevent us from operating.

One of the financial risks associated with greenhouse gas (GHG) emissions is the introduction of a carbon tax in South Africa, which could result in increased costs for electricity and transportation, as well as higher operational costs related to GHG emission monitoring, reporting and accounting. Higher energy costs could also negatively affect our ability to contain operating costs and maintain production.

Understanding our carbon footprint

We have established a four-year history of our carbon footprint between 2009 and December 2012. We conduct an annual assessment of our carbon emissions with the aim of improving our carbon intensity and reducing our absolute emissions. We also continue to participate in the carbon disclosure project as part of our accountability to our stakeholders.

>

Members of the BRPM environmental team inspect the evaporation system on the mine's tailings dam, which is using the excess water we currently have at BRPM

Towards operational excellence:
The environment in which we operate (continued)

Water

Our operations are located in a water-scarce region of South Africa where increasing demand for fresh water could lead to a shortage of water. This would present a significant challenge for RBPlat and the communities in which we operate. We aim to use water as efficiently as possible and minimise any negative impacts on water quality in the environment in which we operate.

Our management of water resources is based on:

> securing the availability of sufficient water for our current and future mining operations
> reducing our fresh water consumption by improving water use efficiencies and water recycling
> preventing the contamination of ground and surface water resources.

During the year we completed the infrastructure to separate clean and dirty water infrastructure at BRPM. We upgraded stormwater dams and diversion canals across the property. This work has ensured that no dirty water is discharged from our operations to the environment.

Clean water is diverted away from our operations. We use water in our primary activities of mining and the processing of PGMs. Water is also used for non-primary activities such as dust control and garden maintenance. Magalies Water provides the potable fresh water used in our operations.

During the year we automated and expanded the potable water metering and management system. This will give us a better understanding of and ability to control our water usage.

We currently have excess water on site at BRPM. To reduce this we installed a sprinkler system at our tailings dam complex as an interim measure to evaporate the excess water and reuse it.

Our plans to treat the excess water currently stored on site will go ahead as soon as the EIA has been approved by the Department of Environmental Affairs. We are hopeful that the water treatment plant construction will commence in the third quarter of 2013. The installation of this plant will reduce our reliance on potable water from external sources. The expected reduction in our consumption of potable water from external sources (Magalies Water) is four megalitres (Ml) a day. We also intend installing a mini pump station at North and South shafts to pump out fissure water for reuse in our mining processes.

In terms of operational readiness for Styldrift I in 2014, in addition to preparing to achieve ISO 14001:2004 accreditation, we are investigating how best to manage its mine water. We have installed a filtering system, which allows us to reuse our mine water and reduce our consumption of water from Magalies Water. We are also monitoring the amount of nitrates in the water stemming from the use of explosives for blasting.

Biodiversity and land management

The disturbed land footprint for BRPM is 949 hectares. No more land was disturbed by BRPM operations in 2012. The disturbed land for Styldrift is 238.8 hectares. No more land was disturbed by Styldrift in 2012.

Identifying potential impacts

Eight distinct biodiversity management units were identified at BRPM and delineated biodiversity management plans during a 2003/2004 biodiversity assessment, which was updated in 2009. We are committed to rehabilitating and restoring the land both during the mine's life as well as after our mining activities have ceased.

To manage any biodiversity risks we have developed a long-term biodiversity monitoring programme to:

BRPM

5 645 tonnes
landfill waste in 2012
3 227 tonnes in 2011

2.36 tonnes
incinerated medical waste in 2012
0.6 tonnes in 2011

2 130 tonnes
recycled industrial waste in 2012
1 829 tonnes in 2011

7 923 tonnes
total waste in 2012 which includes 146 tonnes of hazardous waste
5 161.6 tonnes in 2011

Styldrift

65 tonnes
landfill waste in 2012
55 tonnes in 2011

17.3 tonnes
recycled waste in 2012
3 tonnes in 2011

82.3 tonnes
total waste in 2012
58 tonnes in 2011

The first year of data collection was 2011

Water consumption

	2012	2011	2010	% change year-on-year
Potable water – BRPM (Mℓ)	2 090.6	2 184.9	2 091.5	(4.3)
Potable water – Styldrift (Mℓ)	74.3			100.0
Potable water – RBPlat (Mℓ)	2 164.9	2 184.9	2 091.5	(0.9)
Recycled water (Mℓ)	1 706.0	2 204.1	2 992.4	(22.6)

- implement an integrated alien plant control programme
- conduct a medicinal plant survey
- design and implement a fire management plan
- promote sustainable use of natural resources within the area
- initiate environmental education programmes
- improve our understanding of the biodiversity in the area.

While our operations are not in protected areas, they are adjacent to sensitive sites important not only for their unique and rich biodiversity, but also because of the ecosystem services they provide.

No threatened plant species were recorded during baseline and follow up surveys. We maintain firebreaks to prevent the loss of biodiversity during fires. To promote biodiversity, we plant indigenous trees on our property and in the community.

We also engage with the schools in the vicinity of our operations to promote biodiversity and sponsor indigenous tree planting at these schools.

Effluent and waste

Mining and metallurgical operations produce hazardous and non-hazardous waste which, unless properly disposed of, can be a threat to the environment.

Waste

BRPM has its own licensed landfill site. We have a waste management plan in place to reduce, reuse, recycle or responsibly dispose of the waste we generate. Our aim is to minimise the amount of waste sent to the landfill site and cut costs.

Accredited service providers transport our recyclable waste to recycling companies for recycling in a responsible manner. Materials currently recycled include scrap metal and conveyor belts. From 2013 our waste paper will also be recycled. Most of our industrial waste is sorted on site and reused where possible. Packaging material is not recycled, explosives bags and boxes are destroyed by means of burning, as required by law.

BRPM reduced its use of paper by the equivalent of 23 trees this year and was presented with 23 trees by the supplier of our photocopy paper to plant on Arbour Day in recognition of this achievement.

Our hazardous waste (made up of hydrocarbon contaminated material) is transported to a landfill site at Holfontein. RBPlat does not import, export or treat waste deemed hazardous under the Basel Convention Annex I, II, III and VIII.

Effluent

Tailings are disposed of at our tailings dam and waste rock is disposed of at our waste rock dumps.

Materials use

The reduction in our explosives consumption in 2012 is due to improved drilling and blasting efficiencies.

Reserves of LPG from 2011 were used in 2012 resulting in a reduction in LPG purchases in 2012.

Materials use RBPlat

Material		2012	2011	% change year-on-year
LPG	kg	48	240	(80)
Acetylene gas	kg	4 351	4 570	(4.8)
Explosives	kg	4 866 287	5 100 432	(4.6)
Fire extinguisher materials	kg	303	97	212
Refrigerants	kg	2	2	–
Company-owned vehicles (petrol)	litres	21 593	22 218	(2.8)
Company-owned vehicles (diesel)	litres	340 153	397 553	(14.4)
Heavy off-road vehicles (diesel)	litres	19 090	31 883	(40.1)
On-site petrol machinery	litres	376	110	241.8
On-site diesel machinery	litres	6 381	1 175	443.1

Towards operational excellence:
The environment in which we operate (continued)

Product responsibility

RBPlat's mining lifecycle includes exploration, project development, mine construction, operation and concentrate production. Our final product is a concentrate which is sold to a single customer, Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum, through a concentrate offtake agreement. The concentrate must meet certain specifications in terms of the offtake agreement in relation to the PGM moisture and chrome content for each tonne of concentrate. These product specifications are assessed through specific and proven procedures agreed to by RBPlat and RPM.

Our metals

The platinum group metals (PGMs) – platinum, palladium, rhodium, ruthenium and iridium – occur together in nature alongside gold, nickel, copper, cobalt and chrome.

Many of the unique properties of PGMs make them indispensable to modern technology and industry and their markets are many and varied, from the automotive industry to the medical field. The markets for our products are the same as those for all platinum producers.

Product uses

As a vital component in autocatalytic converters, PGMs play a significant role in reducing air pollution by limiting the discharge of carbon monoxide, hydrocarbons, nitrous oxides and particulates. Approximately 56% of global PGM production is used in autocatalytic converters.

As a result, should we experience another period of recession; we do not foresee the same sort of decline in demand for PGMS from the automotive industry as we saw in 2009.

As part of its intention of being in the forefront of the hydrogen economy the South African government, through Hydrogen South Africa (HySA), wishes to explore the possible uses of stationary fuel cells to produce electricity. As fuel cells make use of PGMs the South African platinum industry is also interested in this possibility. Not only could this initiative reduce carbon emissions and provide a viable alternative source of electricity, but the manufacture of fuel cells in South Africa also has the potential for job and venture creation.

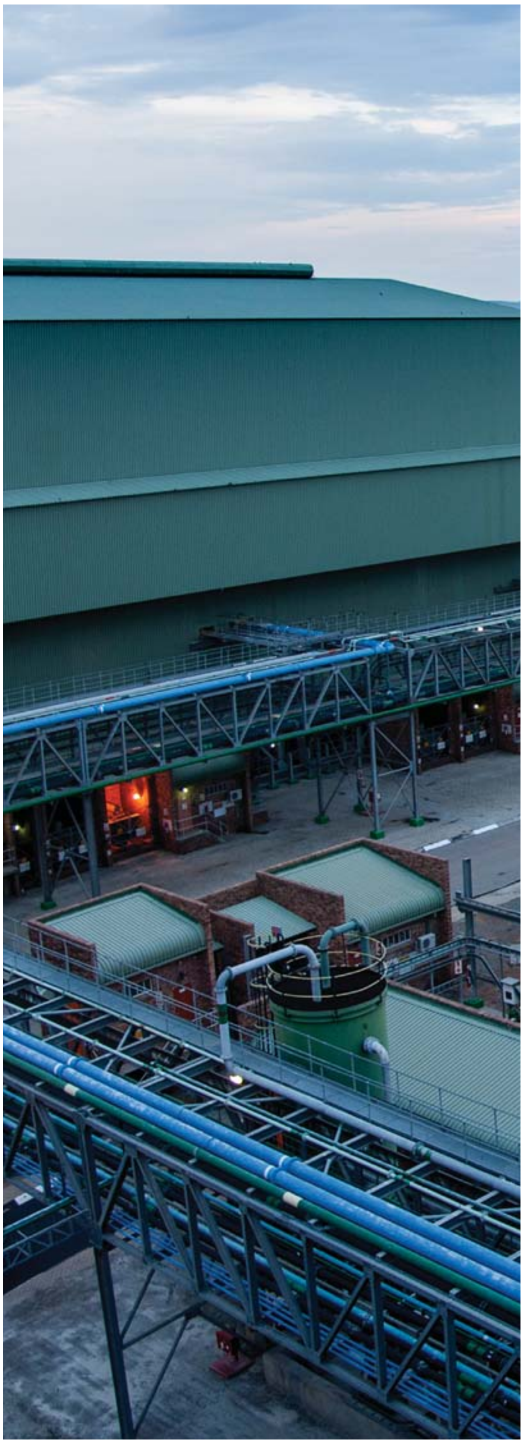
Product stewardship

We systematically address the safety, health and environmental issues relating to our products at all stages of the product lifecycle. The refiners and marketers of our PGMs have specific measures in place to protect the health and safety of those using or delivering our products. Procedures for assessing product health and safety are addressed during conceptual development, research and development, product certification, manufacturing and production, marketing and promotion, storage, distribution and supply, use and disposal, or recycling. Mineral safety development sheets are provided with all mining products and directed at industrial users.

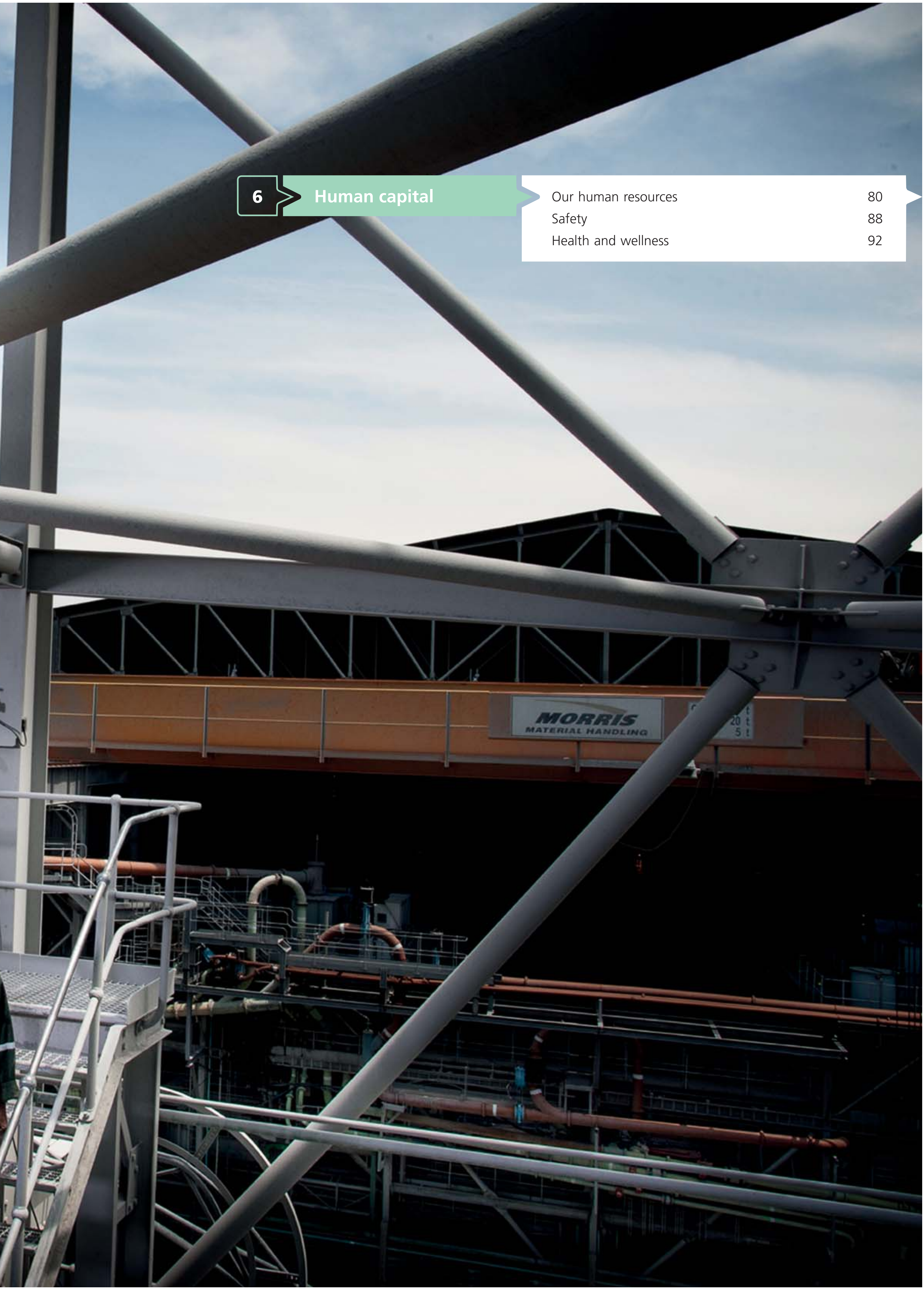
Our products are not delivered directly to customers. We are committed to minimising the dispersion of metals back into the biosphere and reducing the environmental and health risks associated with this.
We aim to ensure the health, safety and environmental risks associated with the use, recovery, recycling and disposal of our products are properly understood by customers and mitigated. Since our metals are sold into a global market place, we believe that meeting our product stewardship commitment is best done in collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the International Platinum Group Metals Association (IPA).

The refiners and marketers of our PGMs recognise the responsibility they have as suppliers of PGMs to build value chains that minimise the negative and enhance the positive impacts of PGMs over their lifecycles.

The metals produced from our concentrate are sold into the global marketplace by Anglo American Platinum, which meets its product stewardship commitments in collaboration with key stakeholders including government, industry associations, the scientific community and civil society organisations. There have been no incidents of non-compliance with regulations and voluntary codes concerning our products and we have not received any fines for non-compliance with laws and regulations concerning the provision and use of our products and services.



>
BRPM concentrator plant



6 Human capital

Human capital

Seizing the opportunity to enhance human capital through our holistic approach to the training and development of our workforce and the communities in which we operate allows us to deliver against our strategies

Not only does training and development allow us to pursue value enhancing opportunities, it contributes to our achieving operational excellence through a productive, well trained and engaged workforce and it helps us build flexibility in our business and grow organically through our investment in our future workforce requirements and the sustainability of our business.

We employed
3 238
permanent employees and
4 256
contractors at our operations during 2012

Human rights

We became signatories to the UN Global Compact this year

Transformation

67%
of the members of our Exco are HDSAs

12%
improvement year-on-year

We have already exceeded all the Mining Charter HDSA targets for 2014

Safety

1.78 million
fatality-free shifts

One fatality at BRPM and zero fatalities at the Styldrift project this year

26%
improvement in RBPlat's LTIFR year-on-year

Health and wellness

22.7%
HIV prevalence rate for 2012 is well below the North West province prevalence rate of **30%**

No new cases of **occupation-related illness or disease** were recorded in 2012

Risks and opportunities

Employee relations

We identified a breakdown in relationships with our workforce as being a key risk to our business when we determined our material issues for 2012. Focus on mitigating this risk will give us an opportunity to improve relations with our workforce.

We developed a communication strategy and implemented a communication plan designed to achieve regular transparent communication with our workforce. This approach helped us minimise the impact on our operations of the labour unrest that shook the South African platinum industry in the second half of the year.

91%
of our employees are unionised

We plan to construct 400 houses for our employees in 2013

following an agreement reached on a pilot project between RBPlat and the trade union ahead of original deadline set during 2011 wage negotiations

x400

Three-year wage agreement

remains in place with an increase in productivity incentives agreed in 2012

3

8.3%
of our employees resigned in 2012

Training and development

Total training spend of R95.6 million

149%
increase year-on-year

On average each RBPlat employee received

90 hours

of training in 2012

173 grade 10,11 and 12 pupils

participating in our Bokamoso Schools programme attended extra maths and science classes during 2012

20 students

from communities participated in our gap year programme this year

173

20

We are training
18 women
from the communities to become rock drill operators

18

The Styldrift I Project

invested in training

30 community members as trackless machine operators this year and will be upskilling over

360 community members over the next three years

See pages 85 – 87 of the Human capital section for more information on our training and development.

Our human resources

Focus for 2012	Progress
Implementation of RBPlat's new human resource strategies, which includes improving the diversity in our workforce, investing in our people, stable labour relations and maintaining an open dialogue with trade unions	The progress we have made in all these areas and the challenges we have faced in doing so are described in this section of our integrated annual report. We also developed and introduced a new behavioural and grievance policy and procedures
Employee housing solution project	We have made progress towards delivering on the commitment we made as part of the three-year wage agreement we signed in July 2011 (see page 82 for more information)
Talent management	We established and agreed on our approach to talent management and succession planning during 2012 (see page 83 for information on our approach)
Establishing an operational readiness team at Styldrift I	Key employees have been appointed and the next phase of recruitment is under way

Our performance in terms of Mining Charter HDSA targets

We have already exceeded the Mining Charter's 2014 HDSA targets by:

> 100% at Board level
> 166.7% at senior management level
> 12.5% at middle management level
> 87.5% at junior management level
> 226.7% at core skills level.

For more information, see the listed sections and relevant pages below:

Styldrift I operational readiness team
Manufactured capital: page 54

Our approach

Our success depends on our ability to attract, develop and retain the best talent at every level in our business. We aim to be an industry-leading employer with an inclusive approach designed to ensure that the diversity of our workforce reflects South Africa's demographic profile.

Responsibility for setting human resources strategy and standards and aligning them with RBPlat's overall strategy lies with our Executive: Human Resources who reports directly to our Chief Executive Officer.

Our human resource teams at BRPM and Styldrift I are responsible for implementing our human resource policies, ensuring strategic workforce planning and employee training and development. Our approach encourages multiskilling and provides our permanent employees and contractors with opportunities to acquire the skills and competencies that will allow them to develop and progress their careers.

The enhancement of our human capital through education and training is essential for our business sustainability. The RBPlat human resource team's goal of providing effective human resource strategic solutions to facilitate business operational excellence underpins their approach to enhancing our human capital by providing our operations with the appropriate skills and experience when they are required.

In order to attract and retain the right skills we recruit, manage performance for development purposes, train and develop, and let go responsibly.

We provide industry-leading career opportunities, well-structured employment contracts, fair and competitive remuneration. Our policies and procedures

Focus for 2013

Continue to implement our human resource strategies with a particular emphasis on:
- engagement with our employees and the trade unions
- meeting our SLP requirements
- talent management

Deliver against our commitments in terms of a pilot housing project of 400 houses

Fully implement our talent management and succession planning process

See Styldrift I operational readiness plan on pages 52 to 55 for details

400 houses

We've committed to a pilot housing project in 2013

are designed to eliminate discrimination of every kind and ensure equal opportunity, regardless of race, nationality, religion, gender, age, sexual orientation, disability, political opinion or any other differentiator. When RBPlat took over management of BRPM from Anglo American Platinum we retained their policies in our operations until we had developed our own, incorporating the latest trends and practices. During 2011 we developed the RBPlat remuneration philosophy to ensure we remain competitive in terms of remuneration and career opportunities. During 2012 we focused on implementing our remuneration philosophy uniformly across RBPlat, benchmarking our salaries and updating our short-term incentive scheme.

We became signatories of the United Nations (UN) Global Compact in 2012 and are committed to upholding the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and complying with all relevant South African legislation.

When we find it necessary to reduce our workforce we take our responsibilities seriously and make every effort to implement the necessary workforce reduction fairly and in consultation with our employees and the trade unions.

Whenever there are significant organisational changes we consult and communicate with our employees and provide them with appropriate support. The maximum notice period for advising our workforce of any changes that we have agreed with the trade unions is 14 days.

We are also committed to ensuring that all our employees, including contractor employees, have the opportunity to acquire the skills and competencies that will allow them to achieve both their individual and our organisational goals.

Employee relations and engagement

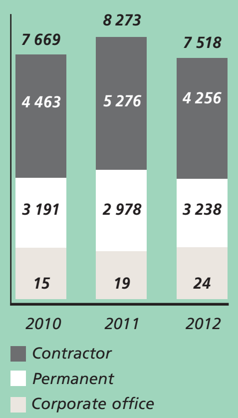
We have identified a breakdown in relationships with our workforce as being a key risk to our business. To eliminate this risk we continually engage with our workforce (permanent employees and contractors) to achieve transparency and mutual understanding of issues.

We developed a communication strategy and implemented a communication plan designed to achieve regular transparent communication with our workforce. This approach helped us minimise the impact of the labour unrest that affected the South African platinum industry in the second half of the year. See page 82 of the Human capital section for more information.

Our CEO plays an important role in our employee engagement, regularly addressing employees and trade unions. He meets with our teams every quarter to congratulate those who have performed well and motivate the lowest performing teams to improve. This year his schedule included addressing shop stewards, recognising their contribution to our business and providing them with feedback on the progress of our housing committee, the platinum industry in general and safety issues.

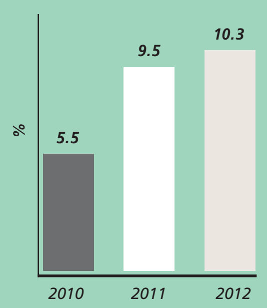
We keep employees informed on business issues through various communication tools including our quarterly ***Lebone*** newsletter, partnership forums and the monthly feedback sessions held by the mines' general managers and operational area production managers.

Our total workforce (as at 31 December)



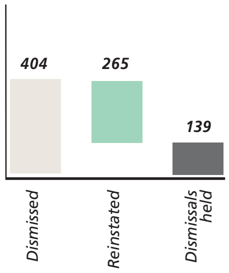
Women make up 12.9% of our permanent employees

Turnover of employees for BRPM and Styldrift

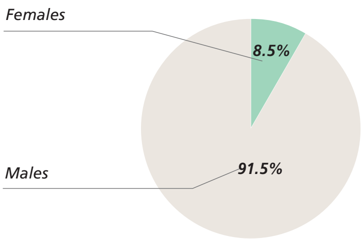


Our human resources (continued)

Number of employees dismissed during strike action in 2012



Turnover by gender for BRPM and Styldrift I



During the periods of labour unrest our management team interacted with employees regularly and our CEO also took the responsibility of addressing our employees, including those on strike. We kept our workforce updated on the situation via their mobile phones, using an interactive SMS system and community radio broadcasts. Our unions are engaged through various forums including the monthly operational unit partnership forums.

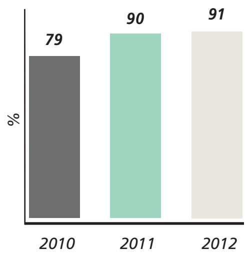
Labour relations

We uphold the rights of our employees to freedom of association and collective bargaining and 91% of our employees, excluding approximately 100 Patterson Grade D2 and above employees, are unionised. As can be seen in the table on page 83, the National Union of Mineworkers (NUM) represents the majority of the employees at BRPM.

We currently recognise two unions: NUM and United Association of South Africa (UASA). NUM remains the majority union at RBPlat with 74% representation in the operators unit and 60% representation in the supervisory unit. UASA's membership currently stands at 31% in the supervisory unit and 11% representation in the operators unit.

In accordance with our Employee Relations Recognition Agreement (ERRA) on collective bargaining, we signed a three-year wage agreement with NUM, the majority union, in August 2011.

Union representation



CASE STUDY

Industrial action at BRPM

During 2012 we experienced two unprotected strikes which resulted in the loss of 10 person days at BRPM. On 21 August this year we received demands from a group of rock drill operators. We engaged with the union and a deputation from the disgruntled employees over a period of three days.

During this period we were assisted by the Rustenburg Local Municipality's Conflict Resolution Committee who facilitated the process. We agreed on a 14-day process to discuss areas where we could assist employees and the strike came to an end. We took a decision that we would not renegotiate our existing wage agreement.
On 12 September, having reviewed their demands, we agreed with the unions to make some improvements in terms of the variable portion of their remuneration, which depends on their productivity. These disgruntled employees rejected this offer because they wanted a fixed rate increase and immediately resumed the strike. During the strike we set up a 24-hour communications centre to manage the incidents of violence and intimidation reported to us and also to ensure that we could communicate with our employees and they could also share their experiences and expectations with us during this period.

RBPlat called on the South African Police Services to assist us in managing the violence and intimidation that was taking place, and also used a helicopter to monitor what was happening on the ground, so we could direct the police to trouble spots, secure our property and keep our employees safe. In addition, we engaged community leaders in MACHARORA to explain our actions and to provide assistance when employees were intimidated in their communities.

On 17 September approximately 300 employees and community members gathered and were pulling people out of their transportation, threatening them and forcing them to join the strike. Fifty five people were arrested, of which 41 were employed at BRPM. We communicated with our employees via SMS and over the radio and asked those who had not been arrested or involved with the unprotected strike to respond to a call to work. We received an overwhelming response. We also received information that helped us protect our employees from intimidation and violence.

At the end of September we made an improved variable pay offer which was well received by our employees. Our operations returned to normal around 9 October 2012. During the strike management took a hard line on behaviour resulting in 139 employees at BRPM being dismissed for their participation in the unprotected strike and/or the associated violence, intimidation, incitement and instigation.

The visibility of management during this period contributed to a positive outcome.

Union representation

	2012 %	2011 %	% change year-on-year
NUM	71	79	(8)
UASA	20	11	9
Non-alignment	9	10	(1)
Total	100	100	

Industrial action in 2012

Operation	Duration	Cause of action
BRPM	3 days (21 – 23 August 2012)	Rock drill operator demands for increase in fixed pay in line with platinum industry demands
BRPM	10 days (12 – 21 September 2012)	Resumption of the strike that took place in August. Rock drill operators were joined by other employees to further their previous demands

Recruitment

When recruiting we give preference to members of the local community and, in some cases, offer training opportunities to community members that will equip them for employment in the mining industry (see the Training and development section of this report on pages 85 to 87).

Talent management

Our approach to talent management was developed and approved by the Board in 2012. The objective of our talent management and succession planning process is to deliver the right talent with the right knowledge, skills and experience as and when the business requires them. It will be guided by our strategic plan, will include resourcing development, deployment and displacement and will be aligned with our current performance management system. The first step in 2013 will be to identify a leadership pipeline and, using the profiles of the future positions, assess the potential succession candidates and identify suitable candidates. We will then develop individual growth plans for each succession candidate.

Performance management

In 2013 we will be introducing key performance management indicators for mining teams at BRPM. This integrated process will include analysis of data collected from observing teams at work and coaching. Initially, the cost efficiency team will identify sections in the mine or concentrator that are experiencing difficulties. These teams will be assessed, the training centre coaching team will conduct underground inspections and the data from these will be analysed by a psychometrist for further action.

Currently, these key performance management indicators apply to middle and senior managers only, who have performance management reviews twice a year. These include career development discussions.

Employee benefits

Over and above the legally mandated employment benefits, we provide our fulltime employees with retirement benefits in the form of a retirement fund and medical scheme benefits. Employees also receive disability benefits which will include the payment of the full medical aid benefit for the duration of the disability period, as well as death benefits and funeral cover. Should someone pass away while in our employ, their children will receive free education within the rules of the scheme, until the child has completed its tertiary education. Information on our Mahube Trust employee share ownership plan (ESOP) can be found in our Remuneration report on pages 118 to 119.

Our approach to the impact on our employees of micro loans and garnishee orders

We have established that about 27% of our employees currently have some form of garnishee order on their salaries. These vary from garnishee orders from the Receiver of Revenue to maintenance orders and short-term loans. We make every effort to make employees aware of the risks of these loans. However, about 30% of our employees have taken out short-term loans.

Employment equity

Our employment policy is designed to provide equal opportunities to all potential and existing employees and to achieve a diversified workplace that reflects the demographics of our country.

Our human resource transformation strategy seeks to:

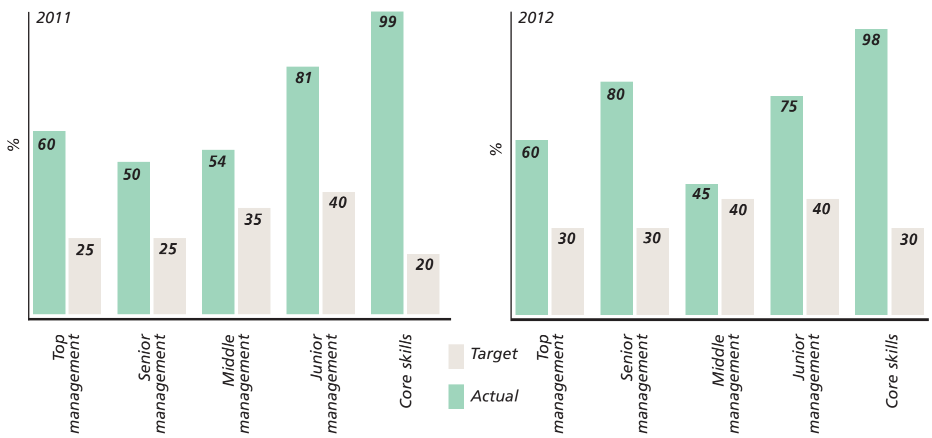
> develop the miners of tomorrow through youth development, graduate and bursary programmes and learnerships
> develop the miners of today by upgrading existing skills
> develop the historically disadvantaged South African leaders of tomorrow through leadership development programmes, internal promotion and succession planning
> increase the number of women in the workplace through retention, external recruitment and diversity training
> achieve diversity at all levels in the organisation
> facilitate home ownership in line with our social and labour plan commitments and our three-year wage agreement commitments.

For information on our remuneration policy and philosophy see pages 118 to 119 in the Transparency and accountability section of this report

Our human resources (continued)

The graph alongside shows that we have been successful in transforming the senior leadership of RBPlat. Sixty seven per cent of the members of our Exco team are now historically disadvantaged South Africans, which is a 12% improvement year-on-year. We considerably exceed the Mining Charter scorecard targets for historically disadvantaged South Africans at every level of our organisation, as can be seen in the graph.

RBPlat performance against Mining Charter historically disadvantaged South African (HDSA) targets



Women at mining

Area of employment	2012*	2011*	% change year-on-year
North shaft	96	109	(13)
South shaft	77	89	(12)
Human resources	105	64	41
Process plant	38	35	3
Finance and administration	36	30	6
Management services	24	25	(1)
Central logistics	10	9	1
Mine technical services	2	3	(1)
Styldrift	20	–	20
Corporate office	11	9	2
Total	419	373	46

* *Excludes contractor employees*

Women rock drill operators receiving training at BRPM

Addressing home ownership

We recognised during our wage negotiations in 2011 that RBPlat needed a step change in the way we address the living conditions of our employees. As part of the agreement both parties undertook to investigate a housing solution which would make it possible for BRPM's employees to procure their own homes. A pilot project will commence in 2013 during which 400 houses will be built near Rustenburg (in terms of the Mining Charter stipulations mining companies will provide housing close to a functional town). These houses will be built during 2013. The detail governing the allocation of these houses is currently being developed in conjunction with the union.

We are hopeful that the availability of these homes will encourage our employees to invite their families to join them in Rustenburg and will over time reduce the financial burden of maintaining dual households, i.e. the rented accommodation employees occupy near their place of employment and the homes in which their families live.

Training and development

Our investment in training

Type of training	2012 R	2011 R	2010 R	% change year-on-year
Expenditure on legal, mandatory and other training	13 980 597	13 096 002	15 800 324	7
SLP HRD expenditure	81 574 821	25 334 378	11 042 330	222
Total training spend	95 555 418	38 430 380	26 842 654	149
Training spend per person	8 456	3 358	3 500	152

External training

Training category	Employee category	M	F	Total	Total days of training	Total hours of training
	A1 to B7	8	2	10	22	132
	C1 to D1	52	49	101	59	354
	D2 and up	22	11	33	53	318
	Contractors	–	3	3	13	78

External training was calculated on actual days employees were off-mine

Training hours

Our training and development programme takes a holistic approach to developing and skilling both members of our communities and our workforce.

We provided 3 458 permanent employees legal and mandatory training and 4 685 contractors received legal and mandatory training during 2012.

We also provided our employees with 804 hours of external training and our contractors received 78 hours of external training.

Eighty one permanent employees received educational assistance for their part time studies during 2012, while 99 employees received educational assistance in 2011.

When we realised that it was very difficult to find enough community members with a suitable maths and science qualification, it was evident that we had to start addressing this gap in the local schools.

Our leadership and people development facilitates the integration of young professionals into the organisation. This includes school programme, bursaries and graduate development programmes.

We launched our Bokamoso schools Programme in 2012. This year 173 pupils from three schools participated in the programme, which offers extra maths and science classes to Grade 10, 11 and 12 pupils.

This programme will assist children from the community to matriculate with maths and science marks that allow them entry at tertiary level and qualify for bursaries.

We introduced a gap year programme for 20 students from the local community whose maths and science marks did not qualify them for university entry. They were given 12 months experience training during which time they were exposed to the different occupations on the mine. They received assistance with their maths and science studies as well as life skills training, including financial management. They rewrote their matric maths and science papers in November. Through this intervention seven gap year students have now applied and gained entry to university for study in fields relevant to mining.

In addition to ABET, portable skills training and training in various mining skills are offered to community members. In 2012 we started our Rock Drill Operators Academy, which has been introduced due to the current shortage of these skills. Our training programme, for unemployed youths, who have completed our ABET and portable skills programme, is facilitated over 18 months during which the youths are trained in the full complement of mining skills. Their practical training takes place in our underground training centre where they are taught how to blast and are trained in the relevant safety rules. They train in teams because good teamwork plays a very important part in safe and productive mining. During the last six months of their training they shadow miners in the actual production areas.

We have 18 females on our rock drill operator training programme and hope ultimately to produce an all-female rock drill operator team. We already have two women who have been through our Rock Drill Operators Academy and who are now learner officials in our training centre. They also mentor our trainees.

Another two women who were trained at our Rock Drill Operators Academy are now participating in the learner miner programme we started this year.

Our human resources (continued)

Human resource development interventions at BRPM – Internal training provided to our workforce

Programme	2012	2011
Mining		
Learner officials	2	1
Level 1 – Competent A	162	239
Level 1 – Competent B	712	811
Level 1 – Skills Programme	354	141
Level 2 – Team Leader	493	342
Level 3 – Learner Miners	22	5
Mine Manager	0	1
Mine Overseer	1	5
Supervisory training	3	5
Total mining	1 749	1 553
Mandatory on-mine training	8 195	8 609
Engineering		
Engineering – Level 1 Training	38	54
Artisan Learnership	25	12
Engineering – Level 2 (Stope serviceman)	24	13
Medium Voltage certification	8	0
Eng Supervisory development programme	3	2
Onsetter skills development programme	2	0
Other Artisans training (Lower level)	44	2
Winding Engine Driver Learnership	3	0
Totals	147	83
Process plant		
Process supervisory development programme	6	3
Shift leader development programme	0	3
Total number trained for process	6	6
Management and leadership		
Executive development	0	3
Senior management development	0	0
Management development	13	14
Foundational management	25	23
Total number trained	38	40
People development		
Internal bursars (fulltime)	2	0
Safety language programme	81	90
Total number trained	83	90
ABET – own time		
Adult education and training	280	383
Foundational learning (QCTO)	72	0
Portable skills training	75	314
Total number training in ABET	427	697
Grand total	**10 645**	**11 078**

Training provided in terms of our SLP commitments

Skills development	2012	2011	Variance 2011 vs 2012
Mining			
Mining cadet skills programme (RDO and PTV)	142	9	133
Total trained	142	9	133
Engineering			
Engineering cadet skills programme	21	7	14
Total trained	21	7	14
Process plant			
Process cadet skills programme	10	0	10
Total trained	10	0	10

MO certificate = mine overseer's certificate
Competent A = a person competent to examine and declare a working place safe underground
Competent B = a person competent to install, maintain and remove any support unit

People development

People development	2012	2011	% change year-on-year
School programme	173		173
Gap year	20		20
External bursars	33		33
Exposure students (P1 and P2) – Internship	32	9	23
Graduates development programme	27	2	25
Research and development	2		2
Total trained	287	11	276
Adult basic education training	104	96	8
Portable skills training	93	242	(149)
Total trained	197	338	(141)
Grand total	657	365	(292)

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We aim to upskill doorstep community members, initially through our skills development programmes, which we will continue to run throughout the life of the mine.

Training and development at Styldrift I

At Styldrift I we enlisted the assistance of the community leaders to find candidates with suitable qualifications and skills for training in the skills that will be required at the mine. Unfortunately, the low levels of doorstep community members with the mathematics and science qualifications, literacy and numeracy required has made it difficult to find sufficient candidates, especially for our engineering skills programmes. The machines they will be using require operators to be functionally numerate and literate. We assessed over 74 members of the local community for TM3 machine operator training and to date 30 have successfully completed the assessment. We aim to upskill doorstep community members, initially through our skills development programmes, which we will continue to run throughout the life of the mine. We have advised community leaders that, due to the shortage of suitable candidates we may have to look further afield.

These 30 community members are currently being trained as trackless machine operators at Anglo American Platinum's Bathopele Mine training centre during 2012 and we have 10 community members on our apprenticeship programme training as diesel mechanics, auto electricians and millwrights. Both these programmes are being run in partnership with Sandvik. While they are being trained community members receive a stipend to cover their expenses.

We plan to have women operating 60% of our fleet. Not only are we committed to increasing the number of women working in our mines, but research has shown that moving machinery operated by women has a longer lifespan. As it is sometimes a challenge for women to pass the physical fitness tests, we provide those who have been unsuccessful with a fitness programme and give them the opportunity to be reassessed six weeks later.

We will also be starting a learner miner programme at Styldrift Mine once mining commences.

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Students participating in the RBPlats gap year programme

Safety

Focus for 2012	Progress
Progressing towards zero harm through the full implementation of our safety strategy	Our safety strategy has been implemented and we are busy embedding the culture of safety first in our operations. Sadly, we did not have a fatality-free year at RBPlat owing to a gravity-induced fall of ground fatality at BRPM's North shaft on 6 February 2012 where Mr Castigo Mario Ndeve lost his life

Our Board and CEO, assisted by the Board sub-committees, assume ultimate responsibility for RBPlat's safety performance. In our operations safety is the direct responsibility of senior management who are responsible for providing effective leadership, appropriate designs, workable systems and behaviour that will prevent unwanted events and eliminate fatalities.

Our safety vision: zero harm

Every person working at RBPlat must go home unharmed every day

No rock will fall uncontrolled

No sub-standard winch will be operated

All loads will be properly suspended

Kibble movement will be well managed and announced

No machinery is operated without authorisation. All machinery must comply with the original equipment manufacturers' (OEM) specifications and be effectively guarded for safe operation

Focus for 2013

- Achieve zero fatalities
- Improve at least 20% year-on-year on our LTIFR and SIFR to achieve total zero harm within five years
- Address the changing risk profile of the development at Styldrift I as a result of the change from shaft sinking to lateral development
  Implement an effective SHE management system that will address the changing risk profile
- Grow our understanding of the role human error plays in unwanted events

Aim to achieve zero fatalities in 2013

Safety strategy

We developed a safety strategy model for RBPlat in 2011 to be used as a guiding principle when designing and developing new projects. It is also used as the guiding document for investigating the reasons for failure when there is an unwanted event in our operations.

Our safety strategy model has three layers:

The foundation

Our Safety Code of Conduct, safety discipline and safe teamwork are the building blocks that form the foundation of our safety strategy model.

The rules set out in the first building block, our Safety Code of Conduct, outline the duties, functions and responsibilities of individuals in their day-to-day decision-making processes for the actions they need to perform. The second block, safety discipline, sets out what action needs to be taken and how it should be taken to address the type of human error identified, taking into consideration slips, lapses, mistakes or violations. The third block, safe teamwork, relates to the concept of 'my brother's keeper' with one common goal – ZERO HARM.

The barriers that must be in place to prevent unwanted events

Standing on this foundation are the four barriers we identified as needing to be in place to prevent unwanted events. These are leadership, design, systems and behaviour.

Each barrier has a critical role to play in preventing unwanted events. The stronger the barrier, the less likelihood there is of something unplanned happening. For example, strong leadership will ensure that only a safe design is approved with effective systems that support the design. Strong leadership will ensure the correct behaviour during the execution of a task.

Addressing latent defects

Defects or weak points in a barrier can result in a barrier failing to prevent an unwanted event. Since 2010 we have conducted an annual safety climate survey, which helps us to determine some of the latent defects and weak points in barriers and address these before an unwanted event occurs.

Latent defects are existing but unknown shortcomings. We continually work to find and eliminate these through risk assessments, effective change management and by developing non-negotiable standards and procedures and conducting effective training programmes.

Our change management processes and procedures are intended to ensure that all risks associated with changes to facilities, equipment, material and operating processes are first assessed and brought to an acceptable level of risk before a change can be made.

Fatal risk focus areas

The fatal risk focus areas inherent in our safety strategy are:

Fall of ground

No rock will fall uncontrolled. We have introduced a RBPLat fall of ground management system which closely monitors fall of ground incidents and the progress made with these incidents in terms of frequency and severity.

Winches and rigging

No sub-standard winch will be operated. In order to achieve zero harm with winches and rigging we will not allow any sub-standard winch installation to operate. We rigorously enforce adherence to our winch rules.

Moving machinery

No machinery will be operated without authorisation. All machinery must comply with the original equipment manufacturers' (OEM) specifications, be effectively guarded and be operated only by trained, authorised and appointed personnel.

Lifting and rigging

All loads will be properly suspended. Correct lifting equipment with safety devices will be used.

Kibble

All employees will be made aware through signals of kibble movement in the shaft and at shaft bottom.

An alarm will be sounded when the kibble approaches the stage and while it is moving through the different decks.

Management systems

BRPM has maintained its Occupational Health and Safety Assessment System (OHSAS) 18001 certification every year since 2004 and has retained the International Organisation for Standardisation (ISO) 14001 accreditation every year since April 2002. We plan to undertake an external certification audit to obtain OHSAS 18001 certification at Styldrift I in the fourth quarter.

Our progress in 2012

At BRPM

After a fatality-free year in 2011 we had a bad start to safety in 2012 when Mr Castigo Mario Ndeve was fatally injured during a fall of ground in our North shaft on 6 February 2012. The lessons we learnt from the analysis of the accident that caused Mr Ndeve's death have been included in our action plans which we will use to avoid a similar accident.

While the number of self-imposed safety stoppages remained constant in 2012, Section 54 safety stoppages imposed by the DMR increased. We lost 62kt of production during the first quarter as a result of DMR-imposed safety stoppages following the fatality and a further fall of ground in the same working area. In quarter two we lost 26kt to safety stoppages and, while we had only one Section 54 stoppage in the third quarter, this resulted in a loss of 1kt. An additional 28kt was lost in quarter four. The total tonnage lost in 2011 as a result of DMR safety stoppages was 74kt, while in 2012 we lost 88kt, an increase of 28%.

BRPM's workforce lives in the same communities as mineworkers involved in labour unrest at neighbouring mines. This unsettled our workforce and had a negative impact on safety performance at BRPM during the third and fourth quarters of 2012. We were, however, able to minimise the effect as explained on page 82 of the Human resources section of this report.

Over and above the safety culture survey we conduct annually we also commissioned a safety maturity level survey at BRPM this year. The survey found that we are 67% up the maturity ladder, which is between being compliant and proactive. To move our culture towards the resilient phase we gave 1 381 of our employees additional training using the Riski Diski soccer methodology training. This training programme uses the game of soccer to help employees understand why they need to do things in a certain way and addresses role clarity through the soccer roles of player, captain, coach and team manager.

All employees injured on duty are now counselled by a qualified psychologist, as part of the process through which we are developing a better understanding of what factors contribute to unwanted events resulting in injury. In the case of a traumatic accident, both the injured person and those who witnessed the accident are given formal trauma counselling. Through this process we have learned that the behaviour of employees resulting in injury may have a number of contributory factors. In some cases the basic cause is not work-related.

In terms of the leadership barrier, all our managers and supervisors have to report monthly on their performance against the leadership profile. Many of our supervisors who need to fulfil a leadership role are struggling to accept their leadership responsibility and accountability during unwanted events. In order to become resilient and achieve zero harm, we are providing ongoing training and coaching in this aspect, which is aimed at increasing the maturity levels of our supervisors who lead work teams.

At Styldrift I

The Styldrift I Safety Manager joined the operational readiness team in July this year. All contractor safety personnel report to him in terms of operations. He is responsible for ensuring that SHE best practice is employed at Styldrift and that the operation is ready for its OHSAS 1800s certification audit in 2013.

The RBPlat safety strategy framework will provide the guiding principle for addressing the mechanised mining methods we will employ at Styldrift I. We have already

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We plan to have achieved OHSAS 18001 Occupational Health and Safety Assessment System certification for Styldrift by the end of 2013.

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Routine ventilation safety audit at BRPM

developed trackless mining standards and a Styldrift-specific safety management system and 20 safety standards and procedures are already in use at the mine. We will also be establishing a training facility at Styldrift I for induction purposes and the safety training of new employees as well as the retraining of employees returning from leave.

In order to gain a better understanding of the safety challenges, we encourage safety representatives to share any incidents that have occurred during the previous week and the responsible supervisor must then explain what action was taken to prevent a similar incident. Operators can become drowsy working with trackless machines and lose concentration towards the end of a shift. The Styldrift safety team has introduced safety campaigns that highlight the need to be aware of the dangers of losing concentration.

Safety performance overall for RBPlat (BRPM and Styldrift mines)

Category	Target for 2013	2012	2011	% change year-on-year
Fatal injury frequency rate*	0.000	0.011	0.000	–
Lost time injury frequency rate*	0.520	0.676	0.909	26
Serious injury frequency rate*	0.301	0.421	0.467	10

* *The rates are based on 200 000 hours worked*

BRPM's safety performance

Category	Target for 2013	2012	2011	% change year-on-year
Fatal injury frequency rate*	0.000	0.012	0.000	–
Lost time injury frequency rate*	0.470	0.629	0.868	28
Serious injury frequency rate*	0.251	0.399	0.427	7

* *The rates are based on 200 000 hours worked*

Styldrift Mine's safety performance

Category	Target for 2013	2012	2011	% change year-on-year
Fatal injury frequency rate*	0.000	0.000	0.000	–
Lost time injury frequency rate*	1.000	1.170	0.660	(78)
Serious injury frequency rate*	0.600	0.656	0.830	22

* *The rates are based on 200 000 hours worked*

Health and wellness

Focus for 2012	Progress
Occupational health	
Update our health requirements in line with the new safety strategy model and ensure the health strategy is developed by the end of 2012	The health and wellness part of our RBPlat SHE strategy is complete and will be distributed in the first quarter of 2013
No percentage loss in hearing difference of more than 5% from the previous screening audiogram	No person showed a compensable shift in hearing loss in 2012 as a result of working at RBPlat operations A survey of our hearing conservation programme conducted in 2012 indicated a high level of compliance with the programme
No occupation-related illnesses or diseases	None reported including NIHL
Employee wellness	
HIV and Aids	HIV prevalence rate for 2012 is 22.7% which is well below the North West province prevalence rate of 30%. This year 577 employees tested positive for HIV of which 500 were contractors
Enrol over 50% of patients eligible for antiretroviral treatment (ART)	430 patients currently on ART. 261 received ART from the BRPM clinic and the balance from surrounding Platinum Health service providers exceeding our 50% target
No TB deaths of patients on our TB programme	There were no TB deaths of patients on our TB programme. Our TB prevalence rate for 2012 is 507/100 000. There were 37 new cases of TB detected among our employees and contractors during medical examinations

Our approach to health and wellness

We comply with the requirements of the South African Mine Health and Safety Act. Until we implement our new health and wellness strategy in 2013 we employ the Anglo American Platinum health strategy, policies, processes and procedures that were in place when RBPlat took over management control of BRPM.

Platinum Health is responsible for our medical surveillance and the monitoring of our healthcare delivery. Occupational health and hygiene policies, standards, monitoring and auditing are the responsibility of our SHE department. Line management is responsible for maintaining occupational health and hygiene standards.

A healthy workforce is an advantage to our business, because it means that our employees are fit to work at their full potential and absences due to sickness are reduced.

Focus for 2013

95% exposure measurement for respirable crystalline silica to be less than an occupational exposure limit of 0.1mg/m^3 as per the requirements in the 2013 safety Milestone document

No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure at RBPlat operations
No new cases of NIHL in 2013 in line with the 2013 safety Milestone requirements

No new cases of any occupation-related illness or diseases

Intense education, motivation and support to decrease the incident rate (new infections)

To facilitate the enrolment of contractors on a Company-controlled ART programme

Achieve early detection, using innovative TB detector methods. Stop TB in our lifetime

No new occupational health cases were identified during 2012

430

HIV patients on antiretroviral treatment (excluding contractors)

We aim to eliminate occupational diseases by providing a workplace free from health and hygiene hazards and are committed to improving the wellbeing of our employees and contractors. Because we have identified the main health issues affecting our workforce, we can effectively address their specific needs. We also take measures to establish if there are any activities at our mines that could affect neighbouring communities.

For more information on our efforts to supplement the public health facilities available to our employees and our communities refer to the Social capital section of this report on page 98.

Health and Safety Committee structure

Each operational area (North shaft, South shaft, the concentrator plant and central services) has a health and safety committee, whose members are drawn from both management and employees.

Employees elect representatives from among the health and safety representatives appointed for their operational area onto the Operational Health and Safety Committee. Each operational area Health and Safety Committee consists of at least four employee representatives and a number of management representatives equal to or less than the numbers of employee representatives. Committee meetings are held at least once a month.

BRPM has a Joint Health and Safety Committee which consists of representatives from each operational area (North shaft, South shaft, the concentrator plant and central services). Each area nominates a representative and an alternate who attends meetings if the representative is not available. The committee meets quarterly. Issues not resolved at operational area safety committees are escalated to this forum.

Styldrift Mine currently operates through the project's safety meeting structures at which health and safety issues are addressed.

Health and wellness (continued)

A new employee undergoing a medical examination at the BRPM clinic

Occupational hygiene

Noise-induced hearing loss, which can have a long latency period, is the most common occupational health issue in our operations. Recently diagnosed cases may be related to historical operating practices. RBPlat has a comprehensive hearing conservation programme which incorporates the silencing of all equipment and machinery with noise levels above 110 decibels. Hearing protection devices are mandatory in workplaces demarcated as having high noise levels (noise levels exceeding 85 decibels). We aim to achieve the directive of the DMR of no new cases of noise-induced hearing loss and a reduction in the total noise emitted by all our equipment to below 110 decibels, by December 2013.

To remain competitive we need a healthy workforce. We also have a moral and legal obligation to protect the health and wellbeing of our workforce.

We have adopted a vision of zero occupation-related harm. To achieve our vision we are:

- implementing a workplace culture throughout RBPlat which recognises that all occupation-related illnesses are preventable
- making a consistent and sustained effort to ensure that there are no repeat occurrences of occupational diseases in any part of our organisation
- applying simple, consistent and non-negotiable health and safety standards across our organisation to prevent occupation-related illnesses

Not only is occupational ill health treatment costly, there is also the human suffering that can be prevented by having an effective programme in place. Poor health and wellbeing affects the members of our workforce, their families and the communities they live in.

Our onsite healthcare provider is Platinum Health, whose delivery model is based on a thorough understanding of RBPlat's requirements. It operates the BRPM main clinic, together with our South and North shaft and Styldrift I clinics. These clinics have the necessary medical staff and infrastructure to meet the challenges of delivering quality, cost effective healthcare services across the healthcare spectrum to all our employees and we strive to achieve best practice in the field of mine medical services at all times.

In addition to providing our employees and contractors with occupational healthcare, medical surveillance, injuries on duty, trauma management and rehabilitation, it also provides our workplace wellness programmes, which encompass a continuum of healthcare including disease prevention, diagnosis, treatment, management and rehabilitation and HIV/Aids management.

To assist with the healthcare of the communities in which we operate by providing an improved service to community members, RBPlat is paying the salaries of two fulltime professional nurses who work in the community clinic.

TB statistics

	2012	2011	2010	% change year-on-year
Number of employees tested who were infected with TB	37	22	40	68.2
Number of employees screened for TB	424	168	213	152.3
TB prevalence*	507/ 100 000	580/ 100 000	530/ 100 000	12.59

* *The TB prevalence number is expressed per 100 000 and not as a percentage. Government reports the national prevalence rate as 998/100 000*

HIV counselling and testing (HCT)

All employees are retested when they return from leave and all contractors coming on site are tested.

	2012	2011	2010	% change year-on-year
Number of employees counselled	3 588	3 496	4 585	2.6
Number of employees tested	2 870	3 049	4 409	(5.9)
Employee testing uptake rate (%)	80.0	87.2	96.2	(8.3)
Number of contractors counselled	8 371	8 885	8 860	(5.8)
Number of contractors tested	7 122	7 886	8 220	(9.7)
Contractor testing uptake rate (%)	85.1	88.8	92.8	(4.2)
Number of employees and contractors counselled	11 959	12 381	13 445	(3.4)
Number of employees and contractors tested	9 992	10 935	12 629	(8.6)
Employee and contractor uptake rate (%)	83.6	88.3	93.9	5.3
Number of employees and contractors who are HIV positive	2 458	643*	539*	282.7
Number of employees on ART	430	219	185	63.0

All employees who undergo initial medicals and all employees who undergo routine medicals are counselled
Prevalence rate = those who tested positive and those who are known to be positive

* *These numbers exclude contractors*

Noise-induced hearing loss (NIHL) statistics

Instances of NIHL	2012	2011*	2010	% change year-on-year
NIHL of more than 10% which qualifies for compensation	11**	19	4	(42.1)
NIHL of more than 10%, but does not qualify for compensation	20	16	4	42
Total	40	35	8	14.3

* *Increase due to the hiring of a number of new employees and contractors who were found to be suffering from NIHL from previous employment*
** *The shift in hearing of more than 10% was not as a result of working at BRPM, rather an accumulation of industry exposure through the years*

7 Social capital

Social capital

This section of our report looks at our approach to adding value and creating a stable society in which to operate through our social responsibility and our approach to transparency and accountability

Successes

10
SLP projects completed

1
Kgotla offices in Chaneng and Rasimone

2
Road in Chaneng village

3
Phokeng **police station upgraded**

4
Chaneng **clinic upgraded**

5
IT health infrastructure for seven clinics

6
e-library facilities at Charora High School

7
World class sports facilities at five schools

8
Rasimone Intermediate **school upgraded**

9
Vegetable garden for Association of the Blind

10
Satellite police station and **community service** centre in Robega

Improvements

R94.3m
BRPM SLP expenditure

R32.5m
Styldrift I Project SLP expenditure

59%
HDSA preferential procurement spend

Disappointments

In 2011 our challenge was our struggle to deliver against our commitments. This year we exceeded our commitments but we faced disappointments. While we are disappointed by these setbacks, we are committed to continuing to meet our community commitments and improve conditions for our communities.

Despite installing extensive security, some of the **solar panels** we installed at schools to provide electricity have been stolen. We wanted to make sure that the children would have school grounds they could be proud of and the electricity would have driven the borehole pump we provided.

The **computer equipment** we provided in seven clinics to improve the management of patient data is not providing this vital service because some of it was stolen.

Social capital (continued)

Focus for 2012	Progress
Further improvement in meeting SLP commitments and expenditure	Spent more than our commitment and delivered more than our commitment
Further improvement in levels of engagement with community leadership through increased contact	Appointment of two community coordinators has improved engagement, as has the monthly meetings we hold with the communities
Better coordination of community development projects with RBA and the Rustenburg Local Municipality	Regular communication with RBA and Rustenburg Municipality on projects Understanding RBN structures for project delivery
Implement recommendations from enterprise development pilot programme	Building enterprise development hub
Implement planned enterprise development initiatives in ICT and tourism sectors (develop opportunities beyond and unrelated to mining and enhance the mine closure plan)	We have engaged with the RBN on ICT development opportunities, but progress has been slow. We have deferred the tourism initiatives to address more pressing community enterprise development needs

Our More than mining philosophy commits us to creating economic value in a way that also creates value for society. This is a particularly challenging commitment in the current economic environment.

We have designed our social responsibility and sustainable development strategies and policies to support our philosophy and to help us achieve a balance between the Company's interests and those of our communities.

Our approach

We identify our impacts on the communities in which we operate, both positive and negative, using social and human rights baseline studies and risk assessments. We work closely with the communities to maximise the positive impacts of our activities and to minimise or avoid any potential negative effects that could arise from our activities.

Community consultation is a key part of our approach. We involve communities in developing solutions that will have mutual benefits and engage openly and honestly with community representatives. Both our BRPM and Styldrift operations conduct monthly meetings with community representatives to keep them informed of activities at our operations, to be informed by them of issues that have arisen since the previous meeting and to provide feedback on issues that they raised during the previous meeting. In addition our two community engagement officers are in contact with the communities throughout the month and act on any pressing issues.

The communities in which we operate live in four villages: Mafenya, Chaneng, Robega and Rasimone, which are informally known as MACHARORA. Three of these villages are on Royal Bafokeng Nation (RBN) property and the third, Robega, is on state-owned land. We invest in all these communities.

Empowering these communities and enhancing their socio-economic capacity, prosperity and sustainability secures our licence to operate and is an investment in their futures and ours.

Our social and labour plans (SLPs) guide our investment in community development and form an important part of our Mining Charter Scorecard commitments and our mining licence requirements. Our SLPs are aligned with the development plans of both the RBN and local government. We focus on high impact, high visibility projects with multiple beneficiaries.

Delivering against our SLPs and our corporate social investment (CSI)

While the same four communities are recipients of our SLPs and CSI, our operations, BRPM and Styldrift I, each have their own SLPs.

Because we were unable to execute some of the projects in BRPM's original SLP, mainly because of delays caused by land use issues, we submitted a Section 102 application to the DMR and obtained permission to change this SLP. In contrast to what we regard as poor performance last year we are very proud of our delivery against our SLP commitments during 2012.

These community development projects include a substantial investment in a training and development component that equips local community members to work in the mining industry and also provides them with portable skills, which are discussed in the training and development sections of the Human capital section of this report on pages 85 to 87.

Focus for 2013

- Continue with the progress we made in 2012 with a focus on classroom education and complete our SLP obligations
- We will continue to work at improving our engagement with community leadership through ongoing communication and engagement
- Continue to work with the RBA and the Rustenburg Local Municipality in order to be able to complete our community development projects
- Completion of enterprise development hub and more intensive training in tender procedures for local black-empowered businesses
- Implementation of enterprise development initiatives in ICT

Enterprise development hub to be built in 2013

BRPM's progress against its SLP and CSI commitments

BRPM's SLP has four focus areas: poverty alleviation and job creation, basic infrastructure, education support and related infrastructure and health services development.

Since RBPlat took over responsibility for BRPM's SLP in 2010 we have completed 10 projects and are busy implementing another four.

Our completed projects

Basic infrastructure

Kgotla offices in the Rasimone and Chaneng villages (Cost: R839 683)

Adequate and good quality communication between the mine and our neighbouring communities is essential. The Kgotla's offices provide a central point for the community and as such facilitate communication between the leaders, their community and our mine operations. We are awaiting approval of the plans for the permanent Kgotla offices we plan to erect, but in the meantime we have provided temporary fully-equipped mobile offices for these villages and the Royal Bafokeng Administration (RBA) provided connections to water and the sewage system.

Providing a portion of road in Chaneng village (Cost: R2 978 188)

The community asked us to build a 700-metre portion of road in Chaneng. We engaged with the community and the RBA, the construction and specification of the road were approved, members of the community were employed to build the road and the project is complete.

Upgrading of the Phokeng police station, providing a satellite police station and a community centre in Robega village (Cost: R1 679 015)

The Phokeng police station had no facilities for the disabled and there was no privacy for people reporting matters of a personal nature. We replaced the counters and provided privacy, installed cupboards, replaced desktops, repainted the community service centre, installed air conditioners and repaired windows and doors.

We built a satellite police station in Robega, which is also accessible to all the MACHARORA villages, and facilities that allow community members to renew licences, etc.

For information on our SLP projects see pages 101 to 103

Social capital (continued)

Health services development

Chaneng clinic (Cost: R127 074)

Because of the population growth in the MACHARORA villages the Chaneng clinic was not coping with the intake of patients. Having assessed the problem areas we assisted by providing a fully equipped ambulance, medical equipment, wheelchairs and office furniture. We are also paying the salaries of two additional nurses, employed by the RBA.

IT health support (Cost: R3 608 807)

In association with the Royal Bafokeng's Social and Health Services department, we provided seven clinics in the Chaneng, Luka, Phokeng, Kanana, Mfidikwe, Thekwane and Tlaseng villages with computers and servers to improve the management of patient data throughout the RBN.

Education support and related infrastructure

Using technology to provide Charora with an e-library (Cost: R208 454)

The Charora high school provides library facilities for both its pupils and the community, however, these facilities were very limited. We identified that both the children and the adults in the community lacked access to the everyday information they needed. We set up an Internet café at the school by providing three computers in booths, installing network cables and a radio antenna which connects the school, via a radio link, to BRPM's database and access to a carefully selected range of websites on the Internet. This facility is particularly useful to students preparing projects. We also provided training in the use of the computers and the Internet.

Providing world class sports facilities (Cost: R23 673 056)

The pupils at Chaneng, Rasimone and Bonwakgogo primary schools, Mafenya Middle School and Charora High School urgently needed sports facilities. Because of the lack of facilities the children were not participating in sport and some of them were instead becoming involved in negative social behaviour. We decided to provide these schools with world class sports facilities. Each school now has an International Federation of Football Associations (FIFA)-approved seven-a-side artificial grass low maintenance 62 x 41 metre soccer field and an International Basket Ball Federation (FIBA)-approved tiled basketball/netball court. We paved the sides of the fields and courts, installed crowd control fencing, drilled two boreholes per school, put up floodlights, equipped the boreholes with solar panels and planted grass around the fields. We also provided two pavilions and separate male and female change rooms at each school, a tractor to cut the grass, the correct brushes to brush the artificial fields and the tools required to maintain this equipment. Artificial Grass Africa provided three months of training in maintaining the fields and courts to community members.

To make sure these facilities achieved their purpose Royal Bafokeng Sport has arranged training for the pupils and a quarterly soccer, basketball and netball inter-school league among the schools, with a trophy for the winning school. To make sure the teams look their best we provided each school with enough clothing and footwear for three teams and each school was given 30 balls. When the pupils take part in the league they need to be transported to other schools. We purchased a 14-seater vehicle to transport them.

This project could not have been a success without the participation of the school governing bodies, the RBA and the Royal Bafokeng Institute, which is responsible for facilitating the delivery of quality education and training to the Bafokeng Nation and Royal Bafokeng Sports whose aim is to foster a culture of participating in sport starting with the development of school children.

Upgrading Rasimone Intermediate School (Cost: R875 343)

The Rasimone intermediate school was dilapidated and in need of a facelift. We repainted the school buildings and its roof, replaced the old blackboards with whiteboards, installed air conditioners,

> *The temporary fully-equipped Kgotla office in the Chaneng village*

replaced tiles and fascia boards. This smart new environment should inspire both pupils and teacher to do the best they can.

Poverty alleviation and job creation

Association of the Blind's Chaneng garden (Cost: R2 708 167)

The Chaneng garden was already in existence, when it was adopted by BRPM. We began upgrading it in September 2011 assisted by consultants, Umtali. We equipped the garden with pumps and water tanks, shade netting structures, an irrigation system, a storeroom, wash bays and an ablution block. The garden has a permanent workforce of eight semi-blind people who are residents of Chaneng village. The garden produces seasonal produce, which it sells to Sun City, Fruit and Veg City in Rustenburg, the Rasimone primary school and the Johannesburg market. Once their second tunnel is complete they will add peppers and chillies to their range of produce.

The garden has been so successful, it is already purchasing its own seedlings. We expect that it will become completely self-sustaining in the near future.

Project in progress

Enterprise development – establishing an enterprise development hub (Budget: R10 million)

During 2011 we sponsored a three-month pilot project aimed at developing entrepreneurs assessing the requirements of small, medium and micro-enterprises from various communities and developing a shared service offering to support entrepreneurs who participated in the pilot project.

We are now busy establishing a centrally located light industry hub, which is going to provide real enterprise development for the local community. Phase I was completed in 2012 and we expect to roll out Phases II and II in 2013, but this depends on how quickly we can get our environmental impact assessment approved. There will be training available for the community members who have been provided with tunnels in which to grow crops for their own consumption and to sell as a source of income and the hub will provide facilities where they can sell their produce. It will also offer cell phone and shoe repairs, there will be a tailor, a TV repair shop and community members will be able to sell their arts and crafts work on the premises.

We are erecting chicken hatcheries, broilers and vegetable tunnels at the hub. These will be used to train people how to develop and run their own businesses in these agricultural sectors.

Styldrift I's progress against its SLP

Because Styldrift Mine is still a project under development, which is not as yet producing and generating revenue, the scope of its original SLP is smaller than that of BRPM. The original SLP for Styldrift was prepared in 2008 and the baseline used then is no longer applicable. As a result, in consultation with the community we have included other projects in our delivery against our SLP. Our original SLP budget for Styldrift in 2012 was R17.8 million which was revised to R18.1 million. Its focus areas are: job creation and poverty alleviation, basic infrastructure, education, health and social development and community skills development. The job creation project we have invested in, which is the development of hydroponic gardens, received funding in 2011, but we did not make any further investment in this project in 2012. Instead we built roads and invested in education support projects, the refurbishing of community clinics, providing support infrastructure and equipment for these clinics and training in portable skills for community members.

We have prepared a new SLP for 2013 – 2017 with a total budget of R146 million over the five years, which was developed with inputs from the local communities known as MACHARORA. These projects are aligned with those of BRPM.

SLP expenditure

RBPlat's total SLP expenditure in 2012 was R126.9 million (2011: R35 814 million).

BRPM's SLP expenditure

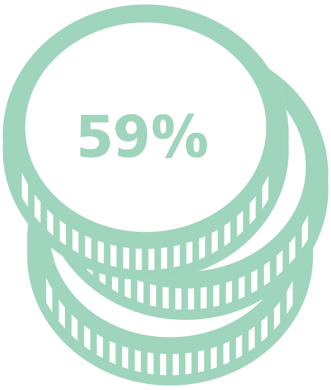
	2012	2011
Socio-economic development	R (million)	R (million)
Enterprise development	882	1 554
Education support	10 425	436
Infrastructure	293	2 571
Poverty alleviation and job creation	4 182	242
Basic services	–	–
Discretionary funds	1 285	538
Sub-total	17 067	5 341
BRPM training and development SLP spend	77 200	24 700
Total	94 267	30 041

Styldrift Mine SLP expenditure

	2012	2011
Socio-economic development	R (million)	R (million)
Job creation	2 232	1 462
Basic infrastructure	4 062	2 336
Education support projects	13 768	500
Health and social development	5 013	–
Community skills development (portable skills training)	200	–
Poverty alleviation	2 937	338
General manager's discretionary fund	–	–
Sub-total	28 212	5 173
Styldrift training and development SLP spend	4 300	600
Total	32 512	5 773

Social capital (continued)

Discretionary procurement from HDSAs



R1.30 billion
2012

R1.28 billion
2011

Supporting local communities through our preferential procurement

We are committed to procuring as much as we can from local black-empowered businesses, because we recognise that this procurement helps alleviate poverty and has the potential to create employment.

Our preferential procurement targets are aligned with those of the Mining Charter scorecard and we assist local businesses with training in how to prepare tender documents, how the tender process works, contract negotiations and pricing.

> Providing world class sports facilities in our communities

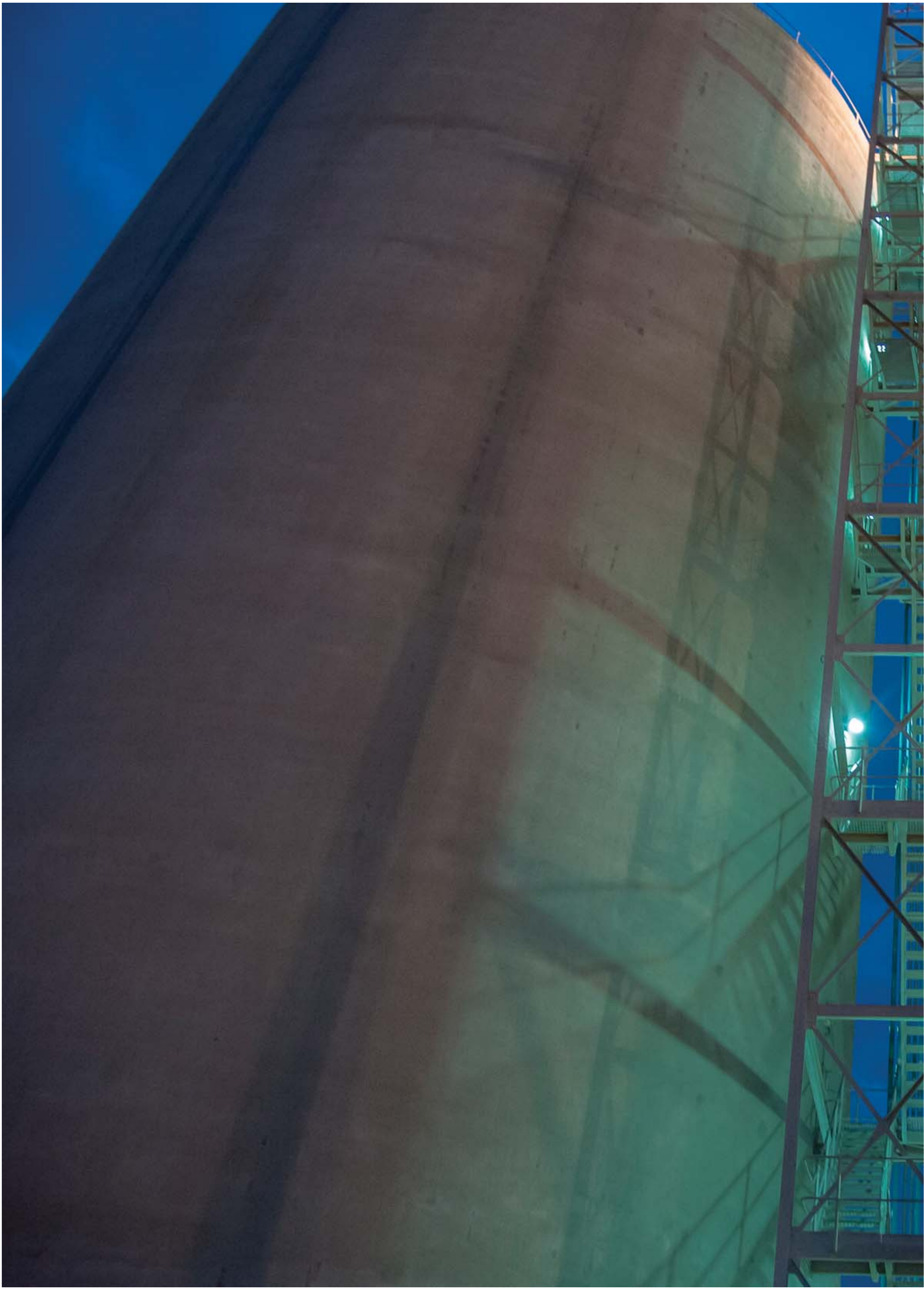
>

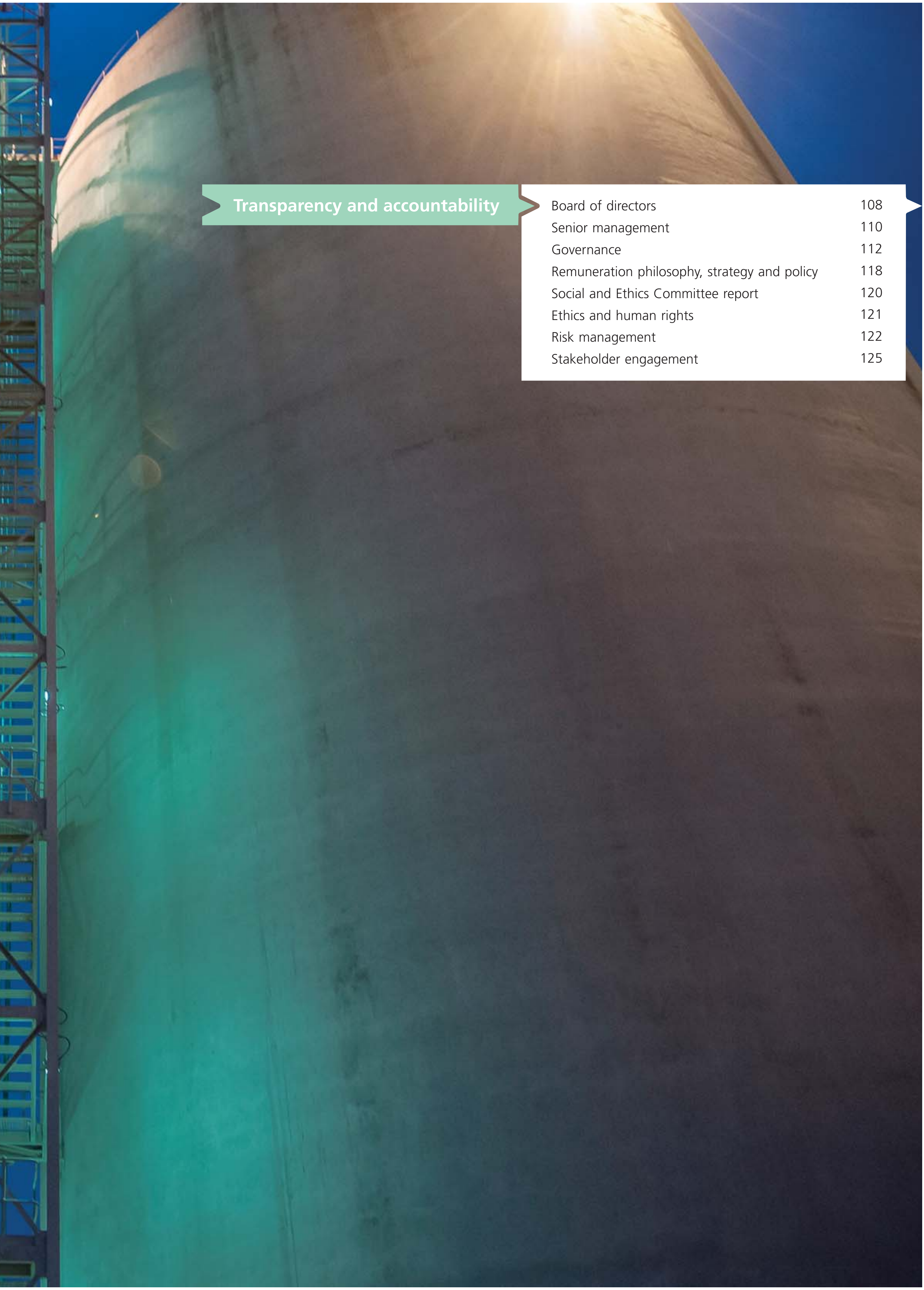
Internet cafe at the Charora high school

BRPM discretionary procurement

	2012				2011			
Type of spend	Total discretionary procurement	Historically disadvantaged South African (HDSA) procurement spend	Percentage spend with HDSA companies	Target (Mining Charter)	Total discretionary procurement	HDSA procurement spend	Percentage spend with HDSA companies	Target (Mining Charter)
	R (million)	R (million)	%	%	R (million)	R (million)	%	%
Capital spend	1 100 342	606 290	55	20	976 547	662 350	68	10
Consumables	334 606	222 540	67	25	322 124	150 981	47	15
Services	762 332	474 854	62	50	592 863	472 041	80	40
Total discretionary procurement spend	2 197 280	1 303 684	59		1 891 534	1 285 372	68	

Despite challenging economic conditions, BRPM has achieved an overall HDSA procurement rate of 59% across all categories thereby exceeding the Mining Charter target and the procurement spend has marginally increased by R18.3 million (1.4%) compared to 2011 performance.





Transparency and accountability

Board of directors

Non-executive directors

1. Advocate Kgomotso Moroka SC (58) – Chairman (independent)

BProc, LLB

Kgomotso joined our Board as Chairman and independent non-executive director on 1 June 2010. A practising advocate, she is Chairman of the Nomination Committee and a member of the combined Remuneration and Nomination Committee.

2. Professor Linda de Beer (43) (independent)

CA(SA), MCom (Tax)

Linda joined the RBPlat Board as an independent non-executive director on 1 June 2010. An independent reporting and governance advisor and visiting professor at the University of the Witwatersrand, she is Chairman of our Audit and Risk Committee.

3. Robin Mills (66) (independent)

BSc (Eng) (Rand) Mining, CEng, FIMMM, FSAIMM

Robin joined our Board as an independent non-executive director on 20 September 2010. Currently a consultant to the mining industry, Robin is a member of the Audit and Risk Committee and the Social and Ethics Committee.

4. David Noko (55) (independent)

Dip Mech Eng, Postgraduate diploma in Company Direction, MBA (Edinburgh)

David joined the Board as an independent non-executive director on 1 June 2010 and is Chairman of the Remuneration Committee, a member of the Audit and Risk, Social and Ethics and the combined Remuneration and Nomination committees. He is currently Vice President for Sustainable Development at AngloGold Ashanti.

5. Professor Francis Petersen (48) (independent)

BEng (Chem), MEng (Metal), PhD (Eng), MNACI, PrEng, FSAIMM, FSAAE

Francis was appointed to our Board as an independent non-executive director on 1 June 2010. Dean of the Faculty of Engineering and Built Environment at the University of Cape Town, he is a member of our Audit and Risk and Social and Ethics committees.

6. Mike Rogers (68)

BSc (Eng) (Rand) Mining, PrEng, FSAIMM

Mike was appointed to the Board as a non-executive director on 7 December 2009 and is Chairman of the Social and Ethics Committee and a member of the combined Remuneration and Nomination Committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum Mike gained an in-depth understanding of RBPlat's operations.

7. Matsotso Vuso (39) (independent)

CA(SA)

Matsotso was appointed to our Board as an independent non-executive director on 11 April 2011 and is a member of the Audit and Risk Committee. Matsotso is the Managing Director of the Nyamezela group of companies, which she founded in 2003.

Executive directors

8. Steve Phiri (56) Chief Executive Officer

BJuris, LLB, LLM, Dip Corp Law

Steve was appointed to the Board as Chief Executive Officer (CEO) on 1 April 2010. He chairs the Executive Committee and the BRPM Joint Venture Management Committee and attends all committee meetings as an invitee. Steve was CEO of Merafe Resources, a company listed on the JSE, for six years before joining RBPlat.

9. Nico Muller (46) Chief Operating Officer

BSc (Mining Engineering)

Nico was appointed Chief Operating Officer and an executive director on 2 March 2009. He is a member of the Executive Committee and a permanent invitee to the Social and Ethics and Audit and Risk committees and the BRPM Joint Venture Management Committee. Before joining RBPlat he held senior managerial positions at De Beers, Consolidated Mines, Anglovaal Mining and African Rainbow Minerals.

10. Martin Prinsloo (44) Chief Financial Officer

BCom (Hons) Acc, CA(SA)

Martin was appointed Chief Financial Officer (CFO) and an executive director on 1 March 2009. As CFO he attends all Audit and Risk Committee meetings as a permanent invitee and is a member of the Executive Committee and the BRPM Joint Venture Management Committee. Before joining RBPlat Martin acted as CFO and was a member of the Executive Committee at Anglo American Platinum.

For more detailed profiles of our Board members please visit the Company website www.bafokengplatinum.co.za

Senior management

> *From left to right*

1. Mzila Mthenjane
Executive: Business Sustainability

BSc (Eng) (Wits) Mining, SMDP (GIMT)

Mzila's work experience over a 19-year period includes over eight years in the mining industry and six years in investment banking. Before joining RBPlat in 2009 he was a member of the management team of Royal Bafokeng Holdings for over three years.

Performance:

> Focus on local and international stakeholder engagement
> Developed our climate change framework
> Sustainability strategy updated
> Good progress with energy efficiency projects
> Progress with the securing of our mineral and surface rights

2. Vicky Tlhabanelo
Executive: Human Resources

MM (Masters in Management), BCom (Hons) Dip (Management and Accounting)

Vicky has over 21 years' experience in human resources in the private and public sectors. She joined RBPlat in 2010.

Performance:

> Mitigated and managed labour unrest
> Implemented remuneration philosophy approved by the Board in April 2012
> Developed and implemented human resource strategies and policies

3. Reg Haman
Executive: Risk and Assurance

MBA, PGDBA, Graduate diploma in Company Direction NHD, ND

Reg has 17 years' experience in risk and governance and has held senior executive positions in various sectors including mining and financial services. He is the past President of the Institute of Risk Management of South Africa and served on the King III risk management working group.

Performance:

> Drafted enterprise risk policy
> Developed enterprise risk management framework
> Developing revised legal and regulatory compliance framework

4. Glenn Harris
General Manager BRPM

NHD (Metals), BTech, MDP MMCC

General Manager of BRPM since 2006, Glenn has 28 years' experience in mining, 18 of which have been in platinum mining.

Performance:

> 24% improvement in lost time injury frequency rate (LTIFR)
> Despite industrial action good progress made with 25% improvement in immediately stopable reserves (IMS)
> Excellent progress with delivery against our social and labour plans

5. Velile Nhlapo
General Manager Styldrift

NHD (Metals), BTech (Mining Engineering), MMCC

Appointed General Manager of Styldrift in February 2012. A total of 17 years' experience in gold, platinum and cement (quarry) of which seven years was in platinum mining.

Performance:

> Zero fatalities
> Intersected Merensky Reef 600 metres below surface at Styldrift I
> Operational readiness team in place
> Detailed labour planning completed
> Started community skills development and apprenticeship programmes
> Styldrift concentrator plant pre-feasibility study completed

6. Neil Carr
Head of Projects and Engineering

BSc (Mechanical Engineering), EDP

Neil has 30 years' experience in the platinum mining industry. Prior to joining RBPlat in 2010 he held senior management and leadership roles in Lonmin for 20 years and Implats for nine years.

Performance:

> No fatalities on any capital project
> BRPM Phase II replacement project completed in its entirety
> Intersected Merensky Reef 600 metres below surface at Styldrift I
> Completed Styldrift II concept study

Executive Committee members

Steve Phiri
Chief Executive Officer

Martin Prinsloo
Chief Financial Officer

Nico Muller
Chief Operating Officer

Vicky Tlhabanelo
Executive: Human Resources

Mzila Mthenjane
Executive: Business Sustainability

Reg Haman
Executive: Risk and Assurance

Governance

Our approach to governance

RBPlat understands that a sound and robust approach to corporate governance standards throughout our business requires a focus on performance as well as compliance. We are committed to transparency and accountability, which is essential if our Group is to thrive and succeed in the short, medium and long term.

Our Board subscribes to the highest standards of corporate governance. Its main objective is to provide responsible, effective leadership and direction aimed at ensuring that the Group's strategies deliver sustained economic, social and environmental performance. To ensure that we consistently practise effective corporate governance throughout the Group our Board applies the principles of King III. The Board instils in our management team the need to achieve the best results in the most responsible way possible.

Our Board Charter, which was updated in May 2012, together with the terms of reference for our Audit and Risk, Remuneration and Nomination and Social and Ethics committees, sets out the role, function, obligations, rights, responsibilities and powers of the Board and its committees and the policies and practices in respect of the Board's duties, functions and responsibilities. A copy of the Board Charter is available on our website www.bafokengplatinum.co.za.

Board roles and responsibilities

The Board is responsible for strategy, strategic decision-making and assessment of its execution. The Board recognises that strategy performance, sustainability and risk are inseparable. It is also responsible for its own governance such as the rotation of directors, training of directors, management of conflicts of interest and nominations to the Board. It is responsible for the governance of the Group on behalf of its shareholders. It performs this duty within a framework of policies and controls which provide for effective risk assessment and management of our economic, environmental and social performance. It also has an important role to play in setting ethical standards of conduct.

RBPlat's Board is committed to providing the Group with effective leadership and seeks to apply the ethical values of responsibility, accountability, fairness and transparency in its leadership role and decision-making.

There is a clear separation between the responsibilities of the Chairman and the CEO, as well as the level of authority at which management can operate and run the business. The Company's Memorandum of Incorporation clearly defines what matters are reserved for the Board and shareholders and that Board decisions are by majority vote which prevents domination by any one director.

Appointment of directors

The policy governing the appointment of directors to the Board of RBPlat is available on our website www.bafokengplatinum.co.za. Our appointment process, through the Nomination Committee, is formal and transparent.

Rotation of directors

In terms of the Company's Memorandum of Incorporation, Article 57 1.2, one third of our directors are required to retire from office at every annual general meeting. We select the retiring directors based on the amount of time that has elapsed since they were previously elected or re-elected to the Board.

The directors who will retire and seek re-election to the RBPlat Board at our annual general meeting on 17 April 2013 are Messrs RG Mills, NJ Muller, FW Petersen and MJL Prinsloo.

The appointment of new directors will follow a formal and transparent process which is outlined in the Nomination Committee's terms of reference. These appointments are ultimately approved by the Board and shareholders.

Directors' conflicts of interest

In terms of the Companies Act, King III and the Board Charter, a director of a company must avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the group. The Board has established procedures to enable the directors of RBPlat to notify the Company of any actual or potential conflict situations and to declare any significant interest in the Company or its contractors.

If directors find that a conflict of interest is unavoidable then they must disclose it and recuse themselves from any decisions regarding matters where this interest may impair their judgement.

Induction and training of directors

When we appoint new directors they receive informal and formal inductions, related to the Group and their duties as directors of RBPlat. We also provide our directors with ongoing support and resources that allow them to develop and refresh their skills and knowledge regarding their roles as directors of RBPlat, which include any changes to legislation or regulations and briefings on market developments. The directors also have unrestricted access to executive and general management in order to acquire any knowledge or information relevant to the discharge of their duties.

Following our Board evaluation process, which was finalised in January 2012, certain directors received specific training related to mine operational and technical activities which included matters related to safety and health. Similar additional training is also planned for 2013.

Board effectiveness

We conducted our first independent Board evaluation in 2011. This included an externally facilitated review of our Board, its committees and individual directors retiring by rotation. The outcome of the review was positive, however, certain areas were identified where improvement or additional focus is required, such as succession planning, risk and compliance management, training and development and a review of the delegation of authority. Following the reviews these areas have received added focus and significant progress was made in these areas during the 2012 financial year.

In December 2012 we conducted an internal evaluation of the Board, its committees and its Chairman and provided our Board with a written report of the findings of this second evaluation process in February 2013.

Engaging with our stakeholders

Stakeholder engagement is one of our key material issues. The Board is responsible for communicating effectively with our shareholders and has made the CEO, the CFO, the COO and the Investor Relations Manager responsible for regularly engaging with our shareholders and potential shareholders.

In addition, specific engagement forums have been established under the leadership of the CEO and executive directors to ensure that other stakeholders, such as our employees and the communities in which we operate, have a platform to raise their concerns and have meaningful discussions with management.

Our Board governance structure

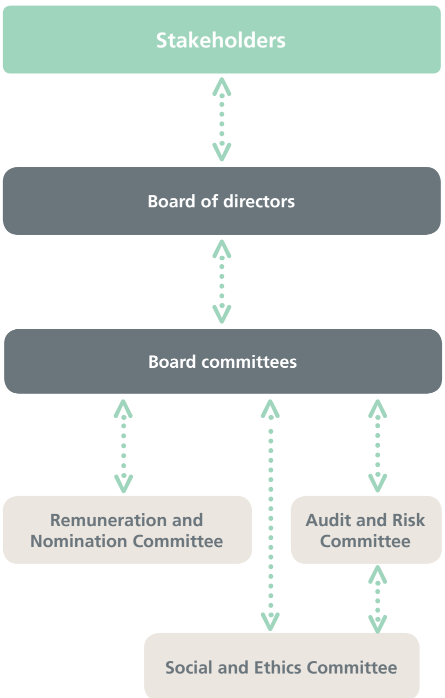
The Board reserves certain matters for its decision and delegates but retains certain responsibilities to three standing committees – the Audit and Risk Committee, the Remuneration and Nomination Committee and the Social and Ethics Committee, previously Safety, Health and Sustainable Development Committee.

The CEO, together with the Executive Committee, also operates within an authority framework approved by the Board. This framework governs the authority levels at all levels of management and leadership in RBPlat, right up to the Board and shareholders.

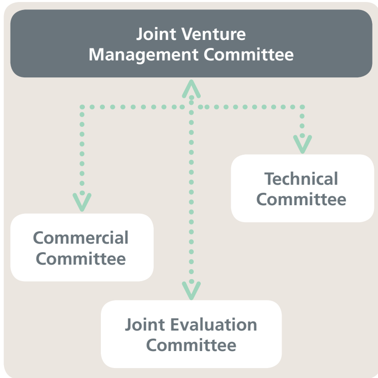
The delegation of authority framework and levels of authority were comprehensively reviewed in 2012 to ensure their relevance and effectiveness to assist management in carrying out its duties effectively.

For information on our engagement with our stakeholders please see the stakeholder engagement table on our website.

Details of the members of our Board and committees, a summary of their roles and responsibilities and attendance at meetings by members are set out on page 116.



Governance structure for the BRPM Joint Venture



Assurance of the RBPlat integrated annual report

The integrated annual report has been externally assured in the following manner:

> The annual financial statements were audited by PricewaterhouseCoopers Inc. (refer page 135)

> The report was externally assured by Integrated Reporting and Assurance Services, their report concluded that the integrated report provides a comprehensive and balanced account of the environmental, health, safety and social performance. In providing this assurance AA1000AS (2008) principles of inclusivity, materiality and responsiveness and the GRI G3 indicators were applied and the report achieved a B+ rating. Areas of improvement and recommendations identified in the process are being addressed by management

> Internal controls were assured by the internal auditor, KPMG (refer to Audit and Risk Committee report on pages 129 to 130)

> To meet our responsibility to effectively mitigate and control risks the Group monitors and maintains financial and other internal control measures. We would refer you to the Audit and Risk Committee report on pages 129 to 130

> Our Mineral Resources and Reserves statement is signed off by Competent Persons.

For details of the committee's roles and responsibilities see the Audit and Risk Committee report on pages 129 to 130.

>

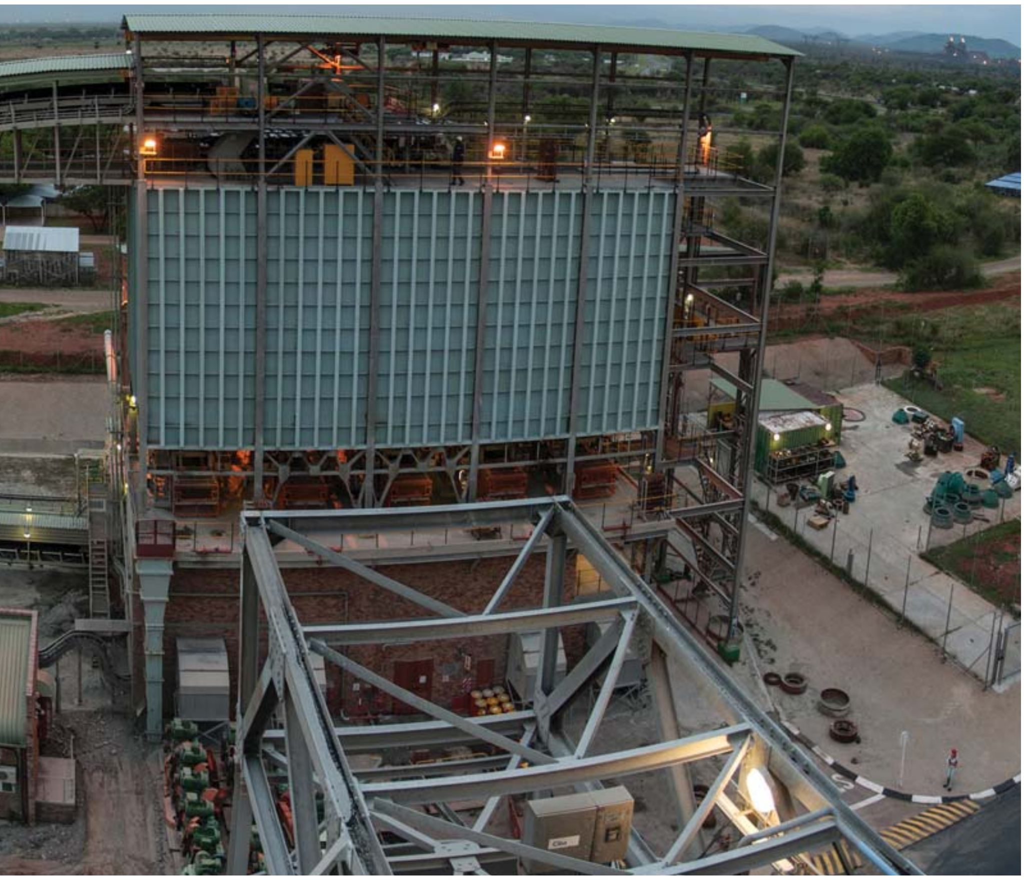
To ensure that we consistently practise effective corporate governance throughout the Group applying the recommendations of King III, the Board instils in our management team the need to achieve the best results in the most responsible way possible.

Company Secretary

Our Company Secretary is responsible for administering the proceedings and affairs of the directorate, the Company and, where appropriate, owners of securities in the Company, in accordance with the relevant laws. The Company Secretary is available to assist all our directors with advice on their responsibilities, their professional development and any other relevant assistance they may require. Our non-executive directors can, if necessary, obtain independent professional advice at the Company's expense.

The Board has assessed the competence, qualifications and experience of the Company Secretary, as required in terms of Section 3.84 (i) of the JSE Listings Requirements and has agreed that he is sufficiently qualified, competent and experienced to hold his position as Company Secretary. The Board made their assessment during a closed session, which was based on the role and responsibilities he currently holds and executes within the organisation.

The Company Secretary fulfils no executive management function and is not a director. Therefore, the Board is satisfied that the Company Secretary maintained an arm's length relationship with the executive team, the Board and individual directors in terms of Section 3.84(i) of the JSE Listings Requirements.



BRPM concentrator plant

Application of King III

As in the past the application of the 75 corporate governance principles set out in King III were considered. The principles listed below are the ones that are not yet fully applied. A comprehensive assessment of all of the 75 principles can be found on our website www.bafokengplatinum.co.za.

King III principles	Current and future actions
Ethics framework (principle 1.3 and 2.5)	Revised ethics policy approved by Board An ethics framework and the measurement thereof to be established in 2013 as part of the risk management process
Succession planning for Chairman, CEO and senior management	Succession plan for senior management agreed and its implementation is being considered. The succession plan for the Board is, however, still outstanding and will be considered in 2013
Independent quality review of internal and external audit, the financial function	As our internal audit function is outsourced there is no need for an independent quality review
Risk management framework and implementation programme (principles 4.5 – 4.9)	We developed a comprehensive enterprise risk management policy and framework which was approved by the Board in 2012. In addition, a risk management strategy and implementation plan was approved to ensure the embedding of the adopted risk philosophy in the current year. We also appointed an Executive: Risk and Assurance to lead the risk management and assurance development and implementation in conjunction with the CEO and the Audit and Risk Committee. However the Board recognises that our risk maturity level still needs to improve and further focus will therefore be placed on this in 2013
IT governance (principles 5.2 – 5.6)	RBPlat's IT strategy and governance framework were developed and adopted by the Board in November 2012 and implementation has commenced
Legal compliance framework and policy	The Executive: Risk and Compliance is revising the current framework and policy, which will be tabled in early 2013 for the Board to consider and following its adoption it will be implemented. A legal compliance policy and framework is in place
Alternative dispute resolution (ADR) (principle 8.6)	An ADR policy has been considered by the Executive Committee and will be considered by the Board early in 2013 and implemented thereafter
Governing stakeholder relationships and corporate citizenship	RBPlat's stakeholder engagement framework has been adopted by the Board. For more information regarding stakeholder engagement see our website www.bafokengplatinum.co.za. The reporting into the Board still needs to be enhanced

Governance (continued)

Governance structure

	Roles and responsibilities	Members	Meeting attendance
Board and Board committees			
RBPlat Board	The Chairman is responsible for ensuring: the overall effectiveness of the Board and its committees; that the Board provides effective leadership, maintains ethical standards and is responsible, accountable, fair and transparent; and that strategies are developed and implemented with the objective of achieving sustainable economic, social and environmental performance. The Board is responsible for: governance of the Group on behalf of its shareholders; strategy and strategic decision-making and execution; assessment of performance; engaging with stakeholders; and RBPlat's approach to corporate citizenship, safety, health, the environment, ethics and risk, its own governance including rotation of directors, training of directors, conflicts of interest and Board nominations.	Kgomotso Moroka (Chairman)	6/6
		Steve Phiri (CEO)	6/6
		Martin Prinsloo (CFO)	6/6
		Nico Muller (COO)	6/6
		Linda de Beer	6/6
		Robin Mills	6/6
		David Noko	5/6
		Francis Petersen	5/6
		Mike Rogers	6/6
		Matsotso Vuso	6/6
Audit and Risk Committee	The Audit and Risk Committee members are independent non-executive directors. The committee: reviews the Group's financial and integrated reporting, oversees the governance of risk in conjunction with the Social and Ethics Committee through its risk management policies and procedures and the system of internal controls and refers to the findings of the internal and external auditors; obtains assurance on the financial statements, internal controls and sustainability information included in RBPlat's integrated annual report; and carries out its statutory duties set out in Section 90 of the Companies Act, 2008. It also satisfies itself as to the expertise and experience of the Chief Financial Officer and the financial function. The Audit and Risk Committee report can be found on page 129 of the annual financial statements.	Linda de Beer (Chairman)	4/4
		Robin Mills	4/4
		David Noko	3/4
		Francis Petersen	4/4
		Matsotso Vuso	3/4
Remuneration and Nomination Committee	This committee is responsible for: approving, guiding and influencing key human resource policies and strategies; monitoring and guiding progress in regard to the requirements of the Employment Equity and Basic Conditions of Employment acts in conjunction with the Social and Ethics Committee; ensuring appropriate, transparent disclosure of remuneration; reviewing all remuneration, bonus and share awards to executives and senior management, and the Group's incentive schemes, including our employee share participation schemes; and skills development and succession plans.	David Noko (Chairman of Remuneration Committee)	4/4
		Kgomotso Moroka (Chairman of Nomination Committee)	4/4
		Mike Rogers	4/4
Social and Ethics Committee	The primary role of the committee is to supplement, support, advise and provide guidance on the effectiveness of the Group's efforts in terms of social, ethical and sustainable development related matters which include safety, health and wellness, environmental management, climate change, the management of the Group's ethical conduct, corporate social investment, community development, stakeholder engagement and the protection of the Group's assets and risks associated with these matters, including the assessment of key assurance provisions. The committee is also responsible for carrying out its duties as prescribed in the Companies Act, 2008, and for reporting the discharge of its duties in this regard to the Board and shareholders. The committee's statutory report can be found on page 120.	Mike Rogers (Chairman)	4/4
		Robin Mills	4/4
		David Noko	4/4
		Francis Petersen	4/4

Our management structures

Management structure	Roles and responsibilities	Members	Attendance
Executive Committee (Exco)	The Executive Committee is primarily responsible for the implementation of the Group's strategy and carrying out the Board's mandates and directives. It meets regularly to review the Group's performance against set objectives and develops strategy and policy proposals for consideration by the Board. Exco also assists the Board with the execution of RBPlat's compliance and disclosure obligations.	Steve Phiri (CEO)	14/14
		Martin Prinsloo (CFO)	14/14
		Nico Muller (COO)	14/14
		Vicky Tlhabanelo (Executive: Human Resources)	14/14
		Mzila Mthenjane (Executive: Business Sustainability)	14/14
	** Joined in October 2012*	Reg Haman (Executive: Risk and Assurance)*	2/2
The Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture Management Committee	The BRPM Joint Venture (JV) Management Committee is responsible for the management of the BRPM JV. The committee has wide-ranging powers in terms of the JV, including the power to acquire and dispose of BRPM JV assets, borrow money, establish pension funds and other employee benefit schemes and institute legal proceedings. RBR (a wholly owned subsidiary of RBPlat) is allowed five of eight appointments to this committee. Some committee decisions require unanimous approval while the participation interest of either joint venture partner is greater than 20% or while our joint venture partner's RPM participation interest is greater than 20% and RBR's participation interest is 50% or more.	Steve Phiri (Chairman)*	4/4
		Martin Prinsloo*	4/4
		Mzila Mthenjane*	4/4
		Nico Muller*	4/4
		Vicky Tlhabanelo*	4/4
		Gary Humphries**	4/4
		Vinogaren Pillay**	4/4
		Avischen Moodley**	3/4

** represents RBR*
*** represents RPM*

Remuneration philosophy, strategy and policy

Disclosure of remuneration

Non-executive directors are paid a basic fee quarterly, while the remuneration of executive directors is decided by the Remuneration and Nomination Committee and endorsed by the Board.

The remuneration paid to executive directors and non-executive directors is set out on pages 164 and 165. Executive directors do not receive Board fees in addition to their remuneration packages. In addition, executive directors receive share options and bonus shares through their participation in the RBPlat share schemes for directors, officers, senior executives and managers, which are set out on page 119.

Our Remuneration and Nomination Committee regularly undertakes independent benchmarking exercises to ensure that executive, non-executive and employee remuneration is in line with industry standards.

Bonuses are performance-related in accordance with employment contracts and annual performance targets.

Remuneration philosophy, strategy and policy

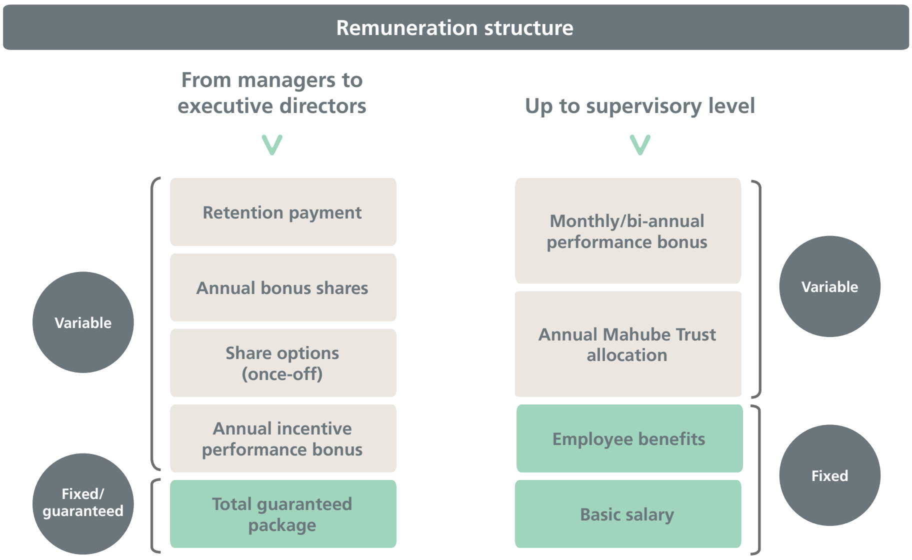
Using a consultative process in 2011 our remuneration policy and approach, retention policy and incentive schemes were aligned with our business objectives. These were approved by the Board's Remuneration Committee and by shareholders at our annual general meeting in April 2012.

Our primary remuneration philosophy is to employ and retain high-calibre, high-performing individuals who subscribe to our shared values and the culture of our Company.

Our remuneration strategy is designed to be aligned with our business strategy. In order to attract, retain, motivate and reward employees for executing our business strategy their remuneration needs to be market-related. We use third parties for the purpose of benchmarking our remuneration with the appropriate comparator group of companies.

While our approach to remuneration is primarily based on rewarding team performance, the unique skills and personal contribution of team members are also recognised. Our key aim is to motivate our employees and align their behaviour with our business objectives and our shared values. To support this aim our employee package consists of a guaranteed component and a variable component.

We refer you to the Governance report for senior management performance on pages 110 to 111.



* *From 2011 – 2014*

Total guaranteed package

We calculate employee remuneration on a total guaranteed package (TGP) basis. This gives us optimal value for our remuneration spend and maximises the return on our investment:

- Our remuneration philosophy is based on the employer paying for competency, grade and performance with the employees' lifestyle decisions not being factored into guaranteed earnings
- We revised our employee benefit service offering to provide more benefits for less cost
- We have introduced flexibility to align our employees' remuneration with their personal financial requirements, through adjustments to pension, group life and income disability
- We have designed and implemented tools that allow our employees to make decisions about their remuneration, within a set framework. By personalising employee remuneration we are able to offer our employees the best possible value from their remuneration package

Retention policy

Our retention policy provides mechanisms that allow us to identify the type of potential employees we need to attract in terms of the skills we require and the type of employees we need to retain. The policy assists us in proactively identifying retention risks at supervisory level and above and ensuring that critical resources are remunerated at market levels.

Annual incentive scheme

Using input from mine management, industry experience from Remuneration Committee members and extensive financial modelling, we designed a new scheme for the operation which we applied in 2012 that is easy to understand and measure. We expect this scheme, which is aligned to business targets, to motivate employees to achieve and exceed their targets.

The remuneration RBPlat's managers and senior managers can receive from the Company's new incentive scheme is linked to a number of criteria including their individual performance, mine performance in terms of sustainable development, occupational health and safety, environmental performance, community engagement and production. Penalties will also be imposed for any fatalities.

The role of the Remuneration and Nomination Committee in the remuneration of all RBPlat's employees is described on page 116.

Bonus share plan

A bonus share plan (BSP) was established in 2010 for executive directors, senior managers and managers. It is aimed at aligning the interests of executive directors and management with those of our shareholders, by investing a significant portion of their remuneration in the Company. The BSP is not pensionable and bonus shares are awarded annually, following the payment of performance-based variable pay. Bonus shares are a conditional award, normally equal to the value of the performance-related cash payment. The Remuneration Committee is responsible for the governance, allocation and approval of the BSP.

Following the announcement of the Group's annual results, employees participating in the BSP are awarded performance-based shares, which are based on economic conditions, the Group's performance, the individual's performance and job category. Subsequent to the award, an escrow agent holds the shares on the employee's behalf for a period of three years. During the three years, the employee is entitled to all rights attached to the shares. If employees leave the employment of the Group within this three-year period they forfeit their bonus shares along with any dividends that might have accrued. After the three-year period the shares are vested to the employee. The scheme has been approved by the JSE and our shareholders.

Share option plan

When executive directors, senior managers and managers join the Company they are granted options to acquire RBPlat shares. All our executive directors and the majority of our senior managers joined the Company before it listed on the JSE, as a result movement in our share price was determined by using the J153 Platinum Index as a proxy. On the listing date we used the movement in the J153 Platinum Index to calculate the option strike price and the share options were linked to the RBPlat shares. The share options vest in three equal tranches on the third, fourth and fifth anniversary of allocation. The RBPlat share option scheme has also been approved by the JSE and our shareholders.

Mahube Trust employee share ownership plan

The Mahube Trust employee share ownership plan (ESOP) represents a unique opportunity for employees to participate in the ownership and success of RBPlat. Upon listing on the JSE in November 2010, employees who were participants in Anglo American Platinum's Kotula ESOP were terminated from Kotula and were allocated equivalent value in the Mahube Trust, which was designed to replicate, as far as possible, the terms and structure of Kotula.

The Mahube Trust is funded by BRPM in an amount equivalent to the value under Kotula. The Trust holds 563 914 RBPlat ordinary shares and 845 871 RBPlat "A" ordinary shares which represents 0.85% of the issued share capital of RBPlat. RBPlat also funds the administration of the Mahube Trust.

Eligible beneficiaries of the Mahube Trust are allocated units every year in March, as a measure of their participation in the Trust's assets. To qualify an employee needs to have been an employee of RBPlat on 31 March of the year in question and should not be eligible to participate in any other RBPlat share scheme. At the Trust's inception in November 2010, when the value of employees' participation in Kotula was transferred to Mahube in the form of 5 656 171 units, 1 656 171 of these units were allocated to the beneficiaries. In 2011 an additional one million units were allocated to the 2 875 eligible employees.

In 2012 an additional one million units were allocated to 2 890 eligible employees. A further one million units will be allocated every year until the last allocation in 2014. The Trust declared a dividend of R2 050 000 in 2011, which resulted in beneficiaries receiving R0.79 for each Mahube unit they had been allocated. In October 2012 the Trust declared a dividend of R2 211 950 which resulted in beneficiaries receiving R0.63 for each Mahube unit allocated to them. The capital distribution will be in three tranches in 2013, 2014 and 2015. No shares were exercised, cancelled or repurchased in terms of the Scheme rules. The JSE and RBPlat's shareholders approved the establishment of the Mahube Trust.

See page 78 of the Human resources section of this report for more information

Social and Ethics Committee report

RBPlat's Social and Ethics Committee was established in 2012 in accordance with the requirements of the Companies Act, 2008 (the Act), Section 72 (4) and Regulation 43 (2).

The name and terms of reference of the previous Safety, Health and Sustainable Development Committee of the Company were changed to incorporate the responsibilities of the Social and Ethics Committee, as required by the Act.

The Social and Ethics Committee of a company is entitled to the rights laid out in Section 72(8) of the Act and carries the responsibilities described in the Companies Act Regulations.

The committee is chaired by Mike Rogers, a non-executive director, and consists of three other independent non-executive directors. A summary of its membership, the meetings held during the year under review as well as attendance at these meetings is reported on page 116 of our integrated annual report.

The committee has an independent role and is governed by formal terms of reference which will be reviewed annually by the Board. They can be viewed on the Company's website. The committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practice relating to:

- ethics
- stakeholder engagement, including employees, customers, communities and the environment
- strategic empowerment and compliance with transformation codes

and is responsible for:

- monitoring the Company's activities relating to social and economic development, good corporate citizenship, the environment, and health and public safety
- ensuring appropriate short- and long-term targets are set by management
- monitoring progress on strategic empowerment and performance against targets
- monitoring changes in the application and interpretation of empowerment charters and codes
- monitoring functions required in terms of the Companies Act and its regulations.

The members of the committee believe that the Group is substantively addressing the issues it is required to monitor in terms of the Companies Act. Stakeholders are referred to the Governance report, the Stakeholder engagement report on our website www. bafokengplatinum.co.za and the Human and Social capital reports on pages 78 and 98 for more detailed information.

Mike Rogers
Chairman

Ethics and human rights

We believe in ethical business conduct and have a zero tolerance approach to corrupt behaviour and any behaviour that may compromise human rights.

We require our directors and employees, including our contractors and consultants, to apply the highest ethical standards when conducting business on behalf of RBPlat. We have a Code of Ethics in place and an Ethics line, independently managed by an experienced external service provider, KPMG. Members of our workforce and our suppliers are encouraged to report any suspicions they may have of irregularities, using the Ethics line. Anyone using our Ethics line is guaranteed anonymity. We investigate cases reported on our Ethics line and take corrective action if it is required. Since the inception of this facility in November 2011, 13 cases have been reported of which two recent cases are still under investigation. These cases are reported on to the Audit and Risk Committee and the Social and Ethics Committee.

The Board approved a revision of our ethics policy, based on international best practice, during 2012. In 2013 we will begin establishing a framework that will allow us to assess our ethics culture, establish gaps and implement a process to monitor and report on the ethical behaviour within RBPlat and the risks associated with unethical behaviour.

To help us establish a culture of ethical behaviour and a respect for human rights, the induction process at our operations includes training in human rights and ethics. We also have the necessary grievance and corrective action procedures in place to ensure that any corrupt behaviour or behaviour that may compromise human rights that we become aware of, is dealt with accordingly.

Code of Ethics

Our Code of Ethics explains that we do not tolerate acts of bribery or fraud by our employees, contractors, suppliers, joint venture partners and other business partners. We take immediate action (which may include dismissal and legal action) against any organisation or person committing bribery or fraud and have systems in place to prevent these misdemeanours. We are also committed to fair trade and purchasing in an ethical manner.

A copy of our Code of Ethics is available on our website at www.bafokengplatinum.co.za

Human rights

We became signatories of the United Nations (UN) Global Compact in May 2012 and are committed to upholding the UN Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and complying with all relevant South African legislation.

We are committed to the elimination of all forms of forced or compulsory labour and prohibit any form of child labour in our operations.

We require that any security personnel employed on our operations, either directly or as contractors, receive appropriate human rights training and we are in the process of monitoring compliance with this requirement.

RBPlat does not support any political parties or politicians with financial or in-kind contributions.

No legal action of any kind has been instituted against RBPlat during 2012 as far as we are aware. RBPlat is in discussion with the DMR regarding a fine which is not material in nature.

>

Shift change at BRPM North shaft

Risk management

The Board has delegated the responsibility for overseeing the adequacy and effectiveness of risk management to our Audit and Risk Committee and the design of our risk management framework has been delegated to our Executive: Risk and Assurance.

We understand that risk must be actively managed and reinforced to ensure it becomes part of RBPlat's business culture.

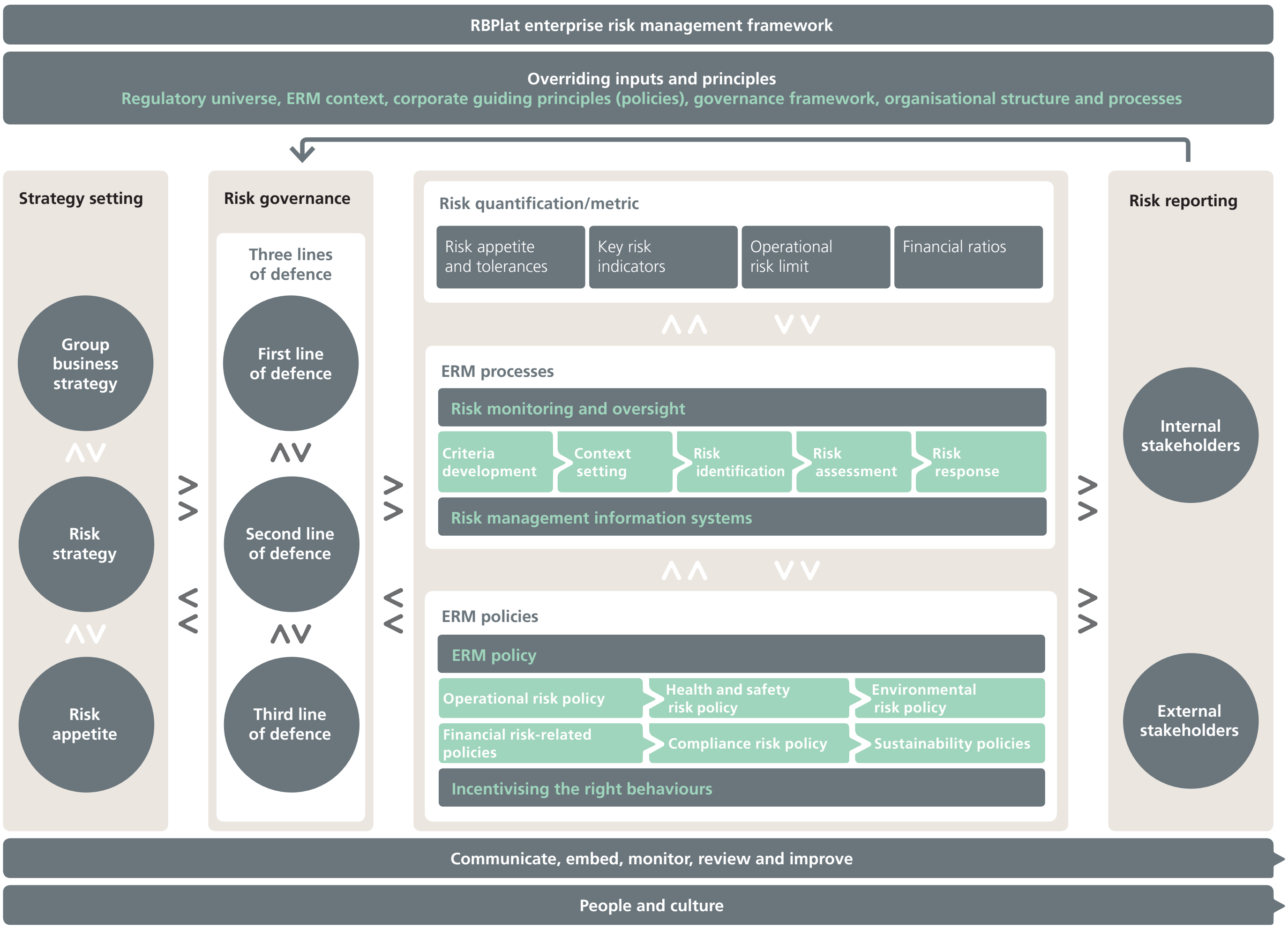
We have adopted an enterprise risk management (ERM) approach to risk, which is aligned with our approach to governance. The objective of our enterprise risk management policy, which covers all the categories of risk contained in our risk categorisation model, is to provide minimum mandatory standards for the management of risk across the RBPlat Group. The development of these standards was guided by South African legislation and international best practice. Compliance with our enterprise risk management policy is measured against the policy's standards.

All stakeholders within the RBPlat value chain are responsible for the management of risk in accordance with our ERM philosophy.

The RBPlat ERM framework, which underpins our ERM policy, is designed to ensure thorough and transparent risk governance. It achieves this by addressing the structures, processes and standards in place to manage risks on an enterprise-wide basis in a consistent manner, and by allocating responsibility and accountability for the ERM process and the reporting of risks and incidents at various levels within RBPlat.

The aim of the framework is to embed the culture and practice of risk management in our day-to-day business activities by aligning our strategies, processes, people, technology and knowledge with the purpose for evaluating and managing the uncertainties RBPlat faces in creating stakeholder value.

Our enterprise risk management framework is set out below:



To achieve a high level of risk governance and the effective management of risk, RBPlat has adopted the ‘three lines of defence’ model, in line with global best practice, to guide its governance of risk. The model is depicted below:

RBPlat Board

Three lines of defence

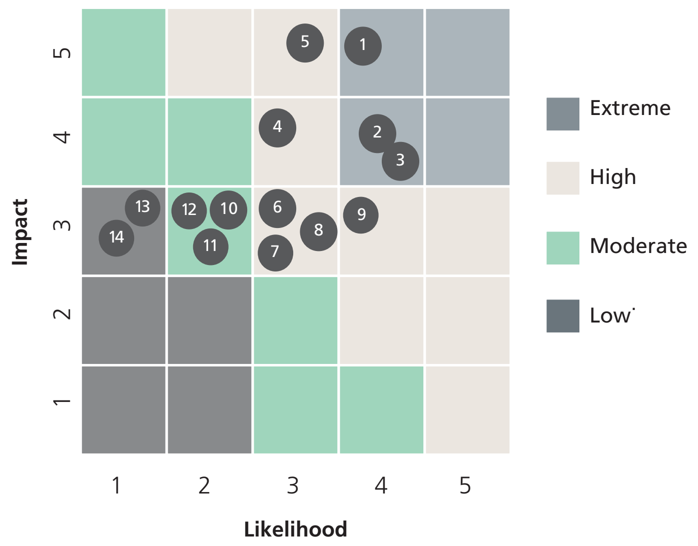
	First line	Second line	Third line
Responsibility	> Day-to-day identification, assessment, managing and reporting of all risk within span of control > Ensuring risk exposures stay within limits > Responding appropriately to challenge by the second line of defence > Implementing recommendations by third line of defence	> Clear and well-communicated risk policies > Effective control and monitoring systems > Providing assurance that risks are being appropriately managed across the business > Providing robust challenge to first line > Facilitating actions to respond to levels of risk deemed to be beyond or close to tolerance > Assessing the overall risk profile of the mines/functional areas	Independent assurance and oversight on the effectiveness of: > Systems of governance > Risk management > Internal control
Accountability	> Chief Executive Officer > Corporate management and staff > Mine management/supervisors and employees	> Mine/corporate risk forums > Executive Risk and Governance Committee > Executive: Risk and Assurance > Risk champions > Executive: Business Sustainability	> Internal Audit > External Audit > Board sub-committees (Audit and Risk, Social and Ethics, Remuneration and Nomination)

In terms of the RBPlat ERM policy and framework a comprehensive business risk assessment is done on an annual basis in line with the business plan and budget. These risks are actively managed on an ongoing basis, but reviewed quarterly. In addition, various risk profiles are drafted for the various mining operations, functional areas and major projects to ensure that risks are managed at all levels of the organisation.

RBPlat adopted a risk methodology that assesses both inherent and residual risk and categorises risks as follows: Strategic, Operational, Safety, Health and Environmental, Financial, Legal and Regulatory, Reputational and Project Risks.

The table that follows reflects our strategic business risk profile, based on the current market, regulatory and operational environment as reflected in RBPlat’s business plan and RBPlat’s response to managing it.

Our key risk indicators



Risk management (continued)

Risk description, root cause and potential impact	Response to risk	2011 Risk rating	2012 Risk rating
Potential breakdown in stakeholder relationships and/or unprotected industrial action could negatively impact on RBPlat's ability to meet production and financial targets	Sustainable development framework and policy is in place to ensure adequate stakeholder engagement and management. Effective employee engagement model has been agreed with employee representative bodies and implemented with continuous engagement taking place. Current measures account for three-year wage agreement to regulate labour issues and RBPlat is participating in the industry (Chamber of Mines) initiatives to enhance relationships with all stakeholders	9 16	1
Failure to adhere to Mining Charter requirements, including social and labour plan progress, could lead to negative impact on mining licence/rights (see Mining Charter Scorecard on website)	Stakeholder engagement model has been adopted as part of the sustainable development framework and policy. Active implementation of SLP projects is ongoing in consultation with all stakeholders	20 9	2
Financial exposure due to significant drop in PGM prices and/or strengthening of the rand	Focus on reduction of costs/maintaining of low cost base, by increasing operational efficiencies and production enhancements	2 3	3
Inadequate safety performance resulting in risk of injuries and/or work stoppages due to Section 54s may impact on RBPlat's ability to meet production and financial targets	Adoption of zero harm philosophy Extreme X-audits/internal shaft audits/safety strategy model	1	4
Higher than planned operational cost escalations (due to safety stoppages, higher staff costs, supplier costs, etc) could impact on the Group's ability to fund projects from operational cash flows	Focus on improving productivity and reducing costs across the business operations and corporate office. Develop and implement an effective supply chain management (SCM) process and enhance the capacity of the newly established SCM Department. Effective activity based accounting at shaft level to manage costs	15	5
Non-compliance to key legislation may lead to withdrawal of mining-related licences (mineral rights/water, etc) negatively impacting mining operations	Ongoing monitoring of licence requirements and addressing deviations where identified. Regulatory compliance and business sustainability frameworks and policies are in place and are actively implemented and monitored	10	6
Operational exposures due to poor operational performance could impact unit costs and operating profit	Effective mine planning and production monitoring and review processes are in place. In addition, various management processes are in place to manage operational risks, including safety, fire, environment and plant processes	5	7
Delays in project completion, especially the Styldrift Project, could negatively impact on future revenue, costs and reputation	Effective project management capability has been developed and adequate governance and financial management structures are in place	13 6 21	8
Insufficient immediately stopable reserves could lead to inability to achieve ledging and equipping rates to make up the shortfall	Sound mine approved mining production planning programme and supervisory structure is in place	4	9
Failure in human resource development could lead to loss of key employees and/or drop in quality of skills, which will negatively impact on achieving SLP requirements and operational efficiencies	Maintain momentum on current human resource development strategy to meet SLP and operational requirements. Enhance the talent management and succession planning process to ensure key individuals and functions are retained	12 18	10
Conversion from contractor to enrolled stoping crews may have an impact on performance (operational and financial)	Phased in approach to conversions. Performance management and incentive programmes for enrolled crews and contractor crews to be aligned	*	11
Failure in or inadequate power supply could lead to business interruptions and delays in expansion projects, negatively impacting on financial and operational performance	Supply agreement with Eskom is in place. Power supply for Styldrift I has been secured and the existing main substation is adequate for BRPM for the foreseeable future	14 19	12
Fire on shaft conveyor systems, in concentrator plant, etc could lead to risk of injury to employees and result in business interruptions	Adequate fire detection suppression and monitoring systems are in place and are being tested regularly	7	13
Geological structure complexity for large infrastructure siting resulting in the failure of large excavations	Shaft bottom study has been carried out at Styldrift and we have sited excavations at North and South shafts in line with rock engineering recommendations	17	14

* *Risk 8 in 2011 – financial and operational exposure due to reliance on Anglo American Platinum IT system is no longer a risk*
* *Risk 11 in 2011 – slimes dam capacity constraints no longer a risk*

Stakeholder engagement

Engaging with our stakeholders, listening to their views and addressing their concerns is an integral part of our sustainable development and risk management strategies at RBPlat.

We have a broad range of internal and external stakeholders who have a material interest in or are affected by RBPlat and we have assessed our involvement with them, our potential impact on them and their potential impact on our business at both a corporate and operational level.

Our comprehensive stakeholder engagement framework identifies our stakeholders, the material issues involved with each stakeholder, the frequency of engagement and the processes in place to ensure that material issues are effectively addressed.

The methods of engagement that we use are as diverse as our stakeholders. We encourage dialogue and feedback.

Our corporate office engagement is described in the table on our website. Our internal engagement strategy is designed to achieve regular transparent communication with our workforce. The methods of engagement we employ are also described on our website www.bafokengplatinum.co.za.

Our approach helped us minimise the impact on our operations of the labour unrest that shook the South African platinum industry in the second half of 2012. See page 78 of the Human capital section of this report for more information.

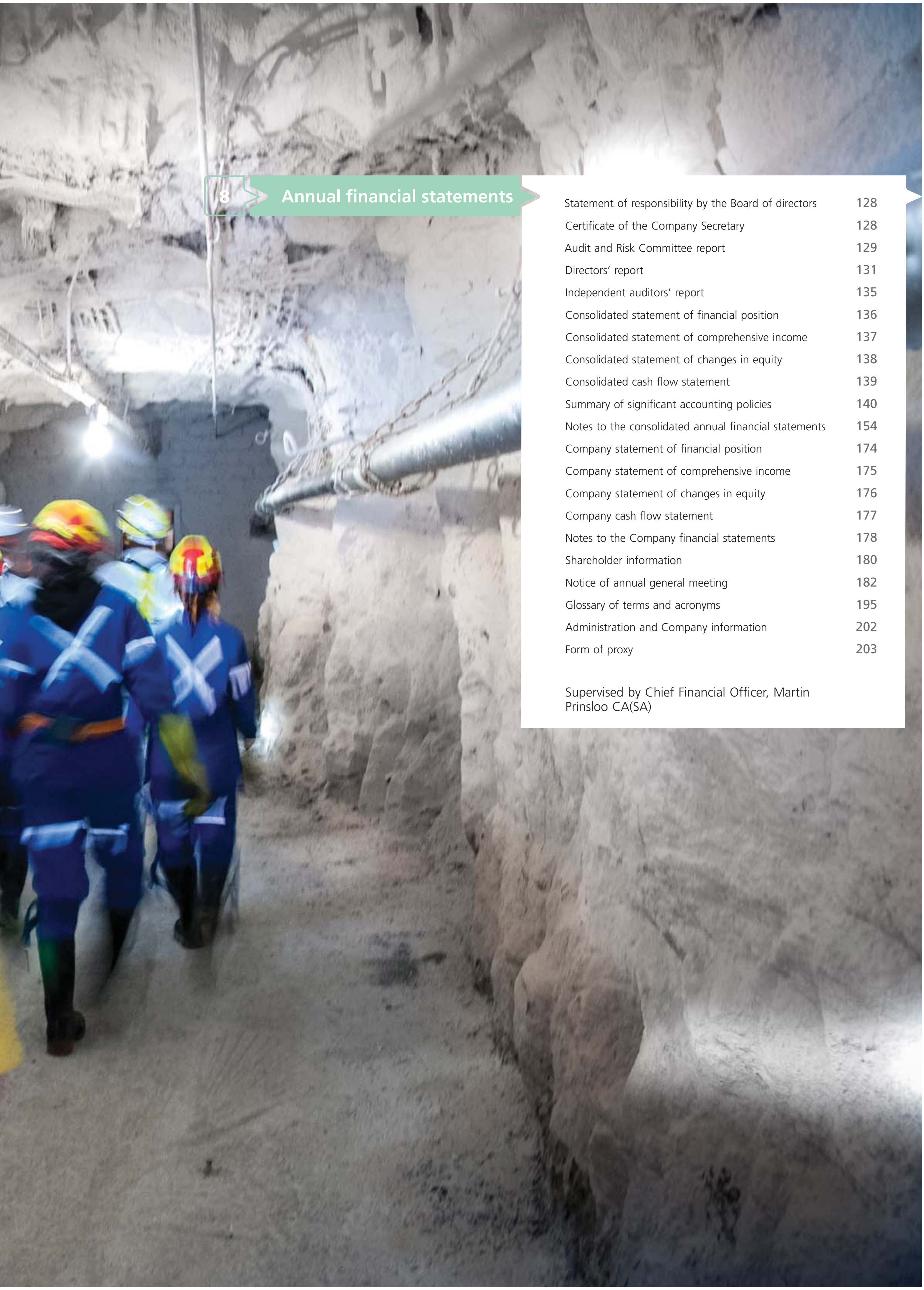
Summary of material issues

Method of engagement

Frequency of engagement

Key issues raised at engagements and the responses to these

1 Shareholders and investors	Royal Bafokeng Holdings | Anglo American Platinum | Institutional investors | Retail investors
2 Providers of debt	South African banks
3 International industry bodies	International Platinum Group Metals Association (IPA) | Federation for sustainable environment | Pilanesberg Wildlife Society International
4 National industry bodies	Chamber of Mines of South Africa | South African Institute of Mining Metallurgy
5 Employees	Permanent employees | Contract workers
6 Trade unions	National Union of Mineworkers (NUM) | United Associations of South Africa (UASA)
7 Communities	Royal Bafokeng Nation (RBN) | Robega village | Chaneng village | Rasimone village | Mafenya village | Sun International (Sun City)
8 Customers	Anglo American Platinum
9 Suppliers	Major suppliers including Eskom
10 Business and joint venture partners	Anglo American Platinum
11 Government and regulators	Department of Water Affairs (DWA) | Department of Environmental Affairs (DEA) | Department of Mineral Resources (DMR) | Department of Labour | Royal Bafokeng Administration | Rustenburg Local Municipality | JSE Limited



8 Annual financial statements

Supervised by Chief Financial Officer, Martin Prinsloo CA(SA)

Statement of responsibility by the Board of directors

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 131 to 181 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and International Financial Reporting Standards (IFRS) that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group at year-end.

The directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the financial statements comply with relevant legislation.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company or any entity within the Group will not be a going concern in the foreseeable future. These financial statements support the viability of the Company and of the Group.

Board approval of financial statements

The annual financial statements for the year ended 31 December 2012 set out on pages 131 to 181. The preparation thereof was supervised by the Chief Financial Officer CA(SA) and were approved by the Board of directors on 1 March 2013 and are signed on its behalf by:

KD Moroka
Chairman

SD Phiri
Chief Executive Officer

Certificate of the Company Secretary

I, the undersigned, certify that to the best of my knowledge and in my capacity as the Company Secretary, the Company has lodged all such returns with the Companies Intellectual and Property Commission in terms of the Companies Act 71 of 2008, which came into effect on 1 May 2011.

LC Jooste
Company Secretary

1 March 2013

Audit and Risk Committee report

RBPlat's independent Audit and Risk Committee presents its report for the financial year ended 31 December 2012. The committee's duties and objectives are mandated by the Board, with specific inclusion of its responsibilities in terms of the Companies Act, 71 of 2008 and the JSE Listings Requirements which are outlined in the Corporate governance section on page 116. This allows the committee to discharge its statutory and other Board-delegated duties as outlined in this report, in keeping with the committee's terms of reference which can be found on the Company's website, www.bafokengplatinum.co.za.

Composition, meetings and assessment

The committee consists of five independent non-executive directors. The Company's three executive directors are standing invitees and attend all meetings. Closed sessions are held with key relevant parties, including internal and external audit, and private sessions of committee members only are held from time to time to ensure that confidential assessments and discussions can take place.

The committee's terms of reference prescribe that the effectiveness of the committee, its chairperson and individual members will be assessed annually. Our first evaluation, held late in 2011, was finalised early in 2012. The outcome, although positive, did highlight some areas for improvement. The key areas highlighted mainly pertained to risk and compliance, as well as the review of the Group delegation of authority framework and policy.

Our committee has made substantial progress in these areas following the results of the evaluation process, especially with the appointment of a risk and assurance executive, and the foundation has been laid for further significant progress in 2013.

Financial statements and accounting policies

The committee has assessed the integrity of the Group's accounting policies, consolidated annual financial statements and its integrated annual report for the year ended 31 December 2012 and is satisfied that they are appropriate and comply in all respects with International Financial Reporting Standards and other applicable reporting requirements. The committee supports the opinion of the Board and the external auditor with regard to the annual financial statements which have been approved by the Board and will be tabled for shareholders to approve at the next annual general meeting of the Company.

External auditor appointment and independence

The committee has satisfied itself that the external auditor was independent of the Group, which includes consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the Group and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors and the Group's non-audit services policy. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee, in consultation with executive management, agreed to the audit plan, scope and budgeted audit fees for the year under review.

The committee has nominated, for election at the annual general meeting, PricewaterhouseCoopers Inc as the external audit firm for the 2013 financial year. The committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and their advisors.

Integrated reporting and combined assurance

The committee, together with the Social and Ethics Committee, performs an oversight role with regard to the Group's integrated annual report, the reporting process and the information disclosed in the report to ensure its reasonable accuracy and consistency. The information is reviewed and ultimately interrogated by the Board at an annual workshop held in January of each year to ensure that the Board is satisfied with the integrity of the integrated annual report.

Independent assurance on the environmental, health, safety and social performance was obtained from Integrated Reporting Assurance Services (IRAS).

Governance of risk

The committee is responsible to oversee the governance of the risk management function incorporating strategic, operational, reputational, project, financial, reporting, fraud, internal control, IT governance, and legal and regulatory risks, among others. The governance of risk, as well as the necessary disclosure in this regard, is therefore one of the key responsibilities assigned to the committee by the Board. The risk management framework and policy has been revised and adopted by the Board based on the committee's recommendations and its continued implementation will be managed by the Risk and Compliance Executive, appointed in October 2012, who reports directly to the Chief Executive Officer and to the Audit and Risk Committee.

Audit and Risk Committee report (continued)

Assessment of the effectiveness of internal controls

The committee obtained assurance from the outsourced internal auditor, KPMG, that nothing has come to its attention to indicate that internal controls, including internal financial controls are not working effectively.

Internal Audit

The committee is mandated to ensure that the internal audit function is independent, properly resourced and effective within the Group. The function is outsourced to KPMG who operates within the scope of an internal audit charter and annual plan as approved by the committee. The Risk and Assurance Executive manages the day-to-day interaction with Internal Audit.

Similarly to the external audit, a non-audit services policy has been established for the internal audit providers and governs the provision of audit services outside of the internal audit scope and plan.

Evaluation of the expertise and experience of the Chief Financial Officer and the finance function

The committee has considered and satisfied itself with the appropriateness of the expertise and experience of the CFO and adequacy of resources within the finance function and with the experience of the finance team within the Group.

Going concern

Based on the results of the committee's quarterly assessment of the solvency and liquidity of the Group and the year-end going concern review, the committee is comfortable in its recommendation to the Board regarding the annual financial statements and that the Group will be a going concern for the next financial period.

Prof L de Beer

Chairman of the Audit and Risk Committee

1 March 2013

Directors' report

Principal activities and profile

Royal Bafokeng Platinum Limited (RBPlat) was incorporated in July 2008 by Royal Bafokeng Holdings (RBH), the investment arm of the Royal Bafokeng Nation (RBN).

When the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture between Royal Bafokeng Holdings and Anglo American Platinum Limited was restructured in 2009, control of the mining operations of the joint venture vested in RBPlat, which is a platinum mining vehicle for the RBN. RBPlat operates BRPM and is developing the Styldrift I Project. RBPlat's significant reserves and resources can sustain operations for at least the next 60 years.

Results and dividend

The Group's and Company's financial results are set out on pages 136 to 181. These financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards, the Companies Act 71 of 2008 and the JSE Listings Requirements and supported by reasonable and prudent judgements where required.

In terms of the current dividend policy the directors do not intend declaring a dividend until the development of the Styldrift I Project is complete and production at that operation is at a steady state. Thereafter, a market-related dividend cover ratio is anticipated.

The dividend policy will be reviewed by the directors from time to time, in light of the prevailing business circumstances, investment decisions to be taken, working capital requirements and the available cash of the Group.

Review of the business, future developments and post statement of financial position events

The Operating context on page 8 provides details of the Group's operating environment. The Group's operational performance for 2012 is discussed on pages 34 to 55 and information on our future outlook can be found throughout the report. The Financial capital section on pages 22 to 31 and the annual financial statements (pages 131 to 181) provide a full description of our financial performance for the year.

Going concern

The directors believe that the Group has sufficient resources and expected cash flows to continue as a going concern for the next financial year.

Financial assistance

Shareholders approved the granting of financial assistance subject to the provisions of Sections 44 and 45 of the Companies Act, directly or indirectly, to present and future subsidiaries, related or interrelated parties for a period of two years commencing from the date of the resolution, passed on 3 April 2012.

Corporate governance

A report on our corporate governance and the application of the principles of King III is included on pages 108 to 125 and on our website.

Financial risk profile

RBPlat's financial risk profile and policies and its exposures to price risk, credit risk and liquidity risk are discussed on page 122 under Transparency and accountability and in Note 28 of the financial statements.

Health, safety, environment and community

Information on our health, safety and environmental performance and community participation is provided under Natural, Human and Social on pages 58 to 105.

Employee policies and involvement

The Group's policies and performance regarding employee involvement, disabled employees, labour relations and employee share schemes are provided under Remuneration on pages 118 to 119 and Human capital on pages 78 to 95.

Directors' report (continued)

Repurchase of shares

The Company has not exercised the general authority granted to it to buy back its issued ordinary shares. Shareholders will be requested to renew this authority at the next annual general meeting.

Directorate

The directors as at 31 December 2012 were:

Director	Position	First appointed	Standing for re-election	Elected or re-elected at the last AGM
Linda de Beer	Independent non-executive director	01 Jun '10		Yes
Robin Mills	Independent non-executive director	20 Sep '10	Yes	
Kgomotso Moroka	Chairman and independent non-executive director	01 Jun '10		Yes
Nico Muller	Chief Operating Officer, executive director	02 Mar '09	Yes	
David Noko	Independent non-executive director	01 Jun '10		Yes
Francis Petersen	Independent non-executive director	01 Jun '10	Yes	
Steve Phiri	Chief Executive Officer, executive director	01 Apr '10		Yes
Martin Prinsloo	Chief Financial Officer, executive director	01 Mar '09	Yes	
Mike Rogers	Non-executive director	07 Dec '09		
Matsotso Vuso	Independent non-executive director	11 Apr '11		Yes

Directors' and officers' disclosure of interests in contracts

During the period under review, no contracts were entered into in which directors and officers of the Company had an interest and which would affect the business of the Group.

Service contracts of directors and prescribed officers

The Company has not entered into any contracts other than the normal employment service contracts with executive directors and other prescribed officers.

Special resolutions

Details of the ordinary and special resolutions to be approved by shareholders at the next annual general meeting are outlined in the Notice of annual general meeting (pages 182 to 186).

Furthermore, shareholders also authorised that the Board of directors, by way of an ordinary resolution, would control all unissued ordinary shares and could allot and issue up to 5% of such shares subject to the limitations specified in the Memorandum of Incorporation (MOI) and the JSE Listings Requirements.

Subsidiary companies will also table a special resolution at their respective annual general meetings in 2013, to ensure that their revised MOIs are adopted and can be submitted for registration.

Power of the directors

Subject to RBPlat's MOI, South African legislation and to any directions given by special resolution, the business of the Group is managed by the Board which may exercise all the powers of the Group. The MOI contains specific provisions concerning the power of RBPlat to borrow money and also the power to purchase its own shares. The directors have been authorised to allot and issue ordinary shares up to a maximum of 5% of the issued share capital of the Company. These powers are exercised in terms of its MOI and resolution passed at the AGM held on 3 April 2012 and will be renewed at the AGM to be held on 17 April 2013.

Directors' emoluments and compensation

Details of directors' emoluments and related payments can be found in Note 26 of the notes to the consolidated annual financial statements on page 164.

Share capital

Full details of the authorised and issued share capital of the Company are set out in Note 13 to the consolidated annual financial statements. As at 31 December 2012, there were 165 548 067 ordinary shares in issue at a par value of R0.01 each as well as 281 957 "A1"; 281 957 "A2" and 281 957 "A3" ordinary shares also issued at R0.01 each. Treasury shares held by the Company are outlined in the notes to the annual financial statements on page 158.

Major shareholders

The following shareholders were the registered beneficial holders of 5% or more of the issued ordinary shares in the Company at 31 December 2012:

	% holding	Number of shares
Royal Bafokeng Platinum Holdings Proprietary Limited	56.57	93 653 084
Rustenburg Platinum Mines Limited	12.51	20 706 512

A table detailing an analysis of the Company's shareholding can be viewed on page 180 of the report.

Directors' interest in Royal Bafokeng Platinum Limited

	Number of shares			
	2012 Beneficial		2011 Beneficial	
	Direct	Indirect	Direct	Indirect
Nico Muller*	38 459	66 644	48 989	137 650
Steve Phiri*	148 348	87 986	99 174	144 004
Martin Prinsloo*	152 548	69 694	76 281	138 145
Total	339 355	224 324	224 444	419 799

* *Executive directors*

Share disposals

During the year under review the following directors disposed of shares on the market as follows:

	Shares	Share price	Date
Nico Muller	3 661	R59.35	11 May 2012
	339	R59.35	14 May 2012
	12 522	R51.92	28 May 2012
	12 698	R51.92	29 May 2012
	1 649	R52.27	31 May 2012
	31 000	R55.14	21 June 2012
	23 650	R54.49	22 June 2012
	28 186	R56.51	3 December 2012*
Martin Prinsloo	27 403	R56.51	3 December 2012*
Steve Phiri	50 000	R57.00	4 December 2012

Share disposals by prescribed officers and Company Secretary

	Shares	Share price	Date
Glenn Harris (General Manager BRPM)	3 000	R59.35	11 May 2012
	2 097	R51.26	29 May 2012
	26 308	R51.02	30 May 2012
Mzila Mthenjane (Executive: Business Sustainability)	1 000	R59.35	11 May 2012
	248	R59.35	21 May 2012
	5 324	R53.87	12 June 2012
Vicky Tlhabanelo (Executive: Human Resources)	11 300	R52.51	4 June 2012
Lester Jooste (Company Secretary)	700	R59.35	11 May 2012
	350	R59.35	14 May 2012
	300	R51.80	28 May 2012

* *The 28 186 and 27 403 shares sold on 3 December 2012 relate to shares awarded under the bonus share plan in 2009. Other share disposals relate to shares awarded at the time of the initial public offering*

Directors' liabilities

Directors and officers of the Group are covered by directors' and officers' liability insurance.

Directors' report (continued)

RBPlat subsidiary companies

The following companies are wholly owned subsidiaries of Royal Bafokeng Platinum Limited:

- Royal Bafokeng Resources Proprietary Limited (RBR)
- Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)
- Bafokeng Rasimone Management Services Proprietary Limited (100% held indirectly via Royal Bafokeng Resources Proprietary Limited) (BRMS)
- Friedshelf 1408 Proprietary Limited (100% held indirectly via Royal Bafokeng Resources Proprietary Limited)

Creditor payment policy and practice

It is Group policy that payments are made in accordance with agreed terms and conditions of payment, provided that all trading terms and conditions have been met by the supplier.

Memorandum of Incorporation

RBPlat's Memorandum of Incorporation (MOI) is subject to amendment and a special resolution (see page 184 of the Notice of annual general meeting) will be tabled at the annual general meeting of shareholders. The Board charter and committee terms of reference were reviewed and amended during 2012 to align them with the Companies Act 71 of 2008, more specifically the Audit and Risk Committee and the Social and Ethics Committee.

Significant agreements

Amended BRPM Joint Venture Agreement

The BRPM Joint Venture Agreement was entered into on 12 August 2009 by the Royal Bafokeng Nation, Royal Bafokeng Resources (RBR) and Rustenburg Platinum Mines (RPM). It replaced the previous joint venture agreement concluded in August 2002. It sets out the terms and conditions on which the BRPM Joint Venture (JV) will operate and deals with matters such as establishment, duration and dissolution of the joint venture, the participating interests of the joint venture parties and their contributions to the joint venture, including mining infrastructure and mineral rights, management and control of the joint venture, minority protection for RPM, operational concerns such as the appointment of the operator, tailings, insurance, mine health and safety, environmental issues, how RPM's share of concentrate is dealt with, funding of the joint venture, the distribution policy, accounting and financial concerns, warranties, restrictions on disposals of participation interests and mining rights, dispute resolution and general or miscellaneous concerns.

Services Agreement

As part of the BRPM restructuring a services agreement was entered into between RBP MS, RBR and RPM on 9 September 2009 in terms of which RBP MS was appointed as operator of BRPM in place of Anglo Platinum Management Services Proprietary Limited (AMS) with effect from 4 January 2010. In terms of this agreement RBP MS was appointed to provide mining services as an independent contractor and as an agent of the joint venture parties.

Disposal of Concentrate Agreement

The Disposal of Concentrate Agreement regulates the terms on which RBR disposes of its share of the concentrate produced by the BRPM JV to RPM. The agreement provides for RBR's share of the concentrate produced by the BRPM JV to be sold to, and processed by RPM. RBR is responsible for delivery of the concentrate to RPM's smelting and refining facility situated at Rustenburg, the costs of which are borne by the BRPM JV. Risk and ownership passes to RPM once the concentrate leaves the gates of the concentrator plant.

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the BRPM JV up until 11 August 2017, the optional termination date in terms of the Disposal of Concentrate Agreement. Thereafter, while RBR retains the right to sell 50% of the BRPM JV concentrate to RPM for the life of BRPM it is also entitled to terminate the relationship on 11 August 2017 by giving written notice by no later than 11 August 2015. Subsequent to this date it is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2017. In respect of 17% of RBR's 67% share of the concentrate, RPM is entitled to terminate the relationship after 11 August 2012 on the occurrence of certain events. None of these events have occurred or are expected to occur in the near term.

Impala Platinum Royalty Agreements

These agreements regulate the terms on which RBR and RPM dispose of their share of the UG2 ore mined by Impala Platinum from their 6 and 8 shafts and the UG2 and Merensky ore mined from their 20 shaft. A royalty equivalent to 15% of gross PGM, gold, nickel and copper revenue will be paid for the UG2 ore mined from the 6 and 8 shafts and 17.5% for UG2 ore and Merensky ore mined from the 20 shaft area.

We anticipate earning royalties from the 6 and 8 shafts agreement for approximately six years and from the 20 shaft agreement for approximately 30 years.

Property, plant and equipment

There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year under review. Property, plant and equipment was fair valued in November 2010 as part of the business combination. No impairment of property, plant and equipment has been recognised after considering the recoverable amount calculations.

Independent auditor's report

To the shareholders of Royal Bafokeng Platinum Limited

We have audited the consolidated and separate financial statements of Royal Bafokeng Platinum Limited set out on pages 136 to 179, which comprise the statements of financial position as at 31 December 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Royal Bafokeng Platinum Limited as at 31 December 2012, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2012, we have read the Directors' report, the Audit Committee's report and the Company Secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: AJ Rossouw

Registered Auditor
2 Eglin Road
Sunninghill
2157

1 March 2013

Consolidated statement of financial position

As at 31 December 2012

	Notes	Group 2012 R (million)	Group 2011 R (million)
Assets			
Non-current assets			
Property, plant and equipment	4	8 899.2	7 999.3
Mineral rights	5	6 645.0	6 700.5
Goodwill	6	2 275.1	2 275.1
Environmental trust deposits	7	103.1	92.4
Deferred tax asset	15	24.6	34.2
		17 947.0	17 101.5
Current assets			
Inventories	8	41.1	31.1
Trade and other receivables	9	1 202.4	995.7
Held-to-maturity investments	10	260.6	264.9
Current tax receivables	11	0.4	0.2
Cash and equivalents	12	649.9	1 099.2
		2 154.4	2 391.1
Total assets		20 101.4	19 492.6
Equity and liabilities			
Share capital	13	1.7	1.7
Share premium	13	7 789.0	7 759.9
Retained earnings		3 605.6	3 435.3
Share-based payment reserve	14	119.7	81.1
Non-controlling interest		3 964.6	3 859.2
Total equity		15 480.6	15 137.2
Non-current liabilities			
Deferred tax liability	15	4 112.6	4 054.1
Long-term provisions	16	62.5	58.1
		4 175.1	4 112.2
Current liabilities			
Trade and other payables	18	443.3	239.8
Current tax payable	11	2.4	3.4
		445.7	243.2
Total liabilities		4 620.8	4 355.4
Total equity and liabilities		20 101.4	19 492.6

The notes on pages 140 to 173 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2012

		Group	
		2012	2011
	Notes	R (million)	R (million)
Revenue	19	2 865.3	2 974.9
Cost of sales	22	(2 525.5)	(2 408.7)
Gross profit		339.8	566.2
Other income	20	66.9	54.8
Administrative expenses	22	(101.7)	(104.3)
Finance income	21	59.7	62.6
Finance cost	21	(3.4)	(4.9)
Profit before tax	22	361.3	574.4
Income tax expense	23	(85.6)	(163.6)
Net profit		275.7	410.8
Other comprehensive income		–	–
Total comprehensive income		275.7	410.8
Total comprehensive income attributable to:			
Owners of the Company		170.3	273.4
Non-controlling interest		105.4	137.4
		275.7	410.8
Basic earnings (cents per share)	30	104	167
Diluted earnings (cents per share)	30	104	167

The notes on pages 140 to 173 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2012

	Number of shares issued*	Ordinary shares*	Share premium*	Share-based payment reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interest	Total
		R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
Balance at 31 December 2011	163 677 799	1.7	7 759.9	81.1	3 435.3	11 278.0	3 859.2	15 137.2
Share-based payment charge	–	–	–	67.7	–	67.7	–	67.7
IPO shares vested in May 2012	417 416	–	25.9	(25.9)	–	–	–	–
2009 BSP shares vested in December 2012	55 589	–	3.2	(3.2)	–	–	–	–
Total comprehensive income	–	–	–	–	170.3	170.3	105.4	275.7
Balance at 31 December 2012	164 150 804	1.7	7 789.0	119.7	3 605.6	11 516.0	3 964.6	15 480.6
Balance at 31 December 2010	163 677 799	1.7	7 759.9	18.8	3 161.9	10 942.3	3 721.8	14 664.1
Share-based payment charge	–	–	–	62.3	–	62.3	–	62.3
Total comprehensive income	–	–	–	–	273.4	273.4	137.4	410.8
Balance at 31 December 2011	163 677 799	1.7	7 759.9	81.1	3 435.3	11 278.0	3 859.2	15 137.2

* *The number of shares is net of 833 349 treasury shares relating to the Company's management share incentive scheme and the Mahube Trust as shares held by these special purpose vehicles are eliminated on consolidation*

The notes on pages 140 to 173 form an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 31 December 2012

		Group	
		2012	2011
	Notes	R (million)	R (million)
Net cash flow generated by operating activities		732.6	1 025.1
Cash generated by operations	24	687.3	998.4
Interest received		64.0	48.6
Tax paid	11	(18.7)	(21.9)
Net cash flow utilised by investing activities		(1 181.9)	(1 151.1)
Proceeds from disposal of property, plant and equipment		–	0.3
Acquisitions of property, plant and equipment	4	(1 173.9)	(1 146.5)
Increase in environmental trust deposits	7	(8.0)	(4.9)
Net cash flow generated by financing activities		–	325.8
Settlement of RPM receivable		–	325.8
Net increase/(decrease) in cash and cash equivalents		(449.3)	199.8
Cash and cash equivalents at beginning of year		1 099.2	899.4
Cash and cash equivalents at end of year	12	649.9	1 099.2

The notes on pages 140 to 173 form an integral part of these consolidated financial statements.

Summary of the significant accounting policies

For the year ended 31 December 2012

1. General information

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of the financial statements are set out in Note 2 below. Group in the financial statements refers to the Company, its subsidiaries, joint ventures and controlled special purpose entities.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented, unless otherwise stated.

Basis of presentation

The consolidated financial statements have been prepared in accordance with IFRS of the International Accounting Standards Board (IASB), requirements of the South African Companies Act 71 of 2008, and the JSE Listings Requirements.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value. The fair value adjustment on business combination of non-current assets is deemed to be the cost of these assets.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in South African rand, which is the Company's functional currency. All financial information is presented in rand million, unless otherwise stated.

New and revised standards issued adopted that are relevant and effective

The Group has adopted all the new and revised standards issued that are relevant and effective for the accounting period on or after 2 January 2011.

The following standards were adopted without any significant impact to the financial statements:

> IAS 24 (Revised) *Related Party Disclosures* (effective for financial periods beginning on or after 1 January 2011)

> Amendment to International Financial Reporting Interpretations Committee (IFRIC) 14 *Pre-payments of a Minimum Funding Requirement* (effective 1 January 2011).

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published but are not effective and the Group has not early adopted them:

IAS 19 (Amendment) *Employee Benefits* (effective for financial periods beginning on/after 1 January 2013) – The amendment eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that remeasurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. No impact expected.

IAS 27 (Revised) *Separate Financial Statements* (effective for financial periods beginning on/after 1 January 2013) – IFRS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 *Financial Instruments*. No impact expected.

IAS 28 (Revised) *Investments in Associates and Joint Ventures* (effective for financial periods beginning on/after 1 January 2013) – The new IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. No impact expected.

IAS 32 (Amendment) *Offsetting of Financial Assets and Financial Liabilities* (effective for financial periods beginning on/after 1 January 2014) – The application guidance of IAS 32 has been amended to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The amendments do not change the current offsetting model in IAS 32, but clarify that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that gross settlement mechanisms (such as through a clearing house) with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement; they would therefore satisfy the IAS 32 criterion in these instances. Master netting agreements where the legal right of offset is only enforceable on the occurrence of some future event, such as default of the counterparty, continue not to meet the offsetting requirements. No impact expected.

IFRS 1 (Amendment) *First-time Adoption of IFRS – Guidance on Government Loans* (effective for financial periods beginning on/after 1 January 2013). The amendment provides guidance on how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. No impact expected.

IFRS 7 (Amendment) *Financial Instruments: Disclosures* – IFRS 9 *Transitional Disclosures* (effective for financial periods beginning on/after 1 January 2015) – The amendment requires additional disclosure on the transition from IAS 39 to IFRS 9. This additional disclosure is only required when an entity adopts IFRS 9 for financial periods beginning on/after 1 January 2013. If an entity adopts IFRS 9 for financial periods beginning on/after 1 January 2012 and before 1 January 2013, the entity can either provide the additional disclosure or restate prior periods. The additional disclosure highlights the changes in classification of financial assets and financial liabilities upon the adoption of IFRS 9. The impact has not as yet been assessed.

IFRS 7 (Amendment) *Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities* (effective for financial periods beginning on/after 1 January 2013) – The amended disclosures will require more extensive disclosures than are currently required under IFRS. The disclosures focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. No impact expected.

IFRS 9 *Financial Instruments* (effective for financial periods beginning on/after 1 January 2015):

> IFRS 9, published in November 2009, addresses classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortised cost or at fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard requires a single impairment method to be used, replacing the numerous impairment methods in IAS 39 that arose from the different classification categories. The standard also removes the requirement to separate embedded derivatives from financial asset hosts

> IFRS 9 was amended in October 2010 to incorporate financial liabilities. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39 *Financial Instruments: Recognition and Measurement*, without change, except for financial liabilities that are designated at fair value through profit or loss. The amendment introduces new requirements that address the problem of volatility in profit or loss (P&L) arising from an issuer choosing to measure its own debt at fair value. With the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income (OCI) section of the income statement, rather than within profit and loss

> In December 2011, the effective date of IFRS 9 was delayed. The original effective date for annual periods beginning on/after 1 January 2013 has been delayed to annual periods beginning on/after 1 January 2015. The amendment also modifies the relief from restating prior periods, in that if IFRS 9 is adopted for reporting periods: beginning before 1 January 2012, comparatives do not need to be restated nor do the additional disclosure requirements of IFRS 7 need to be provided; beginning on/after 1 January 2012 and before 1 January 2013, either the additional disclosure required by IFRS 7 must be provided or the prior periods need to be restated; beginning on/after 1 January 2013, the IFRS 7 additional disclosure is required but the entity need not restate prior periods.

The impact has not as yet been assessed.

IFRS 10 *Consolidated Financial Statements* (effective for financial periods beginning on/after 1 January 2013) – IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and supersedes IAS 27 *Consolidated and Separate Financial Statements*. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The revised definition of control focuses on the need to have both power and variable returns before control is present. The standard provides additional guidance to assist in determination of control where this is difficult to assess. No impact expected.

IFRS 11 *Joint Arrangements* (effective for financial periods beginning on/after 1 January 2013) – IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31 *Interests in Joint Venture*. IFRS 11 classifies joint arrangements into joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. The focus is no longer on the legal structure. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. The impact has not as yet been assessed.

IFRS 12 *Disclosure of Interest in Other Entities* (effective for financial periods beginning on/after 1 January 2013) – IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The new standard requires entities to disclose information that helps financial statement readers to evaluate the nature, risk and financial effects associated with the entity's interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Although the impact has not as yet been assessed it will only impact disclosure.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

1. General information (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

IFRS 13 *Fair Value Measurement* (effective for financial periods beginning on/after 1 January 2013) – IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value, and sets out disclosure requirements on fair value measurements. Although the impact has not been assessed it will only impact disclosure.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective for financial periods beginning on/after 1 January 2013) – The Interpretations Committee was asked to clarify when and how to account for stripping costs (the process of removing waste from a surface mine in order to gain access to mineral ore deposits) to address diversity in practice. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. No impact expected.

Annual Improvements 2009 – 2011 Cycle (effective for financial periods beginning on/after 1 January 2013) – Improvements to IFRS is a collection of amendments to International Financial Reporting Standards (IFRSs). These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project. No significant impact expected.

IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* (Amendment) (effective for financial periods beginning on/after 1 January 2013, earlier application is required if the underlying standards (IFRSs 10, 11 and 12) are early-adopted) – The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted – for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition.

The key changes in the amendment are:

> If the consolidation conclusion under IFRS 10 differs from IAS 27/SIC 12 as at the date of initial application, the immediately preceding comparative period (that is, 2012 for a calendar-year entity that adopts IFRS 10 in 2013) is restated to be consistent with the accounting conclusion under IFRS 10, unless impracticable
> Any difference between IFRS 10 carrying amounts and previous carrying amounts at the beginning of the immediately preceding annual period is adjusted to equity
> Adjustments to previous accounting are not required for investees that will be consolidated under both IFRS 10 and the previous guidance in IAS 27/SIC 12 as at the date of initial application, or investees that will be unconsolidated under both sets of guidance as at the date of initial application
> Comparative disclosures will be required for IFRS 12 disclosures in relation to subsidiaries, associates and joint arrangements. However, this is limited only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities No impact expected.

Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (effective for financial periods beginning on/after 1 January 2014) – The amendments apply to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 *Consolidated Financial Statements*, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). Preparers and users of financial statements have suggested that consolidating the subsidiaries of investment entities does not result in useful information for investors. Rather, reporting all investments, including investments in subsidiaries, at fair value, provides the most useful and relevant information. In response to this, the *Investment Entities* amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. No impact expected.

2. Group accounting policies

Group and Company financial statements

These consolidated financial statements incorporate the Company and its subsidiaries, controlled special purpose entities and interest in joint ventures using uniform accounting policies.

2.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

2. Group accounting policies (continued)

2.2 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group's interest in jointly controlled entities is accounted for by proportionate consolidation. The Group combines its share of the joint venture's individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gain or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

IFRS is not prescriptive on the change in ownership in a joint venture. The Group follows guidance of IFRS 3 to revalue all assets on a change in percentage interest. When control is assumed over a business that was previously treated as a joint venture, the event is treated as a disposal of the joint venture and a business combination. Any difference in the carrying amount of the interest in the joint venture and the fair value of the interest when control is assumed is recognised in profit and loss as a re-measurement of the previously held interest.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Pre-production expenditure, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines, is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended, reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

> Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
> Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment
> These assets are depreciated over their useful lives and are expensed in profit and loss as a cost of production.

Depreciation is calculated to write off the cost of each asset to its residual values over its estimated useful lives and residual value as reassessed on an annual basis and approximates the following:

Buildings	5 – 30 years (straight-line)
Plant and machinery	5 – 30 years (straight-line)
Vehicles and equipment	6 years (straight-line)
Computer equipment and software	3 – 5 years (straight-line)
Mining assets (shaft and development)	Units of production

Depreciation rates are reassessed annually.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in operating profit.

2.4 Mineral rights

Exploration and evaluation assets acquired are initially recognised at cost, and are subsequently adjusted for accumulated amortisation on a units of production basis and impairment provision when applicable. Once commercial reserves are found, exploration and evaluation assets are transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with the existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

All exploration and evaluation costs incurred as part of normal operations are expensed until the Board concludes that a future economic benefit is more likely than not to be realised, i.e. probable. While the criteria for concluding that expenditure should be capitalised are always the "probability" of future benefits, the information that the Board uses to make that determination depends on the level of exploration.

> Exploration and evaluation expenditure on greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable

> Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the Board is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A 'pre-feasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The pre-feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the Board to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures

> Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the Board to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

2.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence, e.g. when amounts are overdue by more than a month, that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an operating expense.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.7 Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

2. Group accounting policies (continued)

2.8 Product inventory

Product inventory consists of stockpiles of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of processing to concentrate as the final product and selling expenses.

2.9 Impairment of assets

2.9.1 Non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value-in-use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the carrying amount that would have existed if the impairment had not been recognised. The reversal of an impairment is recognised in profit or loss.

2.9.2 Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the higher of fair value less cost-to-sell or value-in-use derived from reserve and resource ounce valuation. Impairment write-downs on goodwill may not be reversed.

2.9.3 Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired:

> In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less previously recognised impairment loss, is recognised as an impairment loss. Any fair value loss or reversal thereof is recognised in other comprehensive income. On disposal of available-for-sale assets, previously recognised fair value adjustments are transferred to profit and loss

> A provision for impairment of loans, receivables and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate

> The carrying amount of the trade receivable and advances is reduced through the use of a provision account, and the amount of the loss is recognised as an operating expense. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs.

2.10 Revenue recognition

Income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Revenue from sale of products and services is brought to account when the risks and rewards of ownership transfer and it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably, net of value added tax (VAT) and discounts. In terms of the Group's concentrate offtake agreement revenue is therefore recognised on the delivery of concentrate to RPM. Where material is concentrated through a tolling agreement, revenue is also recognised once that concentrate is delivered to RPM.

In terms of the agreement, the commodity prices and R:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery.

The adjustment to trade debtors to reflect the actual amount to be received for concentrate sold is recognised through revenue.

Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

Dividend income is brought to account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

2.11 Leases

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to profit or loss, as a finance charge, over the lease period.

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.12 Financial instruments

Financial assets comprise environmental trust deposit, trade and other receivables (excluding prepaid expenses and VAT refunds), cash and cash equivalents and held to maturity investments.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables as well as held to maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial liabilities comprise borrowings, shareholder loan, trade and other payables and bank overdraft. The Group classifies its financial liabilities in the following categories: liabilities at fair value through profit or loss and liabilities at amortised cost.

2.12.1 Financial assets and liabilities at fair value through profit or loss

Initial recognition

Financial assets and liabilities at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset and liability are classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets and liabilities in this category are classified as current assets or current liabilities. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value.

Gains or losses

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other (losses)/gains, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss as part of other income when the Group's right to receive payment is established.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently measured at the quoted current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial liabilities at fair value through profit or loss are subsequently measured using valuation techniques such as discounted cash flows.

Impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

2. Group accounting policies (continued)

2.12 Financial instruments (continued)

2.12.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT refund (Note 9). Environmental trust deposit and cash and cash equivalents form part of loans and receivables. Loans and receivables are initially recognised at cost.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

2.12.3 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets category are recognised in equity. Dividend income from available-for-sale financial assets is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of finance income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.12.4 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

2.12.5 Borrowings (liabilities at amortised cost)

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest rate method: any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are directly attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. All other borrowing costs are charged to finance costs.

2.12.6 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Metal purchase commitments are entered into as part of a financing arrangement; these commitments are accounted for, initially at fair value, and subsequently at amortised cost.

2.13 Taxation

2.13.1 Current taxation

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

2.13.2 Deferred taxation

Deferred tax assets and liabilities are determined, using the asset and liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.14 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The listed market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price at reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

2.15 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, including the share incentive trust (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

2. Group accounting policies (continued)

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured using the best estimate of the expenditure required to settle the obligation i.e. the amount the Group would rationally pay to settle the obligation or transfer to a third party.

Where the effect of discounting is material, provisions are discounted to reflect the present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Provisions are not recognised for future operation losses.

2.18 Environmental rehabilitation obligations

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

2.19 BRPM Environmental Rehabilitation Trust

Contributions are made to this trust fund, created in accordance with statutory requirements to provide for the estimated cost of rehabilitation during and at the end of the life of BRPM.

Deposits into the environmental trust are carried in the statement of financial position at fair value. Contributions are based on the estimated environmental obligations over the life of a mine. Interest earned on monies paid to the trust is accounted for as finance income and income earned linked to the performance of the equity linked component of the investment is included in other income. The Group has control over the trust and the special purpose entity is consolidated in the Group.

2.20 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

Employee benefit schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

Employee benefits

A defined contribution plan is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies' trustee-administered funds, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by the South African Pension Fund Act, 1956.

Post-employment medical obligations

The Group provides post-retirement healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in profit or loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (for example, an entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares or issue shares from the share incentive trust. Shares held in the share incentive trust, which is consolidated as a special purpose entity, are treated as treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For individual Company accounts, the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2.21 Foreign exchange transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in income under other income.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2012

3. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Goodwill (Note 6)

Goodwill was calculated as the difference between the purchase consideration for the 67% interest in the BRPM joint venture and the Group's share of net assets acquired when the Group assumed control over BRPM upon listing on 8 November 2010. No goodwill was attributed to non-controlling shareholders' interest.

Goodwill is allocated to BRPM. The recoverability of goodwill was assessed using the fair value less cost to sell methodology based on the in situ value for 4E resource ounces outside the life of mine plan and the net present value of the current life of mine plan using the following assumptions:

For mineral rights included in life of mine plan and mining assets the following key real long-term life of mine prices were used:

> Platinum US$1 850 per ounce (2011: US$1 611 per ounce)
> Palladium US$994 per ounce (2011: US$671 per ounce)
> A long-term real rand/US dollar exchange rate of R8.76/US$1 (2011: R8.43/US$1)
> A real discount rate of 7.5% was used (2011: 8.3%)
> Life of mine of 30 years (2011: 30 years)

If all assumptions remain unchanged then a decrease of 7.0% (2011: 1.5%) in the sales prices will result in a break-even position. Alternatively if all assumptions remain unchanged a 2% increase in the discount rate result in a break-even position. As can be expected the margin is small as the assets were fair valued in 2010.

Mineral rights outside the life of mine plan

For in situ inferred 4E resource ounces a value of US$10 per 4E ounce (2011: US$10 per 4E ounce) was used. This was based on independent experts' view of the value of these resources at the time of the listing of the Company. Subsequent improvement in the quality of resources would have improved this value.

The recoverable amount of goodwill is based on fair value less costs to sell.

Mineral Reserves

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of rehabilitation expenditure.

Factors impacting the determination of proved and probable reserves are:

> The grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades)
> Differences between actual commodity prices and commodity price assumptions
> Unforeseen operational issues at mine sites
> Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Carrying value of property, plant and equipment (Note 4)

The estimated useful lives of property, plant and equipment are based on the historical performance as well as expectations about the future use and therefore require a significant degree of judgement to be applied by management. The depreciation rates represent management's current best estimates of the useful lives of the assets. Residual values of the property, plant and equipment are reviewed at least annually. Adjustment will affect the depreciation charge for the reporting period.

Environmental rehabilitation obligations (Note 16)

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Key assumptions used were:

	2012	2011
Current cost estimate (R million)	164.3	156.3
Real pre-tax risk free discount rate (%)	4	4

Share-based payments

The Group has various share-based payment plans in place. All share-based payment schemes are treated as equity-settled and therefore measured on grant date.

Bonus share plan

The Company has established a bonus share plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Company is responsible for operating the BSP.

Following the announcement of the Company's annual results, employees participating in the BSP are awarded a number of bonus shares, which constitute a specified percentage of the employee's annual cash bonus (dependent on job category). Such bonus shares are held on the employee's behalf by an escrow agent for a period of three years after their award.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

2010 share option plan

Certain directors and senior managers of the Company (including all of the current executive directors of the Company) have been granted options to acquire shares. The options were granted at an initial price which was linked to the J153 Platinum Index when hired. The strike price of the options was adjusted on listing in accordance with a specified formula and was linked to the Company's share price. The share options vest from year three to five from when they were granted in three equal tranches.

Mahube Trust share scheme

The Royal Bafokeng Platinum Mahube Trust (Mahube Trust) has been implemented to replace the value forfeited by qualifying BRMS employees as a result of no longer qualifying as beneficiaries of the Anglo Platinum Group Employee Share Participation Scheme (Kotula).

Permanent employees of the BRPM are employed by BRMS. Prior to the listing, BRMS was a wholly owned subsidiary of RPM and qualifying BRMS employees were beneficiaries of Kotula. In terms of the rules of Kotula and as a result of the listing, qualifying BRMS employees forfeited all their benefits under Kotula once ownership of BRMS was transferred from RPM to RBR since BRMS was no longer a member of the Anglo American Platinum group of companies. The Group created the Mahube Trust, an employee share ownership scheme for the benefit of qualifying BRMS employees to replicate the terms and structure, to the extent possible, of Kotula. The final capital distribution will take place on or about 31 March 2015 and the Mahube Trust will terminate on 31 March 2016.

Initial public offering bonus shares

The Company invited each of the executive directors and certain other employees of the Company to participate in the share offer on listing, on the basis that for each share that they subscribe for, the Company will issue them with an additional share free of charge (with the Company paying for the par value of such shares). The additional shares issued by the Company vest 18 months after the listing. The maximum number of shares for which each director and employee could subscribe to benefit from this scheme was limited based on the specific job grade.

The value of the various share-based payment schemes was calculated using the following inputs:

	2012 Bonus share plan	2011 Bonus share plan	2010 Bonus share plan	2012 Share option plan	2011 Share option plan	2010 Share option plan	Mahube Trust share scheme	Initial public offering bonus shares
Weighted average option value on grant date (Rand)	60.71	64.12	65.20	29.07	–	32.27	44.67	64.90
Weighted average share price on grant date (Rand)	57.47	64.12	65.20	57.47	–	60.25	65.12	64.90
Weighted average exercise price (Rand)	–	–	–	–	–	60.25	48.11	–
Volatility (%)	n/a	n/a	n/a	49.5 to 47.8	–	40.3 to 48.2	39.8 to 47.8	47.9
Dividend yield	–	–	–	–	–	–	–	–
Risk-free interest rate (%)	6.19	6.19	6.19	7.18 to 8.01	–	7.59 to 8.46	7.75 to 7.83	7.52
Vesting years	2015	2014	2013	2015 – 2017	2014 – 2016	2013 – 2015	2014 – 2016	8 May 2012

Refer to Note 26 for outstanding shares.

Income taxes and mining royalties

Significant judgement is required in determining the provision for income taxes and mining royalties. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

Notes to the consolidated annual financial statements

For the year ended 31 December 2012

4. Property, plant and equipment

	Buildings	Furniture and fittings and computer ware	Mining assets (including decommissioning asset)	Capital work in progress	Plant and machinery	Vehicles and equipment	Total
	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
2012							
At 1 January 2012	69.5	37.8	4 679.8	2 032.2	1 166.6	13.4	7 999.3
Additions	–	0.5	–	1 173.2	–	0.2	1 173.9
Disposals and scrapping	–	–	–	–	–	–	–
Change in estimates of decommissioning asset	–	–	(0.7)	–	–	–	(0.7)
Depreciation	(4.5)	(13.1)	(136.4)	–	(112.4)	(6.9)	(273.3)
Transfers	5.9	29.6	467.2	(611.8)	102.0	7.1	–
At 31 December 2012	70.9	54.8	5 009.9	2 593.6	1 156.2	13.8	8 899.2
Cost	80.7	84.1	5 553.9	2 593.6	1 394.8	28.4	9 735.5
Accumulated depreciation	(9.8)	(29.3)	(544.0)	–	(238.6)	(14.6)	(836.3)
At 31 December 2012	70.9	54.8	5 009.9	2 593.6	1 156.2	13.8	8 899.2
2011							
At 1 January 2011	72.3	36.2	3 889.9	2 128.9	1 193.3	17.3	7 337.9
Additions	–	4.9	–	1 111.9	29.7	–	1 146.5
Disposals and scrapping	–	(0.6)	–	–	–	–	(0.6)
Change in estimates of decommissioning asset	–	–	(21.9)	–	–	–	(21.9)
Depreciation	(4.4)	(13.9)	(328.5)	–	(109.1)	(6.7)	(462.6)
Transfers	1.6	11.2	1 140.3	(1 208.6)	52.7	2.8	–
At 31 December 2011	69.5	37.8	4 679.8	2 032.2	1 166.6	13.4	7 999.3
Cost	74.8	54	5 087.4	2 032.2	1 292.8	21.1	8 562.3
Accumulated depreciation	(5.3)	(16.2)	(407.6)	–	(126.2)	(7.7)	(563.0)
At 31 December 2011	69.5	37.8	4 679.8	2 032.2	1 166.6	13.4	7 999.3

The Company has the life of mine right to use, but not ownership of assets with carrying amount of R1 244 947 580 (2011: R1 383 275 089) which is included in balances above.

Exploration and evaluation costs relating to Styldrift II incurred in the current year and included in capital WIP additions were R7.7 million (2011: R4.8 million).

5. Mineral rights

	Group 2012	Group 2011
	R (million)	R (million)
Opening balance at 1 January	6 700.5	6 756.7
Amortisation (included in cost of sales)	(55.5)	(56.2)
Closing balance at 31 December	6 645.0	6 700.5
Cost	6 767.0	6 767.0
Accumulated amortisation	(122.0)	(66.5)
Closing balance at 31 December	6 645.0	6 700.5

In terms of the joint venture agreement between RPM and RBR, RPM contributed its Boschkoppie mining right and the Frischgewaagd prospecting right whilst RBR contributed its Styldrift mining right to the BRPM JV for the full BRPM life of mine. RBR therefore has an undivided 67% participation interest in these rights whilst RPM has an undivided 33% participation interest in these rights.

	Group 2012 R (million)	Group 2011 R (million)
6. Goodwill		
Goodwill at cost less impairment	2 275.1	2 275.1

The goodwill originated from the deferred tax provided on the fair value of the assets over carrying amount on the obtaining of control of BRPM on date of listing of the Company (8 November 2010). Goodwill was allocated entirely to the Group's mining operation, its only segment.

Refer Note 3 for the assumptions and sensitivity thereof used in assessing the recoverable amount of goodwill.

There was no impairment of goodwill in the current financial year.

	Group 2012 R (million)	Group 2011 R (million)
7. Environmental trust deposits		
Environmental trust deposit held in Standard Bank account		
Opening balance at 1 January	92.4	87.5
Interest earned on the environmental trust deposit	2.3	2.4
Increase in cash deposit during the year	4.7	2.5
Transfer to Nedbank equity linked deposit account	(97.2)	–
Closing balance at 31 December	2.2	92.4
Environmental trust deposit held in Nedbank equity linked deposit account		
Opening balance at 1 January	–	–
Transfer from Standard Bank account	97.2	–
Interest earned on the Nedbank equity linked deposit (refer Note 21)	1.0	
Fair value adjustment of the Nedbank equity linked deposit (refer Note 20)	2.7	–
Fair value at 31 December	100.9	–
Total	103.1	92.4

The Group contributes to the BRPM Environmental Rehabilitation Trust annually. The trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the mine. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected as an environmental trust deposit. Refer Note 16 for the environmental rehabilitation provision created.

During 2012, R97.2 million of the environmental trust deposit held in a Standard Bank account was transferred to a Nedbank equity linked deposit account in order to maximise the return on this investment for the BRPM Environmental Rehabilitation Trust. According to the terms of the Nedbank equity linked deposit, the deposit amount is guaranteed and will earn a guaranteed 3% per annum (naca) interest. In addition, there is a variable return component of which R58.3 million of the R97.2 million deposit is linked to the Bettabeta CIS BGreen portfolio exchange traded fund performance and the remaining R38.9 million is linked to the FTSE/JSE Shareholder Weighted Top 40 Index performance. The Nedbank equity linked deposits have been invested for a one-year/two year/three-year/four-year/five-year period to ensure flexibility for when the cash will be required for rehabilitation. As no rehabilitation is expected to be incurred in 2013, all amounts have been included as non-current assets.

The Nedbank equity linked deposits are fair valued every month and the fair value adjustment is taken through the statement of comprehensive income as an adjustment to other income.

	Group 2012 R (million)	Group 2011 R (million)
8. Inventories		
Consumables	29.5	23.3
Stockpiles	11.6	7.8
Closing balance at 31 December	41.1	31.1

All inventories are carried at cost. There is no inventory write down to net realisable value.

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

9. Trade and other receivables

	Group 2012 R (million)	Group 2011 R (million)
Trade receivables (RPM concentrate debtors – refer Note 25)	1 059.9	941.8
Other receivables	62.0	53.2
VAT receivable	80.5	0.6
RPM receivable (refer Note 25)	–	0.1
Closing balance at 31 December	1 202.4	995.7

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's share of the concentrate of the PGMs produced by BRPM JV will be treated by RPM.

In terms of the disposal of concentrate agreement, the commodity prices and R:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery (refer Note 28 for sensitivity analysis).

Concentrate debtors are remeasured every month following delivery of the concentrate until the price is fixed at the end of the third month following delivery. In line with industry practice the remeasurement is taken through the statement of comprehensive income as an adjustment to revenue.

10. Held-to-maturity investments

	Group 2012 R (million)	Group 2011 R (million)
Investment in vested rights of the NED Investment Trust	250.0	250.0
Accrued dividends	10.6	14.9
Closing balance at 31 December	260.6	264.9

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust.

RBPlat invested R250 million on 9 December 2010 on 180-day notice period earning the following dividend yield:

- R200 million earning 62% of prime nominal annual compounded semi-annually; and
- R50 million earning 61.57% of prime nominal annual compounded quarterly.

The effective rate at year-end was 5.45% (2011: 5.58%) and 5.46% (2011: 5.54%) for the two respectively. For the year ended 31 December 2012 dividends of R13.6 million (2011: R14.0 million) were earned on the Nedbank preference shares.

Notice has been given on 25 September 2012 for the R250 million investment in vested rights of the NED Investment Trust to be released on 25 March 2013.

11. Current tax payable/(receivable)

	Group 2012 R (million)	Group 2011 R (million)
The movement in the balance can be explained as follows:		
Opening balance at 1 January	3.2	(4.8)
Income tax charge	17.5	29.9
Tax refund received	–	4.8
Payment made	(18.7)	(26.7)
Closing balance at 31 December	2.0	3.2
Current tax payable/(receivable) comprises:		
Current tax receivable	(0.4)	(0.2)
Current tax payable	2.4	3.4
Closing balance at 31 December	2.0	3.2

	Group 2012 R (million)	Group 2011 R (million)
12. Cash and cash equivalents		
Cash at bank and on hand	428.3	524.0
Short-term bank deposits	221.6	575.2
Closing balance at 31 December	649.9	1 099.2
The cash and cash equivalents above are split as follows:		
Cash and cash equivalents – 100% BRPM JV	311.1	383.2
Cash and cash equivalents at RBPlat – corporate office	338.8	716.0
Closing balance at 31 December	649.9	1 099.2

Facilities

Royal Bafokeng Resources (RBR) entered into a R500 million revolving credit facility (RCF) with Nedbank Capital on 8 January 2010. During 2012 the interest on the facility was renegotiated from JIBAR plus a margin of 2.85% to JIBAR plus a margin of 2.45% nominal annual compounded quarterly in arrears. The repayment date of the RCF was also extended from 31 December 2013 to 31 December 2015. In addition, the commitment fee payable by RBR was renegotiated from 0.75% of the unutilised portion of the facility to 0.625%. To date, nothing is drawn from the R500 million RCF.

The security provided in connection with the RCF includes first ranking mortgage bonds registered by RBR over its Styldrift mining right, a limited guarantee by the Company in favour of Nedbank Capital, a cession and pledge of the Company's shares in and claims against RBR as security for its obligations under the limited guarantee and a subordination by the Company of its claims against RBR in favour of Nedbank Capital. RBR also provides a cession in security pursuant to which it cedes and pledges its rights, title and interest in respect of, or connected with, BRPM and the Joint Venture Agreement. RBR can voluntarily prepay and cancel the facility at any time without penalty.

RBR may also not, without the prior written approval of Nedbank Capital, *inter alia*:

- encumber any of its assets
- make any substantial change to the nature of its business
- dispose of any assets or enter into an amalgamation, demerger, merger or corporate reconstruction (other than certain permitted disposals)
- enter into a transaction or acquisition classified as a Category 1 transaction under the JSE Listings Requirements, and
- amend any material term of a material contract including the Joint Venture Agreement and the Disposal of Concentrate Agreement although in the latter three cases Nedbank Capital's consent may not be unreasonably withheld.

If RBR undertakes any of these actions without Nedbank's prior written consent, it is obliged, if Nedbank so requires, to immediately repay the RCF.

In addition, RBR entered into a R250 million, RBPlat a R3 million and RBPlat MS a R5 million working capital facility with Nedbank Capital in September 2010. Similarly to the RCF, the terms of the working capital facilities were renegotiated and the repayment date extended to December 2015. Interest on these facilities is based on a three-month JIBAR plus a margin of 2.45% nominal annual interest compounded monthly in arrears. There are commitment fees payable on these facilities of 0.625% of the unutilised portion of the facilities. The working capital facilities will share in the same security as the R500 million RCF with the same restrictions.

At year-end RBR utilised R149.9 million (2011: R149.9 million) of its working capital facility for guarantees and RBP MS utilised R0.4 million (2011: R0.4 million) for guarantees. Refer Note 17.1 for further details.

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

	Group 2012	Group 2011
13. Share capital and share premium		
Authorised share capital		
250 000 000 (2011: 250 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 500 000
1 500 000 (2011: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2011: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2011: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	15 000	15 000
Total authorised share capital	2 545 000	2 545 000
	R	R
Issued ordinary share capital		
The movement in the issued share capital of the Company is as follows:		
Opening balance 163 677 799 (2011: 163 677 799) ordinary shares with a par value of R0.01	1 636 778	1 636 778
424 985 (2011: 330 521) ordinary shares issued as part of management share incentive scheme	4 250	3 305
417 416 IPO shares vested in May 2012	4 174	–
55 589 BSP shares vested in December 2012	–	–
Less: Treasury shares		
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	(4 250)	(3 305)
Total 164 150 804 (2011: 163 677 799) ordinary shares	1 640 952	1 636 778
Issued "A1", "A2", "A3" ordinary share capital		
Opening balance 845 871 (2011: 845 871) "A" ordinary shares issued to the Mahube Trust "A1" and "A2" and "A3" ordinary shares issued on equal parts of 281 957 each	8 459	8 459
Less: Treasury shares		
845 871 "A" ordinary shares issued to the Mahube Trust	(8 459)	(8 459)
Total 845 871 (2011: 845 871) "A" ordinary shares	–	–
	R (million)	R (million)
Share premium		
Opening balance	7 759.9	7 759.9
424 985 (2011: 330 521) ordinary shares issued as part of the Company's management share incentive scheme	24.6	21.5
IPO shares vested in May 2012	25.9	–
BSP shares vested in December 2012	3.2	–
Less: Treasury shares		
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	(24.6)	(21.5)
Total share premium	7 789.0	7 759.9

The "A" ordinary shares were issued to the Mahube Trust as part of the Company's employee share ownership plan and these "A" ordinary shares are not listed.

The "A" ordinary shares are treated as treasury shares as the Mahube Trust is consolidated as a special purpose vehicle.

During the year 424 985 (2011: 330 521) ordinary shares were issued as part of the Company's management staff incentive scheme.

14. Share-based payment reserve

	Group 2012 R (million)	Group 2011 R (million)
The movement on the other reserves can be attributed to the following:		
Opening balance at 1 January	81.1	18.8
Share-based payment charge	67.7	62.3
IPO shares vested in May 2012	(25.9)	–
BSP shares vested in Nov 2012	(3.2)	–
Closing balance at 31 December	119.7	81.1

Refer Note 3 for critical accounting estimates and assumptions used for the RBPlat share schemes.

15. Deferred tax

Deferred income tax is calculated in full on the temporary differences under the liability method using the principal tax rate of 28%. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against the tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group 2012 R (million)	Group 2011 R (million)
Deferred tax comprises:		
Deferred tax asset	(24.6)	(34.2)
Deferred tax liability	4 112.6	4 054.1
Closing balance at 31 December	4 088.0	4 019.9

The movement on the deferred tax is as follows:

	Mineral rights R (million)	Property, plant and equipment R (million)	Provisions R (million)	Other R (million)	Total R (million)
2012					
At 1 January 2012	1 876.1	2 168.3	(33.9)	9.4	4 019.9
Charged to statement of comprehensive income	(15.5)	72.3	2.9	8.4	68.1
At 31 December 2012	1 860.6	2 240.6	(31.0)	17.8	4 088.0
2011					
At 1 January 2011	1 892.5	2 005.0	(35.5)	24.2	3 886.2
Charged to statement of comprehensive income	(16.4)	163.3	1.6	(14.8)	133.7
At 31 December 2011	1 876.1	2 168.3	(33.9)	9.4	4 019.9

Tax losses, included in RBP MS not recognised as deferred tax assets, amount to R45.7 million (2011: Rnil).

Of the above, approximately R3 742.5 million (2011: R3 661.1 million) will realise after 12 months.

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

16. Long-term provisions

	Group 2012 R (million)	Group 2011 R (million)
Restoration and rehabilitation opening balance at 1 January	57.2	72.5
Unwinding of discount	3.4	4.9
Change in estimate of provision taken to statement of comprehensive income	1.7	(6.2)
Change in estimate of provision taken to decommissioning asset	(0.7)	(14.0)
Restoration and rehabilitation closing balance at 31 December	61.6	57.2
Other provisions	0.9	0.9
Closing balance at 31 December	62.5	58.1
Current cost estimate of restoration and rehabilitation	164.3	156.3

Refer Note 3 for critical accounting estimates and assumptions used in the environmental rehabilitation obligation calculation.
Refer Note 7 for the environmental trust deposits made to fund this estimate and Note 17.1 for guarantees issued to fund the remainder.

17. Contingencies and commitments

17.1 Guarantees issued

	Group 2012 R (million)	Group 2011 R (million)
Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Eskom to secure power supply for Styldrift project development (performance guarantee 30823102)	17.1	17.1
Eskom early termination guarantee for Styldrift (performance guarantee 31160603)	17.5	17.5
Eskom connection charges guarantee for Styldrift (performance guarantee 31173918)	40.0	40.0
Anglo American Platinum for the rehabilitation of land disturbed by mining activities at BRPM (financial guarantee 31247601)	75.3	75.3
Security guarantee in favour of Nedbank Capital in respect of the funding facility. Refer Note 12 for further details	–	–
Royal Bafokeng Platinum Management Services Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Tsogo Sun guarantee arising from lease agreement (financial guarantee 31101003)	0.3	0.3
Tsogo Sun guarantee arising from lease agreement (financial guarantee 31100309)	0.1	0.1
Total guarantees issued at 31 December	150.3	150.3

17.2 Guarantees received from Anglo American Platinum

	Group 2012 R (million)	Group 2011 R (million)
For Anglo American Platinum's 33% of the Eskom guarantee to secure power supply for Styldrift project development (performance guarantee M523084)	(5.6)	(5.6)
For Anglo American Platinum's 33% of Eskom early termination guarantee for Styldrift (performance guarantee M529349)	(5.8)	(5.8)
For Anglo American Platinum's 33% of the Eskom connection charges guarantee for Styldrift (performance guarantee M529350)	(13.2)	(13.2)
Total guarantees received at 31 December	(24.6)	(24.6)

Refer to Note 16 for rehabilitation provision relating to guarantee to DMR.

17.3 Capital commitment in respect of property, plant and equipment

	Group 2012 R (million)	Group 2011 R (million)
Commitments contracted for	499.0	771.9
Approved expenditure not yet contracted for	7 903.9	8 737.9
Total	8 402.9	9 509.8

The commitments reflect 100% of the BRPM JV project commitments. Effectively RBR must fund 67% thereof and RPM the remaining 33%. Should either party elect not to fund their share, the participation interest in BRPM JV will be diluted according to the terms reflected in the BRPM JV agreement.

17. Contingencies and commitments (continued)

17.4 Operating commitments

The Group leases offices for its corporate office in Johannesburg and for BRPM's finance function in Rustenburg under operating lease agreements. The corporate office lease term is five years and it is renewable at the end of the lease period at market rates. The finance office lease in Rustenburg is renewable year-on-year at market rates.

The future aggregate lease payments under these operating leases are as follows:

	Group	
	2012	2011
	R (million)	R (million)
No later than one year	1.6	1.7
Later than one year and no later than five years	4.9	6.5
Total	6.5	8.2

17.5 Tax contingency

On 31 January 2013 Royal Bafokeng Resources Proprietary Limited (RBR) received notice from the South African Revenue Services (SARS) that they have completed an audit of RBR's 2008 to 2010 tax assessments and that they intend re-opening these assessments to effect certain proposed adjustments. These proposed adjustments primarily relate to SARS intending to disallow interest on shareholder's loans amounting to R586 million previously deducted by RBR and allowed by SARS in the 2008 and 2009 income tax assessments. RBR has enlisted independent advice regarding this matter and, based upon the consultation to date, remains confident that it would be successful in defending this matter.

18. Trade and other payables

	Group	
	2012	2011
	R (million)	R (million)
Trade and other payables	443.3	238.0
VAT payable	–	1.8
Total	443.3	239.8

19. Revenue

	Group	
	2012	2011
	R (million)	R (million)
Revenue from concentrate sales – production from BRPM concentrator	2 720.9	2 846.6
Revenue from UG2 toll concentrate	144.4	128.3
Total	2 865.3	2 974.9

Revenue and concentrate debtors are fair valued every month following the month of delivery of concentrate to Rustenburg Platinum Mines Limited (RPM) until the price is fixed in the third month following delivery. In line with industry practice the fair value adjustment is recognised in revenue.

This means that revenue reflected for the financial years above includes the revaluation of the October, November and December concentrate deliveries of the previous year and the current year's October, November and December concentrate deliveries are remeasured at year-end at the average prices for December. The realised prices for a specific financial year will only be finalised in January, February and March of the following financial year as the prices for deliveries for the last three months of the financial year are then fixed.

20. Other income

	Group	
	2012	2011
	R (million)	R (million)
Net income from settlement of intercompany balances with RPM	–	28.9
Impala royalty (Group resources mined by Impala Platinum Limited)	61.8	24.9
Fair value adjustment of the Nedbank equity linked deposit (refer Note 7)	2.7	–
Other income	2.4	1.0
Total	66.9	54.8

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

		Group	
		2012	2011
		R (million)	R (million)
21.	**Net finance income**		
	The net finance income consists of the following:		
	Interest received on environment trust deposit (refer Note 7)	3.3	2.4
	Interest received on bank accounts	42.8	46.2
	Dividend income	13.6	14.0
	Total finance income	59.7	62.6
	Unwinding of discount on decommissioning and restoration provision	(3.4)	(4.9)
	Total finance cost	(3.4)	(4.9)
	Net finance income	56.3	57.7
22.	**Profit before tax**		
	Included in the profit before taxation are the following items:		
	On-mine costs:		
	– Labour	753.1	673.9
	– Utilities	171.1	144.5
	– Contractor costs	478.4	377.0
	– Movement in inventories	(3.9)	23.3
	– Materials and other mining costs	648.0	614.8
	– Elimination of intergroup management fee	(33.3)	(31.5)
	State royalties	9.6	14.1
	Depreciation – Property, plant and equipment	272.1	462.1
	Amortisation – Mineral rights	55.5	56.2
	Share-based payment expenses	43.6	33.1
	Social and labour plan expenditure	126.9	35.8
	Other	4.4	5.4
	Total cost of sales	2 525.5	2 408.7
	Administration expenses consists of the following corporate office expenses:		
	Advisory fees	4.9	5.7
	Legal fees	0.9	1.2
	Loss on sales and scrapping of fixed assets	–	0.3
	Employee costs (including directors' emoluments)	56.4	43.1
	Mahube Trust expenditure	1.1	1.1
	Depreciation of RBP MS non-current assets	1.2	0.5
	Nedbank revolving credit facility commitment fee	1.6	3.3
	Fees for guarantees	2.0	1.4
	Share-based payment expense	24.1	29.2
	Directors' and officers' liability insurance – general	0.7	0.4
	Industry membership contributions	1.6	0.5
	Rent for corporate office	2.0	1.7
	Other	5.2	15.9
	Total administration expenses	101.7	104.3
	External and internal audit fees for the Group		
	External and internal audit fees included in profit before tax		
	External audit fees		
	– Fees for audit	1.6	2.1
	– Other fees	0.3	0.1
		1.9	2.2
	Internal audit fees	1.0	0.9

	Group 2012 R (million)	Group 2011 R (million)

23. Income tax expense

	2012 R (million)	2011 R (million)
Income tax	(17.5)	(29.9)
Deferred tax		
– Current tax	(68.1)	(133.7)
	(85.6)	(163.6)
Tax rate reconciliation:		
Profit before tax	361.3	574.4
Tax calculated at a tax rate of 28%	(101.2)	(160.8)
Non-deductible expenses	–	(6.9)
Non-taxable income	10.8	4.1
Prior year's adjustment	14.4	–
Tax loss not recognised	(9.6)	–
	(85.6)	(163.6)
Effective tax rate (%)	23.7	28.44

An unredeemed capital allowance of R640.2 million (2011: R281.5 million) is carried over to 2013.

24. Cash generated by operations

Cash generated by operations is calculated as follows:

	2012 R (million)	2011 R (million)
Profit before tax	361.3	574.4
Adjustment for:		
Depreciation	273.3	462.6
Amortisation	55.5	56.2
Share-based payment	67.7	62.3
Equity linked return on the environmental trust deposit	(2.7)	–
Finance cost	3.4	4.9
Finance income	(59.7)	(62.6)
Increase in rehabilitation provision	1.7	1.7
Loss on sales and scrapping of fixed assets	–	0.3
	700.5	1 099.8
Changes in working capital	(13.2)	(101.4)
(Increase)/decrease in inventories	(10.0)	17.3
(Increase)/decrease in trade and other receivables	(206.7)	63.0
Increase/(decrease) in trade and payables	203.5	(181.7)
Cash generated by operations	687.3	998.4

25. Related party transactions

The Group is controlled by Royal Bafokeng Platinum Holdings Proprietary Limited (incorporated in South Africa), which owns 56.57% of RBPlat's shares. Rustenburg Platinum Mines Limited (RPM) owns 12.51% of RBPlat's shares and the remaining 30.92% of the shares are widely held. RPM also holds the remaining 33% participation interest in the BRPM JV. The Group's ultimate parent is Royal Bafokeng Holdings Proprietary Limited (incorporated in South Africa) (RBH). RBH is an investment holding company with a large number of subsidiaries. At present, RBR sells its 67% share of the concentrate produced by BRPM JV to RPM for further processing by RPM. Refer to the Directors' report for further details of significant contracts with RPM.

Investments in subsidiaries and the BRPM Joint Venture and the degree of control exercised by the Company are:

	Issued capital amount		Interest in capital	
	R	R	%	%
Name	2012	2011	2012	2011
Direct investment				
Royal Bafokeng Platinum Management Services Proprietary Limited	1 000	1 000	100	100
Royal Bafokeng Resources Proprietary Limited	320	320	100	100
Indirect investment via Royal Bafokeng Resources Proprietary Limited				
Bafokeng Rasimone Management Services Proprietary Limited	1 000	1 000	100	100
BRPM JV – participation interest	–	–	67	67
Friedshelf 1408 Proprietary Limited	100	–	100	–

Transactions between the Company, its subsidiaries and joint venture are eliminated on consolidation. Refer Note 17.1 and 17.2 for related party guarantees.

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

25. Related party transactions (continued)

The following transactions were carried out with related parties:

	Group 2012 R (million)	Group 2011 R (million)
BRPM Joint Venture balances at 31 December:		
Amount owing by RPM for concentrate sales (Refer Note 9)	1 059.9	941.8
Amount owing to RPM for contribution to BRPM JV (working capital nature)	223.1	37.5
Amount owing to RPM in respect of service level agreements with RPM (Refer Note 9)	–	0.1
There were no balances with other related parties.		
BRPM Joint Venture transactions:		
Concentrate sales to RPM (Refer Note 19 and Directors' report)	2 865.3	2 974.9
Fellow subsidiary transactions:		
Transactions with Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewage plant (a subsidiary of RBH)	20.6	15.6
Impala Platinum Limited for royalty income (an associate of RBH) (Refer Directors' report)	61.8	24.9
Geoserve Exploration Drilling Company for exploration drilling on Boschkoppie and Styldrift (a subsidiary of RBH)	15.6	15.5
Trident South Africa Proprietary Limited for steel supplies (a subsidiary of RBH)	5.7	–
Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH)	3.5	0.8
Zurich Insurance Company of SA for underwriting a portion of BRPM insurance (was an associate of RBH)	–	0.7
Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH)	0.3	0.5

Details relating to key management emoluments (prescribed officers), share options and shareholdings in the Company are disclosed in Note 26.

26. Emoluments and compensation

Directors' emoluments and related payments for 2012

	Date appointed	Directors' fee R	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses R	Total R
2012							
Executive directors							
Steve Phiri	1 Apr '10	–	2 768 860	586 627	95 433	2 502 600	5 953 520
Martin Prinsloo	1 Mar '09	–	2 338 071	212 298	103 355	2 042 375	4 696 099
Nico Muller	2 Mar '09	–	2 194 994	312 598	97 392	1 898 960	4 503 944
Non-executive directors*							
Kgomotso Moroka	1 Jun '10	1 249 798	–	–	–	–	1 249 798
Linda de Beer	1 Jun '10	433 753	–	–	–	–	433 753
Robin Mills	20 Sep '10	439 465	–	–	–	–	439 465
David Noko	1 Jun '10	565 495	–	–	34 200**	–	599 695
Francis Petersen	1 Jun '10	415 000	–	–	–	–	415 000
Mike Rogers	7 Dec '09	468 531	–	–	30 000**	–	498 531
Matsotso Vuso	11 Apr '11	344 065	–	–	–	–	344 065
Total		3 916 107	7 301 925	1 111 523	296 180	6 443 935	19 069 670

* *Non-executive director fees are paid on a quarterly basis and their fees accrued for the year was approved at the annual general meeting held on 3 April 2012*

** *Fee paid for ad hoc meetings where specialised services were rendered by the respective directors*

26. Emoluments and compensation (continued)

Senior management emoluments and related payments for 2012

	Date appointed	Basic salary	Retirement benefits	Other benefits	Discretionary performance bonuses*	Retention bonus	Total
		R	R	R	R	R	R
2012							
Senior management							
Vicky Tlhabanelo	1 Apr '10	1 731 078	359 056	21 960	1 244 358	–	3 356 452
Mzila Mthenjane	1 Apr '09	1 855 571	151 367	105 157	1 201 132	–	3 313 227
Glenn Harris	4 Jan '10	1 950 788	248 190	23 086	1 308 016	–	3 530 080
Neil Carr	1 Dec '10	1 712 860	376 715	126 395	1 060 009	–	3 275 979
Velile Nhlapo	1 Feb '12	1 862 610	150 845	15 000	–	–	2 028 455
Reg Haman	1 Oct '12	438 758	49 000	12 242	–	–	500 000
Total		9 551 665	1 335 173	303 840	4 813 515	–	16 004 193

* *Discretionary performance bonuses were considered when the 2011 financial results were finalised in February 2012*

Directors' emoluments and related payments for 2011

	Date appointed	Directors' fee	Basic salary	Retirement benefits	Other benefits	Discretionary performance bonuses	Total
		R	R	R	R	R	R
2011							
Executive directors							
Steve Phiri	1 Apr '10	–	2 636 080	518 313	94 243	3 000 000	6 248 636
Martin Prinsloo	1 Mar '09	–	2 180 246	194 949	113 810	2 307 084	4 796 089
Nico Muller	2 Mar '09	–	2 077 496	256 711	116 062	2 268 432	4 718 701
Non-executive directors*							
Kgomotso Moroka	1 Jun '10	1 190 000	–	–	–	–	1 190 000
Linda de Beer	1 Jun '10	413 000	–	–	–	–	413 000
Robin Mills	20 Sep '10	415 000	–	–	–	–	415 000
David Noko	1 Jun '10	535 000	–	–	–	–	535 000
Francis Petersen	1 Jun '10	415 000	–	–	–	–	415 000
Mike Rogers	7 Dec '09	445 000	–	–	–	–	445 000
Matsotso Vuso	11 Apr '11	234 821	–	–	–	–	234 821
Total		3 647 821	6 893 822	969 973	324 115	7 575 516	19 411 247

* *Non-executive director fees are paid on a quarterly basis*

Senior management emoluments and related payments for 2011

	Date appointed	Basic salary	Retirement benefits	Other benefits	Discretionary performance bonuses	Retention bonus	Total
		R	R	R	R	R	R
2011							
Senior management							
Vicky Tlhabanelo	1 Apr '10	1 673 560	273 594	39 241	1 836 204	–	3 822 599
Mzila Mthenjane	1 Apr '09	1 720 703	155 159	105 103	1 836 204	–	3 817 169
Glenn Harris	4 Jan '10	1 825 312	231 953	15 240	521 136	2 071 000	4 664 641
Neil Carr	1 Dec '10	1 490 606	303 256	134 217	–	–	1 928 079
Total		6 710 181	963 962	293 801	4 193 544	2 071 000	14 232 488

Notes to the consolidated annual financial statements (continued)

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26. Emoluments and compensation (continued)

Interest in RBPlat share schemes for directors, officers, senior executives and managers

	Share options awarded**	Award date	Strike price	Award value	Vesting dates	Vesting amount
			R	R		%
As of 31 December 2012						
Executive and non-executive directors						
Steve Phiri	297 521	1 Apr '10	60.50	18 000 021	1 Apr '13, '14, '15	33
Martin Prinsloo	241 047	1 Mar '09	36.30	8 750 006	1 Mar '12, '13, '14	33
Nico Muller	224 544	1 Jan '09	40.08	8 999 724	1 Jan '12, '13, '14	33
Senior management						
Vicky Tlhabanelo	72 727	1 Apr '10	60.50	4 399 984	1 Apr '13, '14, '15	33
Mzila Mthenjane	132 696	1 Apr '09	46.13	6 121 266	1 Apr '12, '13, '14	33
Glenn Harris	59 525	4 Jan '10	60.50	3 601 263	4 Jan '13, '14, '15	33
Velile Nhlapo	164 725	1 Feb '12	57.09	9 404 150	1 Feb '15, '16, '17	33
Neil Carr*	72 519	1 Dec '10	65.50	4 749 995	1 Dec '13, '14, '15	33
Reg Haman	163 599	1 Oct '12	48.90	7 999 991	1 Oct '15, '16, '17	33
Lester Jooste (Company Secretary)	40 756	1 Jul '10	55.21	2 250 139	1 Jul '13, '14, '15	33

* *Share options topped up by 14 504 to adjust for equitable pay of officer as a consequence of the implementation of the approved remuneration policy*
** *Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation or market share price*

	Bonus scheme shares	Award date	Issue price	Award value	Vesting dates	Vesting amount
			R	R		%
As of 31 December 2012						
Executive and non-executive directors						
Steve Phiri	44 830	18 Feb '11	66.92	3 000 024	18 Feb'14	100
	43 156	1 Apr '12	57.99	2 502 616	1 Apr '15	100
Martin Prinsloo	34 475	18 Feb '11	66.92	2 307 067	18 Feb '14	100
	35 219	1 Apr '12	57.99	2 042 350	1 Apr '15	100
Nico Muller	33 898	18 Feb '11	66.92	2 268 454	18 Feb '14	100
	32 746	1 Apr '12	57.99	1 898 940	1 Apr '15	100
Senior management						
Vicky Tlhabanelo	27 439	18 Feb ' 11	66.92	1 836 218	18 Feb '14	100
	26 823	1 Apr '12	57.99	1 555 465	1 Apr '15	100
Mzila Mthenjane	27 439	18 Feb '11	66.92	1 836 218	18 Feb '14	100
	24 368	1 Apr '12	57.99	1 413 100	1 Apr '15	100
Glenn Harris	15 096	1 Apr '11	62.95	950 293	1 Apr '14	100
	22 556	1 Apr '12	57.99	1 308 022	1 Apr '15	100
Neil Carr	22 849	1 Apr '12	57.99	1 325 014	1 Apr '15	100
Lester Jooste (Company Secretary)	10 385	3 Dec '10	60.50	628 293	3 Dec '13	100
	11 548	1 Apr '12	57.99	669 669	1 Apr '15	100

26. Emoluments and compensation (continued)

	IPO scheme shares matched by the Company at par value	Award date	Issue price	Award value	Shares sold	Balance	Value of balance of shares
			R	R			R
As of 31 December 2012							
Executive directors							
Steve Phiri	99 174	8 Nov '10	60.50	6 000 027	25 000	74 174	4 487 527
Martin Prinsloo	76 276	8 Nov '10	60.50	4 614 698	–	76 276	4 614 698
Nico Muller	74 989	8 Nov '10	60.50	4 536 835	74 989	–	–
Senior management							
Vicky Tlhabanelo	27 273	8 Nov '10	60.50	1 650 017	11 300	15 973	966 636
Mzila Mthenjane	16 529	8 Nov '10	60.50	1 000 005	6 572	9 957	602 398
Glenn Harris	31 405	8 Nov '10	60.50	1 900 003	31 405	–	–
Lester Jooste (Company Secretary)	11 901	8 Nov '10	60.50	720 011	1 350	10 551	638 336

For details of each sale please see page 133 and for previous year's sales please see the 2011 integrated annual report.

Total share incentive scheme shares issued to date

	Opening balance	Closing balance	Total number of "A1", "A2" and "A3" ordinary shares	Deemed strike price	Issue dates	Vested	Vesting dates	Vesting amount
				R				%
IPO scheme shares	417 416	–	–	60.50	8 Nov '10	417 416	8 May '12	100
Share options issued to date	2 015 028	3 295 986	–	*	*	254 753	*	33 over three years
Bonus scheme shares								
2009 allocations	–	55 589	–	57.48	3 Dec '09	55 589	3 Dec '12	100
2010 allocations	55 589	133 432	–	65.00	1 Dec '10	–	1 Dec '13	100
2011 allocations	133 432	463 953	–	66.92	18 Feb '11 and		18 Feb 2014 and	100
				62.95	1 Apr '11	–	1 April '14	100
2012 allocations	463 953	888 938	–	57.99	1 Apr '12	–	1 Apr '15	100
Mahube share incentive scheme shares	563 914	563 914	845 871	65.12	27 Jan '10	–	**	**

* *Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation (historically) or market share price and therefore range from R36.30 to R70.00 from January 2009 to December 2012. The options vest at a rate of one third after the third, fourth and fifth anniversary dates*

** *See page 166*

In terms of the shareholders' approval obtained on 3 September 2010, the Company was authorised to issue in terms of its share plans the following shares:

> Up to 750 000 ordinary shares in respect of the IPO scheme
> Up to 3 000 000 ordinary shares in respect of the share option scheme
> Up to 3 250 000 in respect of the bonus share plan
> Up to 650 000 ordinary shares in respect of the Mahube Trust. In addition to the ordinary shares to be issued by the Mahube Trust, the 1 500 000 "A1", 1 500 000 "A2", 1 500 000 "A3" ordinary shares have been set aside specifically for this scheme.

The share option scheme limits have been reached and an ordinary resolution will be tabled at the annual general meeting to authorise the Company and allow it to use up to 6% of the current issued share capital for all share plans operated by the Company, which equates to 9 932 884 ordinary shares.

Furthermore, a new scheme is being introduced for executive and general management, the salient features of which can be found on page 83. The scheme is being introduced to align the share plan with King III recommendations in terms of linking such long-term incentives to performance. Similarly, following the Board's approval and the JSE Limited's approval in respect thereof, another ordinary resolution will be tabled for shareholders to approve such scheme.

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

27. Dividends

No dividends have been declared or proposed in the current year (2011: nil).

28. Financial risk management

28.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out in terms of policies approved by the Audit and Risk Committee and the Board of directors, which set guidelines to identify, evaluate and hedge financial risks in close cooperation with the Group's operating unit. The Audit and Risk Committee and the Board provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative instruments, and investment of excess liquidity.

Categories of financial instruments and fair value

The following table represents the Group's assets and liabilities that are measured at fair value (all financial instruments are carried at amortised cost except for the environmental trust deposit which is carried at fair value):

		Carrying amount		Fair values	
		2012	2011	2012	2011
	Notes	R (million)	R (million)	R (million)	R (million)
Financial assets					
Environmental trust deposit	7	103.1	92.4	103.1	92.4
Trade and other receivables	9	1 121.9	995.1	1 121.9	995.1
Held-to-maturity investments	10	260.6	264.9	260.6	264.9
Cash and cash equivalents	12	649.9	1 099.2	649.9	1 099.2
Total financial assets		2 135.5	2 451.6	2 135.5	2 451.6
Financial liabilities					
Trade and other payables	18	443.3	238.0	443.3	238.0
Total financial liabilities		443.3	238.0	443.3	238.0

28. Financial risk management (continued)

28.1 Financial risk factors (continued)

28.1.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar as the BRPM JV concentrate revenue is impacted by the R:US$ exchange rate. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. It is anticipated that foreign currency purchases of mining equipment for the Styldrift project will increase significantly in 2013 and 2014.

Royal Bafokeng Resources entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's 67% share of the concentrate of the PGMs produced by the BRPM JV will be treated by RPM.

In terms of the agreement, the commodity prices and R:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

Revenue and concentrate debtors are remeasured every month following the month of delivery until the price is fixed in the third month. In line with industry practice the remeasurement is recognised in revenue.

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments in the statement of financial position, statement of comprehensive income and therefore equity.

		Statement of financial position		Statement of comprehensive income	
		2012	2011	2012	2011
	Notes	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations		791.9	647.0	±79.2	±64.7
Trade and other receivables not subject to price fluctuations		268.0	294.8	–	–
Total	9	1 059.9	941.8	±79.2	±64.7

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

28. Financial risk management (continued)

28.1 Financial risk factors (continued)

28.1.1 Market risk (continued)

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of the changes in commodity prices. It is specifically applicable to the concentrate debtor (RPM).

In terms of the disposal of concentrate agreement between RBR and RPM the commodity prices and R:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates applicable for the third month following the month of delivery, leaving the Group exposed to the commodity price and exchange rate fluctuations until the price is fixed in the third month following the delivery month. Payment is due on the last day of the fourth month following the delivery month.

Revenue and concentrate debtors are remeasured every month following the delivery month until prices are fixed in the third month. In line with industry practice, the remeasurement is recognised in revenue.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the year-end commodity price on financial instruments in the statement of financial position, statement of comprehensive income and therefore equity.

		Statement of financial position		Statement of comprehensive income	
		2012	2011	2012	2011
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations		791.9	647.0	±79.2	±64.7
Trade and other receivables not subject to price fluctuations		268.0	294.8	–	–
Total	9	1 059.9	941.8	±79.2	±64.7

Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk. The Group does not have any fixed rate financial instruments which could expose it to fair value interest rate risk.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of 100 basis points up and down in the interest rate in financial instruments in the statement of comprehensive income.

		Statement of financial position		Statement of comprehensive income	
		2012	2011	2012	2011
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Environmental trust deposits	7	103.1	92.4	±1.0	±1.0

28.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterpart may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables and other financial assets.

The Group's trade debtor credit risk is limited to one customer as all metals in concentrate are sold to Rustenburg Platinum Mines Limited (RPM). RPM has never defaulted on meeting its obligation. The value of the receivable at year-end was R1 059.9 million (2011: R941.8 million). The credit risk relates to overall risk of the Anglo American Platinum Group, the world's largest platinum producer.

With regard to the cash resources, the Group is exposed to the credit risk of the Nedbank Group, Standard Bank and FirstRand Bank Limited. At year-end, the Group invested R250 million (2011: R250 million) in Nedbank preference shares and had R115.3 million (2011: R235.2 million) on call with Nedbank, R120.5 million (2011: R474.6 million) on call with FirstRand Bank Limited and R311 million (2011: R383 million) on call with Standard Bank. All these banks have a credit rating of at least AA- (zaf).

Default for reporting purposes is measured as payments outstanding for more than four months. Interest is charged at prime rate on late payments.

No financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

28.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash investments) (Notes 10 and 12) on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amount as the impact of discounting is insignificant.

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Notes	R (million)	R (million)	R (million)	R (million)
2012					
Trade and other payables (excluding VAT)	18	443.3	–	–	–
2011					
Trade and other payables (excluding VAT)	18	238.0	–	–	–

28.1.4 Capital risk management

The Group defines total capital as 'equity' in the statement of financial position plus debt. At present no debt is included as the Group has not drawn down on its external debt facilities. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

28.1.5 Fair value determination

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

> Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
> Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
> Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs (level 3).

The only financial asset or liability carried at fair value is the equity linked component of the BRPM Environmental Trust deposit. This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (SWIX 40) on the JSE and the Bettabeta CIS BGreen portfolio exchange traded fund.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

	Notes	Level 1	Level 2	Level 3
2012				
Environmental trust deposits	7	–	103.1	–
2011				
Environmental trust deposits	7	–	–	–

Notes to the consolidated annual financial statements (continued)

For the year ended 31 December 2012

29. Segmental reporting

The Group is currently operating one mine with two decline shafts and the Styldrift I Project. The BRPM operation is treated as one operating segment.

The Executive Committee of the Company is regarded as the chief operating decision-maker.

	BRPM	
	2012	2011
	R (million)	R (million)
Concentrate sales	2 865.3	2 974.9
Cash cost of sales	(2 050.6)	(1 802.4)
Depreciation	(170.9)	(357.1)
Other operating income	64.9	29.0
Share-based payment expenses (non-cash)	(43.6)	(33.1)
Other operating expenditure	(127.5)	(68.6)
Net finance income	10.3	5.2
Segmental profit before tax	547.9	747.9
Additional depreciation on purchase price allocation (PPA) adjustment and amortisation	(156.7)	(161.2)
Overheads of corporate office and royalties	(111.3)	(104.3)
Consolidation adjustments	33.9	10
Other income and net finance income	47.5	82
Finance cost	–	–
Profit before tax per the statement of comprehensive income	361.3	574.4
Taxation	(85.6)	(163.6)
Non-controlling interest	(105.4)	(137.4)
Contribution to basic earnings	170.3	273.4
Contribution to headline earnings	170.3	273.7
Segment assets	7 109.1	6 626.8
PPA adjustment to carrying amount of PPE (includes mineral rights)	9 268.4	9 407.1
Corporate assets and consolidation adjustments (includes goodwill)	3 723.9	3 458.7
Total assets per the statement of financial position	20 101.4	19 492.6
Segment liabilities	249.3	245.1
Corporate liabilities and consolidation adjustments	256.6	52.8
Unallocated liabilities (tax and deferred tax)	4 115.0	4 057.5
Total liabilities per the statement of financial position	4 620.9	4 355.4
Capital expenditure	1 173.9	1 146.5

30. Earnings per share

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

	GROUP	
	2012	2011
	R (million)	R (million)
Number of shares issued	165 548 067	165 123 082
Mahube Trust	(563 914)	(563 914)
Management incentive scheme	(1 306 354)	(881 369)
Number of shares issued outside the Group	163 677 799	163 677 799
Adjusted for weighted shares issued during the year	282 910	–
Weighted average number of ordinary shares in issue for earnings per share	163 960 709	163 677 799
Management incentive scheme	139 362	462 537
Weighted average number of ordinary shares in issue for diluted earnings per share	164 100 070	164 140 336
Profit attributable to owners of the Company R (million)	170.3	273.4
Basic earnings per share (cents/share)	104	167
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share		
Diluted earnings per share (cents/share)	104	167
Diluted earnings per share is calculated by adjusting the weighted number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares		
Headline earnings		
Profit attributable to owners of the Company is adjusted as follows:		
Profit attributable to owners of the Company R (million)	170.3	273.4
Adjustment net of tax:	–	–
Loss on disposal of property, plant and equipment R (million)	–	0.3
Headline earnings R (million)	170.3	273.7
Basic headline earnings (cents per share)	104	167
Diluted headline earnings (cents per share)	104	166

Company statement of financial position

As at 31 December 2012

		Company	
		2012	2011
	Notes	R (million)	R (million)
Assets			
Non-current assets			
Investment in subsidiaries	2	6 819.2	6 819.2
Current assets			
Held-to-maturity investments	3	260.6	264.9
Prepayments		3.1	0.9
Intercompany loans		537.9	227.7
Current tax receivable	4	0.3	0.2
Cash and cash equivalents		324.8	580.1
		1 126.7	1 073.8
Total assets		7 945.9	7 893.0
Equity and liabilities			
Share capital	5	1.7	1.7
Share premium	5	7 848.9	7 819.8
Share-based payment reserve		35.8	40.8
Retained earnings		59.5	30.0
		7 945.9	7 892.3
Current liabilities			
Accruals		–	0.7
Total equity and liabilities		7 945.9	7 893.0

The notes on pages 178 to 179 form an integral part of these financial statements.

Company statement of comprehensive income

For the year ended 31 December 2012

	Notes	Company 2012 R (million)	Company 2011 R (million)
Dividend income		13.6	14.0
Finance income		28.4	32.0
Other income		2.0	0.7
Administration expenses		(9.0)	(7.8)
Profit before tax		35.0	38.9
Income tax expense	6	(5.5)	(6.9)
Profit for the year		29.5	32.0
Other comprehensive income		–	–
Total comprehensive income		29.5	32.0

The notes on pages 178 to 179 form an integral part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2012

	Number of shares issued	Ordinary shares	"A" ordinary shares	Share premium	Share-based payment reserve	Retained earnings	Total
		R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
Balance at 31 December 2011	165 087 584	1.7	–	7 819.8	40.8	30.0	7 892.3
Share-based payment charge	–	–	–	–	24.1	–	24.1
IPO shares vested May 2012	417 416	–	–	25.9	(25.9)	–	–
2009 BSP vested in December 2012	55 589	–	–	3.2	(3.2)	–	–
Total comprehensive income for the year	–	–	–	–	–	29.5	29.5
Balance at 31 December 2012	165 560 589	1.7	–	7 848.9	35.8	59.5	7 945.9
Balance at 31 December 2010	165 087 584	1.7	–	7 819.8	11.6	(2.0)	7 831.1
Share-based payment charge	–	–	–	–	29.2	–	29.2
Total comprehensive income for the year	–	–	–	–	–	32.0	32.0
Balance at 31 December 2011	165 087 584	1.7	–	7 819.8	40.8	30.0	7 892.3

The notes on pages 178 to 179 form an integral part of these financial statements.

Company cash flow statement

For the year ended 31 December 2012

		Company	
		2012	2011
	Notes	R (million)	R (million)
Cash generated by operations	7	14.2	9.6
Finance income		28.4	32.0
Dividends received		17.9	
Income tax paid		(5.6)	(6.8)
Net cash flow utilised by operating activities		54.9	34.8
Increase in held-to-maturity investments		–	–
Net cash flow generated by investing activities		–	–
Related party loans granted		(310.2)	(53.5)
Net cash flow (utilised)/generated by financing activities		(310.2)	(53.5)
Net decrease in cash and cash equivalents		(255.3)	(18.7)
Cash and cash equivalents at beginning of year		580.1	598.8
Cash and cash equivalents at end of year		324.8	580.1

The notes on pages 178 to 179 form an integral part of these financial statements.

Notes to Company financial statements

For the year ended 31 December 2012

1. General information, basis of preparation and accounting policies

The general information, basis of preparation and accounting policies are disclosed on pages 140 to 153 and the Directors' report.

	Company 2012 R (million)	Company 2011 R (million)

2. Investment in subsidiaries

Investment in subsidiaries

Investment in subsidiaries is accounted for at cost less any impairment provision in the Company's financial statements.

Investments in unlisted companies at cost:

	2012 R (million)	2011 R (million)
Direct investment in subsidiaries consists of:		
1 000 ordinary shares with a par value of R1 each in Royal Bafokeng Platinum Management Services Proprietary Limited (100% interest)	–	–
320 ordinary shares with a par value of R1 each in Royal Bafokeng Resources Proprietary Limited (100% interest)	6 819.2	6 819.2
	6 819.2	6 819.2

Indirect investment in subsidiaries consists of:

Bafokeng Rasimone Management Services Proprietary Limited (100%)

All subsidiaries are incorporated in South Africa.

The 67% participation interest in the BRPM Joint Venture is held by Royal Bafokeng Resources Proprietary Limited.

3. Held-to-maturity investments

	2012 R (million)	2011 R (million)
Investment in vested rights of the NED investment Trust	250.0	250.0
Accrued dividends	10.6	14.9
	260.6	264.9

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust.

RBPlat invested R250 million on 9 December 2010 on a 180-day notice period earning the following dividend yield:

> R200 million earning 62% of prime nominal annual compound semi-annually

> R50 million earning 61.57% of prime nominal annual compound quarterly.

For the year ended 31 December 2012 dividends of R13.6 million (2011: R14.0 million) was earned on the Nedbank preference shares.

Notice has been given on 25 September 2012 for the R250 million investment in vested rights of the NED Investment Trust to be released on 25 March 2013.

4. Current tax receivable

The movement in the balance can be explained as follows:

	2012 R (million)	2011 R (million)
Opening balance at 1 January	(0.2)	(0.3)
Income tax charge	5.5	6.9
Tax refund received	–	0.3
Payment made	(5.6)	(7.1)
Closing balance at 31 December	(0.3)	(0.2)

	Company 2012	Company 2011
5. Share capital and share premium		
The authorised and issued share capital of the Company is as follows:		
Authorised share capital		
250 000 000 (2011: 250 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 500 000
1 500 000 (2011: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2011: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2011: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	15 000	15 000
Total authorised share capital	2 545 000	2 545 000
Issued ordinary share capital	R	R
Opening balance 164 241 713 (2011: 164 241 713) ordinary shares with a par value of R0.01 each	1 642 417	1 642 417
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	4 250	3 305
417 416 IPO shares vested in May 2012	4 174	–
55 589 BSP shares vested in December 2012	556	–
Less: Treasury shares		
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	(4 250)	(3 305)
Total 164 714 718 (2011: 164 241 713) ordinary shares	1 647 147	1 642 417
Issued "A1", "A2", "A3" ordinary shares		
Opening balance 845 871 (2011: 845 871) "A1", "A2", "A3" ordinary shares with a par value of R0.01 each	8 459	8 459
Total 845 871 (2011:845 871) "A1", "A2", "A3" ordinary shares	8 459	8 459
Share premium	R (million)	R (million)
Opening balance	7 819.8	7 819.8
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	24.6	21.5
IPO shares vested in May 2012	25.9	–
BSP shares vested in December 2012	3.2	–
Less: Treasury shares		
424 985 (2011: 330 521) ordinary shares issued as part of the management share incentive scheme	(24.6)	(21.5)
Total	7 848.9	7 819.8

The "A" ordinary shares were issued to the Mahube Trust as part of the employee share ownership plan and these "A" ordinary shares are not listed.

424 985 ordinary shares were issued on 1 April 2012 (2011: 330 521) as part of the Company's management incentive scheme.

6. Income tax expense

	2012	2011
Income tax	5.5	6.9
Tax rate reconciliation:		
Profit before tax	35.0	38.9
Tax calculated at a tax rate of 28%	(9.8)	(10.9)
Non-deductible expenses	–	–
Non-taxable income	4.3	4.0
	(5.5)	(6.9)
Effective tax rate (%)	15.7	17.7

7. Cash generated by operations

	2012	2011
Profit before tax	35.0	38.9
Finance income	(42.0)	(46.0)
Share-based payment expenses	24.1	29.2
(Decrease) in accruals	(0.7)	(11.6)
Increase in prepayments	(2.2)	(0.9)
Cash generated by operations	14.2	9.6

Shareholder analysis

Royal Bafokeng Platinum Limited: Shareholder analysis tables

Register date: 31 December 2012
Issued share capital:

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	1 822	69.64	608 188	0.36
1 001 – 10 000 shares	509	19.46	1 671 505	1.01
10 0001 – 100 000 shares	197	7.53	6 945 508	4.20
100 001 – 1 000 000 shares	74	2.83	19 462 413	11.76
1 000 001 shares and over	14	0.54	136 860 453	82.67
Total	**2 616**	**100.00**	**165 548 067**	**100.00**
Distribution of shareholders				
Banks	46	1.76	12 337 645	7.46
Brokers	9	0.34	968 465	0.59
Close corporations	27	1.03	19 742	0.01
Endowment funds	28	1.07	212 922	0.13
Individuals	1 788	68.35	1 840 886	1.11
Insurance companies	30	1.15	2 722 740	1.64
Investment companies	6	0.23	800 435	0.48
Medical aid schemes	7	0.27	85 413	0.05
Mutual funds	120	4.59	16 971 444	10.25
Nominees and trusts	301	11.51	690 332	0.42
Other corporations	30	1.15	38 672	0.02
Own holdings	6	0.23	94 975 358	57.37
Pension funds	147	5.62	12 809 284	7.74
Private companies	61	2.33	294 121	0.18
Public companies	10	0.38	20 780 608	12.55
Total	**2 616**	**100.00**	**165 548 067**	**100.00**
Public/non-public shareholders				
Non-public shareholders	15	0.55	116 147 711	70.16
Directors	3	0.20	339 355	0.20
Associates and management	5	0.08	126 486	0.08
Own holdings (including employee share schemes)	6	0.23	94 975 358	57.37
Strategic holdings (more than 10%)	1	0.04	20 706 512	12.51
Public shareholders	2 601	99.45	49 400 356	29.84
Total	**2 616**	**100**	**165 548 067**	**100.00**
Beneficial shareholder holdings of 5% or more				
Royal Bafokeng Platinum Holdings Proprietary Limited			93 653 084	56.57
Rustenburg Platinum Mines Limited			20 706 512	12.51

Share price statistics

Opening share price	R55.02
Closing share price	R57.50
Average trading price	R54.80
Volume traded for the year under review	24 529 533
Share price high	R67.39
Share price low	R43.74
Market capitalisation at beginning of the year	R9 081.77 million
Market capitalisation at end of the year	R9 519.01 million

Notice of annual general meeting

Royal Bafokeng Platinum Limited
Incorporated in the Republic of South Africa
Registration number: 2008/015696/06
JSE share code: RBP and ISIN: ZAE000149936
Date of incorporation: 1 July 2008
(RBPlat or the Company)

This document is important and requires your immediate attention.

If you are in any doubt as to what action to take, please consult your stockbroker, Central Securities Depository Participant (CSDP), banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all your shares in the Company please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

Notice is hereby given that the fourth annual general meeting (AGM) of the Company will be held on **Wednesday, 17 April 2013 at 10:00** in the Castello room at the Palazzo Hotel, Monte Casino Boulevard, Fourways. Shareholders' attention is drawn to the notes at the end of this notice, which contain important information with regard to shareholders' participation in the AGM, as well as certain explanatory notes regarding the resolutions to be proposed at the AGM.

Kindly note that in terms of Section 63(1) of the Companies Act No 71 of 2008 (the Act), meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licence and passports.

Record date, proxies and voting

The Board of directors of the Company (the Board) has determined, in accordance with Section 59 (1) (a) and (b) of the Act, that the record date for holders to be recorded as shareholders in the securities register maintained by the transfer secretaries of the Company in order to be able to attend, participate and vote at the AGM is Friday, 12 April 2013. The last date to trade to be able to attend, participate and vote at the AGM is Friday, 5 April 2013.

Electronic participation

The Company, if required, will offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provision of the Act. Shareholders wishing to utilise these facilities are required to deliver written notice to the Company at The Pivot, No 1 Monte Casino Boulevard, Block C, Floor 4, Fourways, 2021 (marked for the attention of Lester Jooste, Company Secretary) by no later than 10:00 on Wednesday, 10 April 2013 advising that they wish to participate in the AGM via electronic medium. The valid notice must be accompanied by a certified copy of the shareholder's identity document, driver's licence or passport, in respect of an individual and if not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents, driver's licence and/or passports of the people who adopted the resolution will be required. Voting on shares will not be possible via electronic medium and, accordingly, shareholders wishing to cast their vote at the AGM will need to be represented in person or by proxy at the meeting.

The purpose of the AGM is to deal with such business as may be lawfully dealt with at the meeting, and, in particular, if deemed fit, to pass the resolutions contained herein, with or without modification, in a manner required by the Act and the Listings Requirements of the JSE Limited (JSE Listings Requirements) on which the Company's ordinary shares are listed:

Ordinary resolutions

1. Ordinary resolution number 1

Adoption of the audited consolidated annual financial statements for the year ended 31 December 2012

"Resolved that the audited consolidated annual financial statements of the Company and its subsidiaries together with the reports of the directors, auditors and Audit and Risk and Social and Ethics committees for the year ended 31 December 2012, be and are hereby adopted."

The full financial statements of the Company relating to the financial year ended 31 December 2012 can be obtained from the Company's website at www.bafokengplatinum.co.za.

2. Ordinary resolution number 2

"Resolved that Mr RG Mills, who was appointed to the Board on 20 September 2010, and who retires by rotation and being eligible is hereby re-elected as an independent non-executive director of the Company."

3. Ordinary resolution number 3

"Resolved that Prof FW Petersen, who was appointed as a director on 1 June 2010 and who retires by rotation and being eligible is hereby re-elected as an independent non-executive director of the Company."

4. Ordinary resolution number 4

"Resolved that Mr NJ Muller, who was appointed as a director on 2 March 2009 and who retires by rotation and being eligible is hereby re-elected as an executive director of the Company."

5. Ordinary resolution number 5

"Resolved that Mr MJL Prinsloo, who was appointed as a director on 1 March 2009 and who retires by rotation and being eligible is hereby re-elected as an executive director of the Company."

6. Ordinary resolution number 6

Reappointment of auditors

"Resolved that upon the recommendation of the Audit and Risk Committee of the Board, PricewaterhouseCoopers Inc. (PwC) be and is hereby appointed as the independent external auditor of the Company until the next AGM and that Mr Andries Rossouw of PwC be and is hereby appointed as the designated auditor to hold office for the ensuing year."

7. Ordinary resolution number 7

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board, Prof L de Beer as an independent non-executive director be and is hereby re-elected as a member and the Chairman of the Audit and Risk Committee, in terms Section 94(2) of the Act, to hold office until the conclusion of the next AGM."

8. Ordinary resolution number 8

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to ordinary resolution number 2 being passed, Mr RG Mills as an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee, in terms of Section 94(2) of the Act, to hold office until the conclusion of the next AGM."

9. Ordinary resolution number 9

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board, Mr DC Noko an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee, in terms of Section 94(2) of the Act, to hold office until the conclusion of the next AGM."

10. Ordinary resolution number 10

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board and subject to ordinary resolution number 3 being passed, Prof FW Petersen as an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee, in terms of Section 94(2) of the Act, to hold office until the conclusion of the next AGM."

11. Ordinary resolution number 11

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board, Ms MJ Vuso an independent non-executive director be and is hereby elected as a member of the Audit and Risk Committee, in terms of Section 94(2) of the Act, to hold office until the conclusion of the next AGM."

12. Ordinary resolution number 12

General authority for directors to allot and issue ordinary shares

"Resolved that directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this AGM, to allot and issue ordinary shares (including options and securities convertible into shares) representing not more than 5% (five percent) of the number of ordinary shares in issue as at the date of this AGM (being 8 277 403 ordinary shares) from the authorised but unissued ordinary share capital of the Company, on such terms and conditions as the Board may, at its discretion determine, subject to the limitations and provisions of the Memorandum of Incorporation of the Company (the MOI), the Act and the JSE Listings Requirements, as applicable from time to time."

13. Ordinary resolution number 13

General authority to issue shares for cash

"Resolved, as a separate authority from that referred to in ordinary resolution number 12, that the directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this meeting, to allot and issue ordinary shares (including options and securities convertible into ordinary shares) (equity securities) representing not more than 10% (ten percent) of the number of ordinary shares in issue as at the date of this AGM (being 16 554 806 ordinary shares) from the authorised but unissued shares in the capital of the Company for cash, subject to the MOI, the Act, and the JSE Listings Requirements, as applicable from time to time. It is recorded that the JSE Listing Requirements currently require, *inter alia*, that any issue by a listed company of equity securities for cash must comply with the following requirements:

(a) the allotment and issue of equity securities for cash shall be made only to persons qualifying as public shareholders as defined in the JSE Listings Requirements and not to related parties;

(b) equity securities which are the subject of issues for cash:

   i. in the aggregate in any one financial year may not exceed 15% (fifteen percent) of the Company's current number of equity securities in issue of that class (which, for the purposes of this ordinary resolution number 13, will be limited to 10% (ten percent));

Notice of annual general meeting (continued)

ii. of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;

iii. the number of securities which may be issued (the limit referred to in sub-paragraph (b)(i) above) shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities) at the date of such application, less any securities of the class issued, or to be issued in future arising from options/ convertible securities issued, during the current financial year plus any securities of that class to be issued pursuant to (A) a rights issue which has been announced, is irrevocable and is fully underwritten or (B) acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;

(c) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price on the JSE Limited of such equity securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;

(d) after the Company has issued equity securities for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of equity securities of that class in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including number of securities to be issued as well as the average discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed in writing between the issuer and the party/ies subscribing for the securities and the effect of the issue on the net asset value and earnings per share of the Company; and

(e) the equity securities which are the subject of the issue for cash are of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

14. Ordinary resolution number 14

Approval of remuneration policy

Resolved that the remuneration policy of the Company be and is hereby approved through a non-binding advisory vote (excluding the remuneration of non-executive directors which is to be approved separately) such Remuneration policy as set out in the integrated annual report on pages 118 to 119."

15. Ordinary resolution number 15

RBPlat Share Plan 2013

"Resolved that the new share plan of the Company, the draft rules of which will be tabled at the AGM and initialled by the Chair of the AGM for purposes of identification, be and is hereby approved."

The salient features of the executive share plan are set out in the explanatory note on pages 188 to 189.

16. Ordinary resolution number 16

Scheme shares

"Resolved that the maximum number of ordinary shares which may be allocated and issued in respect of which shares or options may be granted to employees of the Company, under its employee share and other incentive schemes (being the IPO scheme, the share option scheme, the bonus share plan, the Mahube Share Trust and, if ordinary resolution number 15 is approved, the 2013 Share Plan) be increased in aggregate to 9 932 884 (which, if all issued as at the current date and taking into account the fact that a number of these shares have already been issued, would constitute 6% of the total issued share capital of the Company) and the directors be and are hereby authorised to allot, issue and/or grant options in respect of such shares (to the extent that they have not done so already under previous authorities) to its employees in accordance with the rules of such schemes."

Further details regarding this resolution are set out in the explanatory note following the notice to shareholders on page 189.

Special resolutions

17. Special resolution number 1

Adoption of new Memorandum of Incorporation

"Resolved that the Company adopt a new memorandum of incorporation (MOI), which MOI has been initialled by the Chairman of the AGM for purposes of identification."

The salient features of the new MOI are summarised in annexure A to this notice to shareholders on pages 191 to 194.

A copy of the new MOI may be found on the Company's website, www.bafokengplatinum.co.za, together with a copy of the current memorandum of association and articles of association.

18. Special resolution number 2

General authority to repurchase shares

"Resolved that the directors of the Company be and are hereby authorised, until the earlier of the date of the next AGM of the Company or the date 15 (fifteen) months from the date of this AGM, by way of a general authority to repurchase issued shares in the share capital of the Company or to authorise a subsidiary company to purchase such shares in the Company, at such price and on such terms as the directors may from time to time determine subject to the MOI, the Act and the JSE Listings Requirements, as applicable from time to time, and subject further to the restriction that the repurchase or purchase, as the case may be, by the Company and/or any of its subsidiaries of shares in the Company of any class under this authority shall not, in aggregate, in any financial year, exceed 5% (five percent) of the shares in issue in such class as at the date of the AGM."

It is recorded that the JSE Listings Requirements and the Act currently require, *inter alia,* that the Company or any of its subsidiaries may only make a general repurchase of the ordinary shares in the Company if:

(a) any such acquisition of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);

(b) this general authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution number 2;

(c) an announcement must be published as soon as the Company or any of its subsidiaries have repurchased or acquired the relevant ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;

(d) acquisitions of shares by the Company or a subsidiary of the Company in aggregate in any one financial year may not exceed 20% of the Company's ordinary issued share capital; and that the number of shares purchased and held by a subsidiary/(ies) of the Company shall not exceed 10% in the aggregate of the number of issued shares of the Company at the relevant times;

(e) ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares;

(f) at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any repurchase;

(g) the Company and/or its subsidiaries may not enter the market to repurchase the Company's ordinary shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with Schedule 25 of the JSE Listings Requirements;

(h) a company and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the Stock Exchange News Service (SENS) prior to the commencement of the prohibited period;

(i) in the case of a derivative (as contemplated in the JSE Listings Requirements), the price of the derivative shall be subject to the limitations set out in paragraph 5.84(a) of the JSE Listings Requirements;

(j) a resolution of the Board of directors of the relevant company and/or its subsidiaries must be passed stating that they authorised the repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and/or its subsidiaries; and

(k) authorisation being given thereto by the MOI.

Statement by the Board of directors of the Company

The Board, pursuant to the JSE Listings Requirements, hereby states that:

(a) they have no specific intention at present for the Company or its subsidiaries to repurchase any of the shares of the Company as contemplated in this special resolution number 2 but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders; and

(b) having considered the effect of the maximum repurchase possible under this resolution, if approved, they are of the opinion that for a period of 12 (twelve) months after the date of this notice:

   > the Company and/or its subsidiaries (the Group) will be able, in the ordinary course of business, to pay their debts
   > the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group
   > the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes
   > the working capital of the Company and the Group will be adequate for the ordinary business.

JSE Listings Requirements disclosures

The directors, whose names are set out on pages 108 to 109 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the JSE Listings Requirements.

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on pages 108 to 109 of this integrated annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, which may have, or have had a material impact on the Group's financial position over the recent past, being at least the previous 12 (twelve) months.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of section 11.26 of the JSE Listings Requirements for purposes of the general authority contemplated above:

> Directors and management – pages 108 to 109
> Major beneficial shareholders – page 180
> Directors' interests in shares – page 133
> Share capital of the Company – page 158

Notice of annual general meeting (continued)

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of the Company and its subsidiaries since 31 December 2011 and the issuing of this notice to shareholders.

This authority includes an authority, by special resolution, to repurchase shares from a director or prescribed officer of the Company through the JSE order book, as required under Section 48(8)(a) of the Act.

19. Special resolution number 3

Non-executive directors' fees

"Resolved as a special resolution that in terms of Section 66(9) of the Act, the level of non-executive directors' annual fees be and is hereby approved on the basis set out as follows:

	2013	2012
Per annum	R	R
Board Chairman (all inclusive fee)	1 269 730	1 269 730
Board member	250 745	250 745
Audit and Risk Committee Chairman	189 926	189 926
Audit and Risk Committee member	99 675	99 675
Remuneration and Nomination Committee Chairmen	128 040	128 040
Remuneration and Nomination Committee member	96 030	96 030
Social and Ethics Committee Chairman	129 600	129 600
Social and Ethics Committee member	97 200	97 200

In addition to the above fees, a director will receive a fee of R15 000 per day for ad hoc meetings attended where services of a specialised nature requiring specific skills are required."

Voting and proxies

All ordinary resolutions will, in terms of the Companies Act, require the support of more than 50% of the voting rights of shareholders exercised thereon to be approved, in terms of the JSE Listings Requirements, in order for ordinary resolutions numbers 13, 15 and 16 to be approved, at least 75% of the votes cast by all equity securities holders present or represented by proxy at the AGM is required in terms of the JSE Listings Requirements.

All special resolutions will, in terms of the Companies Act, require the support of at least 75% of the total voting rights exercised thereon at the AGM to be approved.

Ordinary shareholders are entitled to attend, speak and vote at the AGM or may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their CSDP or broker with their instructions for voting at the AGM should they wish to vote. If your CSDP or broker, does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the AGM or to appoint a proxy to do so the CSDP or broker will assume that you or your proxy will not be attending the AGM. If you wish to attend the AGM or to appoint a proxy to do so you must obtain a letter of representation signed by your CSDP or broker prior to the AGM.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the AGM and wish to have representation at the meeting must complete and submit to the transfer secretaries, the form of proxy attached in accordance with the instructions contained therein by no later than 10:00 on Monday, 15 April 2013. The completion of the form will not preclude the shareholder from subsequently attending the AGM.

Questions

The Board encourages shareholders to attend and to ask questions at the AGM. In order to facilitate the answering of questions at the meeting, shareholders who ask questions in advance are encouraged to submit their questions in writing to the Company Secretary by 17:00 on 15 April 2013.

By order of the Board of directors

LC Jooste
Company Secretary

Registered office
The Pivot, No 1 Monte Casino Boulevard
Block C, 4th Floor, Fourways, Johannesburg, 2021
PO Box 2283, Fourways, 2055
South Africa, 2001

Transfer secretaries
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, South Africa, 2001
PO Box 61051
Marshalltown, 2017

Explanatory notes

1. Adoption of the annual financial statements (Ordinary resolution number 1)

At the AGM, the directors must, in terms of the MOI, the Act and the JSE Listings Requirements, present to shareholders the annual financial statements for the year ended 31 December 2012.

2. Election and re-election of directors (Ordinary resolution numbers 2 to 5)

In accordance with the MOI, and the JSE Listings Requirements, one-third of the directors (being those longest in office at the date of the AGM) must retire by rotation and directors appointed by the Board during the year must at each AGM offer themselves for re-election and election, respectively.

A brief biography of the directors offering themselves for re-election is contained on pages 108 and 109 of the integrated annual report and the Company's website. The Board with the assistance of the Remuneration and Nomination Committee has reviewed the composition and performance of the Board of directors in accordance with corporate governance guidelines and transformation requirements and has recommended the re-election of the directors offering themselves for re-election.

3. Reappointment of the independent external auditor (Ordinary resolution number 6)

PricewaterhouseCoopers Inc (PwC) have agreed to continue in office and as such the reappointment of PWC has been endorsed and is recommended by the Board in terms of the Company's MOI and the Act.

The Audit and Risk Committee of the Company has assessed the performance and independence of the external auditors and is satisfied that no governance guidelines have been breached and that the provisions of the Act have been complied with. A non-audit service policy is in place to ensure the independence of the external auditor is maintained.

4. Election of Audit and Risk Committee members (Ordinary resolution numbers 7 to 11)

In terms of the Act, shareholders of a public company must elect the members of an audit committee at each AGM. The Nomination Committee has, in accordance with the recommendations and provisions of the King Code and Report on Governance for South Africa (King III), satisfied itself that the independent non-executive directors offering themselves for election as members of the Company's Audit and Risk Committee:

- are independent non-executive directors as contemplated in King III, the Act and the JSE Listings Requirements
- are suitably qualified and experienced
- have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance processes (including information technology governance) within the Company
- collectively possess skills which are appropriate to the Company's size and circumstances, as well as its industry
- have an understanding of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice and other financial and sustainability reporting standards, regulations and guidelines applicable to the Company
- adequately keep up to date with key developments affecting their required skills set

For further details regarding the Audit and Risk Committee, please refer to page 116 of this integrated annual report.

5. Control of unissued shares (Ordinary resolution number 12)

In terms of the MOI, the shareholders have to authorise the directors to, *inter alia,* issue any unissued ordinary shares and/or grant options over them. The existing authorities granted by the shareholders at the previous AGM held on 3 April 2012 expire at the AGM to be held on Wednesday, 17 April 2013, unless renewed. The authorities will be subject to the Act and the JSE Listings Requirements.

6. Issue of shares for cash (Ordinary resolution number 13)

In terms of the JSE Listings Requirements, a general authority for the directors to issue shares for cash requires shareholder approval. The directors also require approval in terms of the MOI to issue shares for cash on a non pro-rata basis. The existing authority granted by the shareholders at the previous AGM held on 3 April 2012 expires at the AGM to be held on Wednesday, 17 April 2013, unless renewed.

The Board has decided to seek renewal of this authority in accordance with best practice. The directors have no current plans to exercise this authority, but wish to ensure that by having it in place, the Company will have the flexibility to take advantage of any business opportunity that may arise in future. The authority will be subject to the Act and the JSE Listings Requirements.

7. Approval of remuneration policy (Ordinary resolution number 14)

In terms of the King III recommendations, shareholders should annually, through a non-binding advisory vote, endorse the Company's remuneration policy at the annual general meeting allowing shareholders to express their views on the remuneration policies adopted and the implementation thereof.

8. Approval of RBPlat Share Plan 2013 (Ordinary resolution number 15)

The purpose of the RBPlat Share Plan 2013 (the Plan) is to put in place a restricted share plan for the Company (Group) to more appropriately reward and retain employees in senior roles in the Company in line with Company and individual performance.

The principal terms of the Plan are as set out below. The Plan complies with the requirements of Section 97 of the Act. A copy of the rules of the Plan will be tabled at the AGM and is available for inspection during normal business hours at the Company's registered office or on the Company website (www.bafokengplatinum.co.za).

Notice of annual general meeting (continued)

Summary of the principal terms of the Share Plan

Introduction

The Board of directors of the Company is recommending to shareholders a new share-based incentive plan for the Company employees in senior roles. This plan will be known as The Royal Bafokeng Platinum Share Plan (the Plan).

The Remuneration Committee has followed an extensive process to consider the type, number of schemes and benchmark long-term incentive (LTI) participation offered by our peer group. The Plan will create a more appropriate platform for long-term incentives, which will supplement the current schemes, where allocation was only done on joining the Group in the case of the share option scheme. These schemes do not have future direct performance conditions and create disparity amongst levels of executive participation.

The purpose of the Plan is to drive a longer-term focus on Group and business unit results, and to retain key employees in leadership and critical skill roles. It also provides alignment with shareholders in that long-term value creation is incentivised through settlement of these awards in shares.

Furthermore, another objective of the Plan is to enable participants to acquire fully paid shares, in the manner and on the terms and conditions set out in the scheme rules, subject to meeting certain vesting and performance conditions to be established by the Board.

The Plan is recommended to shareholders for the following reasons:

> to incentivise performance and execution of the Company's strategic plans
> to help attract and retain talented employees
> to create alignment with shareholder interests
> to focus on sustained growth for shareholders.

The Plan has been prepared in accordance with Schedule 14 of the JSE Listings Requirements. The key features and salient terms of the Plan are set out below.

The Royal Bafokeng Platinum Share Plan

The Board, through the Remuneration and Nomination Committee (Remco) is to ensure the administration and participation of the Plan in terms of the rules of the scheme. Scheme shares will be allocated from the authorised but unissued shares of the Company or purchased on market to satisfy the requirements of the Plan, subject to the approval of ordinary resolution number 15 by shareholders. The scheme shall hold one share in the capital of the Company for each share that may ultimately be transferred to participants in terms of the scheme rules.

Plan and individual limits

The maximum number of shares that may be acquired by all participants in terms of the Plan, together with any other plan adopted by the Company is 9 932 884 and any one participant cannot acquire in excess of 1 655 481 shares under the Plan. This number of shares equates to 6% and 1% of the issued share capital of the Company, respectively, as at 31 March 2013. The aforesaid numbers of shares will be increased or decrease proportionality on a subdivision or consolidation of shares in the capital of the Company. The aforesaid adjustments may only be made to the rights of a participant, if such adjustments give a participant entitlement to the same portion of equity capital as that to which he was previously entitled prior to the adjustments.

Eligibility

Any employee of the Group selected by Remco may participate in the Plan. In respect of the Plan, Remco will consider *inter alia* the following in determining who should participate and to what extent, namely: the seniority of the employee within the Group, the job function of the employee, the role, skill and/or ability of the employee to influence the Group's strategy or share price of the Group and the strategic position of the employee to influence the Company over the medium to long term.

Method of participation

Awards under the Plan are made when Remco determines it to be appropriate, but will normally be made once in a financial year.

Under the Plan, participants are awarded shares that vest over 36, 48 and 60 months after the award date selected by Remco in respect of an award at a rate of one third at a time. Remco will always, at the time of making awards under the Plan impose performance criteria on vesting. The awards will be made on an expected value based on the Total Guaranteed Package (TGP) of the Participant. This ensures that the level of participation achieves internal equity and is appropriately benchmarked.

The expected value will also be benchmarked, to ensure that the level of participation is aligned to the approved remuneration policy. Where the participant has other incentive participation, such as under the option scheme and bonus share scheme, the allocation towards participation under this scheme will be reduced, to ensure equal on-target LTI for all Participants. This ensures that total LTI participation under this and other LTI schemes never exceed the award values approved by the Remco and Board.

The number of scheme shares that are to vest will be adjusted downwards if the performance criteria are not met. The performance targets will be stretch targets and determined by the Board to create direct alignment with the shareholder expectations and the Company strategy.

Unvested shares will be held by the Company in escrow or issued only upon the vesting and the performance criteria as set by the Board being met. However, any distributions on shares (other than special distributions, in terms of which provisions relating to adjustment shall apply) will vest in and be paid to participants who hold such scheme shares.

If the employment of a participant terminates as a result of a no fault termination (for example, as a result of illness, dismissal for operational requirements, the undertaking of which he is a part ceasing to be part of the Group etc.) his scheme shares will continue to vest over time as if he had not ceased to be an employee and on the assumption that all performance criteria imposed on vesting had been met. However any Company performance conditions imposed on the vesting of the third tranche of performance shares will continue to apply unaffected by such no fault termination. If an employee dies the vesting of scheme shares is accelerated and his heirs or executors will receive all such shares on the assumption that all performance criteria and company performance conditions had been satisfied. If the employment of a participant with any member of the Group terminates for any reason other than those stipulated above, the participant shall be deemed to have forfeited, any and all scheme shares to which he would otherwise have been entitled.

General provisions applicable to the Plan

No consideration shall be payable by the participant to receive an award or on the vesting of such award.

Scheme shares shall not have their votes at general or annual general meetings of the Company taken into account for the purposes of resolutions proposed in terms of the Listings Requirements. Such shares shall also not be taken into account for purposes of determining categorisations as detailed in Section 9 of the Listings Requirements.

Adjustments may be made to the rights of participants to take account of any special distributions made by the Company or if the Company undertakes or undergoes a rights offer, a bonus or capitalisation issue or reduction of capital. Adjustments must be determined to be fair and reasonable to participants by Remco and the Company's auditors. The auditors must confirm this fact to the JSE. In the event of a change in control of the Company, Remco may vary vesting dates and/or the number of scheme shares to vest or determine that scheme shares be substituted by benefits in terms of another scheme or plan to place the participant in the same position he was prior to the change of control.

Awards will not be granted during a closed period.

All taxes attributable to participation in the Plan are for the account of participants.

A summary of Plan activities in respect of shares must be reported in the annual financial statements of the Group in the year during which the activities are undertaken.

Scheme shares may only be sold:

- once the employment of a Participant has been terminated or a Participant is deceased or
- on behalf of a Participant, after the Vesting Date in respect thereof or
- on termination of this Plan.

In addition, a participant is entitled to nominate a family trust or company to accept an award and/or hold shares on such participant's behalf.

Amendments to certain significant elements of the Plan are subject to shareholder approval by a 75% majority. These significant elements are as follows:

- Eligibility
- Plan and individual limits
- The amount (if any) payable by the participant on acceptance of the award
- The voting, dividend, transfer and other rights attaching to shares
- Basis upon which awards are made
- The treatment of participants in instances of mergers, takeovers and corporate actions
- The rights of participants on termination of employment
- The basis for determining a participant's entitlement
- The provisions regulating the amendment of the Plan
- Variations of the Company's share capital.

9. Share capital to be utilised for share schemes (Ordinary resolution number 16)

As previously approved by shareholders the following individual scheme limits were in place in respect of any allocations under the current share schemes:

- 750 000 ordinary shares in respect of the IPO scheme (of which 417 416 have been issued);
- 3 000 000 ordinary shares in respect of the share option scheme (which limit has been reached and any share options issued over and above the limit had been issued subject to shareholders approval of ordinary resolution number 16);
- 3 250 000 in respect of the bonus share plan (of which 888 938 have been issued);
- 650 000 ordinary shares in respect of the Mahube Trust (of which 563 914 have been issued); and in respect of which no further share allocations are intended.

The maximum number of ordinary shares which currently may be issued in terms of the existing schemes is accordingly 7 650 000 (5 166 254 of which have already been issued). The Company wishes to increase the number of shares which may be issued in terms of the above schemes (and presuming that ordinary resolution number 15 is adopted, the Plan) to a total of 9 932 884 ordinary shares, and to allow the Company the flexibility to allocate such additional number of shares to such of the schemes as they deem fit.

If all the scheme shares were issued, the issued shares would constitute 6% of the total issued share capital of the Company (presuming that there were no other issues of shares and taking into account the shares that have already been issued).

In terms of the JSE Listings Requirements, any increase in the number of shares which may be issued under a company's employee share or incentive schemes must be approved by at least 75% of the votes cast by all equity securities holders present or represented by proxy at the AGM.

Notice of annual general meeting (continued)

10. Memorandum of Incorporation (Special resolution number 1)

The Act came into effect on 1 May 2011. In terms of the Transitional Arrangements set out in Schedule 5 to the Act, companies were given a two-year period until 30 April 2013 to bring their memorandum and articles of association in harmony with the Act. During this two-year period, if there is a conflict between the provision of the Act and a provision of the Company's memorandum and articles of association, the latter prevails. After this two-year period, any provision of the memorandum and articles of association that is inconsistent with the provisions of the Act shall be void and unenforceable to the extent of the inconsistency. Accordingly, the Company wishes to adopt a new MOI which is consistent with the Act.

The approach that was followed in drafting the MOI was to keep the MOI simple and let the provisions of the Act govern the Company's affairs, save for those specific instances where there was a need to alter an alterable provision of the Act, or where an alteration was required by the JSE Listings Requirements. The Company believes that it is unnecessary and undesirable to repeat, in the MOI, the provisions of the Act that would apply to a company unless the provision is intended to alter an alterable provision or impose a higher standard than an alterable provision.

11. General authority to purchase shares (Special resolution number 2)

The effect of special resolution number 2 and the reason therefor is to grant the Company or any of its subsidiaries a general approval in terms of the MOI, the Act and the JSE Listings Requirements, to acquire the Company's shares, which general approval shall be valid until the earlier of such next AGM of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM.

The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

12. Directors' fees (Special resolution number 3)

In terms of King III and the Act, the shareholders of the Company are required to approve by special resolution the fees to be paid to non-executive directors.

The Board believes that the proposed fees payable to non-executive directors (which are the same as the fees approved by shareholders last year) are competitive and will enable the Company to retain and attract persons of the calibre required to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required. The Board, on recommendation of the Remuneration and Nomination Committee, recommends to shareholders that these fees be approved.

Annexure A

SALIENT TERMS OF THE NEW MEMORANDUM OF INCORPORATION TO BE ADOPTED BY ROYAL BAFOKENG PLATINUM LIMITED

1. Royal Bafokeng Platinum Limited (the Company) wishes to replace its existing memorandum and articles of association with a new memorandum of incorporation (the MOI) which complies with the Companies Act, 2008 (the Act) and the Johannesburg Securities Exchange (JSE) Listings Requirements (the Listings Requirements).

   The salient features of the MOI are set out below. These are not a substitute for the MOI and must be read in conjunction with the full draft of the MOI, which is available for inspection at the Company's office situated at The Pivot, No. 1 Monte Casino Boulevard, Block C, 4th Floor, Fourways, Johannesburg 2021 and on the Company's website at www.bafokengplatinum.co.za.

2. All sections referred to in this schedule refer to sections of the Act and all articles referred to in this schedule refer to articles in the MOI.

No	Salient term	Cross reference
	Powers of the Company	
1.	The legal powers and capacity of the Company, provided in Section 19(1)(b), are not subject to any restrictions.	Article 3.2.1
2.	Any resolution for ratification as contemplated by Section 20(2) shall be prohibited if such ratification is of an action which is contrary to the Listings Requirements, unless otherwise agreed with the JSE.	Article 3.2.2
3.	The issue of securities for cash, repurchase of securities and alteration of share capital, authorised shares and rights attaching to a class/es of shares shall be undertaken in accordance with the Listings Requirements.	Article 3.2.3
4.	Any amendment of the MOI must be effected in accordance with the Act and, to the extent applicable, the Listings Requirements. The requirements set out in Section 16(1)(c)(i) of the Act regarding proposals for amendments to this MOI apply without amendment.	Article 3.3.3
5.	The Board shall not have the power to make, amend or repeal any necessary or incidental rules relating to the governance of the Company (as contemplated in Sections 15(3) to 15(5) of the Act) in respect of matters that are not addressed in the Act or this MOI and does not contain any restrictive conditions contemplated in Section 15(2)(b) and (d).	Article 3.3.2
6.	The solvency and liquidity test provided in Section 4 of the Act applies without amendment.	Article 3.4
	Securities of the Company	
7.	The Company is authorised to issue the shares specified in Schedule 1, provided that, if required by the Act or the Listings Requirements, the Company may only issue (i) unissued shares of a class, pro rata to the shareholders existing shareholding, unless issued for an acquisition of assets, (ii) unissued shares or options, for cash, if approved by the shareholders in a general meeting, subject to the Listings Requirements and the approval of the JSE, if required and (iii) shares that are fully paid up.	Article 4.1.1
8.	The MOI does not limit the Board's authority in terms of section 36(3) to increase or decrease the number of authorised shares of any class of shares, reclassify any classified shares that have been authorised but not issued; classify any unclassified shares that have been authorised but are not issued; or determine the preferences, rights, limitations or other terms of unclassified shares, subject to the Listings Requirements and the MOI.	Article 4.1.2
9.	Securities issued by the Company must rank *pari passu* with other securities of the same class.	Article 4.1.3
10.	The Board's authority to authorise the Company to provide financial assistance in terms of Section 44 and 45 is not limited by the MOI.	Article 4.2
11.	The MOI does not limit the Board's authority in terms of Section 47 in relation to the issue of capitalisation shares.	Article 4.3
12.	Any acquisition by the Company or a subsidiary of the Company's shares and any distribution or payment to shareholders will be subject to the provisions of the Act and the Listings Requirements.	Article 4.4
13.	The authority of the Board to authorise the Company to issue secured or unsecured debt instruments applies without limitation, restriction or qualification, provided that the Board may not grant special privileges regarding the attending and voting at general meetings of the Company or the appointment of directors in respect of such debt instruments.	Article 4.5
14.	The MOI does not limit or restrict the holding of the Company's issued securities by, or the registration of the Company's issued securities in the name of, one person for the beneficial interest of another.	Article 4.6
15.	The Company may pay commission to any person in consideration of such person subscribing, or agreeing to subscribe, for any shares of the Company, or of such person procuring, or agreeing to procure, subscriptions for shares, provided that such commission shall be subject to any limitations in the Act or Listings Requirements.	Article 4.7
16.	No securities registered in the name of a deceased or insolvent holder shall be forfeited if the executor fails to register them in his own name or in the name of the heir(s) or legatees when called upon by the directors to do so.	Article 4.10

Annexure A (continued)

No	Salient term	Cross reference
	Securities of the Company	
17.	The holders of any securities other than ordinary shares are not entitled to vote on any resolution taken by the Company, except to the extent provided therefor in the MOI. In instances that such shareholders are allowed to vote, their votes may not carry any special rights or privileges and they shall not be entitled to more than one vote for each share that they hold, provided their total voting right at meetings may never be more than 25% minus one vote of the total voting rights of all shareholders at such meeting.	Article 4.11
18.	Fully paid shares shall not be subject to any lien in favour of the Company and shall be freely transferable.	Article 4.12
	Shareholder rights and proxies	
19.	The MOI does not establish any information rights of any person in addition to those provided in Sections 26(1) and (2).	Article 5.1
20.	The right of a shareholder to appoint 2 (two) or more persons concurrently as proxies (concurrent proxies) applies without limitation or restriction; provided that the instrument appointing the concurrent proxies clearly states the order in which the concurrent proxies' votes are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the relevant meeting.	Article 5.2.1
21.	A copy of the instrument appointing a proxy must be delivered to the registered office of the Company not less than 48 hours before the relevant meeting or adjourned meeting.	Article 5.4
22.	The right of a proxy to exercise, or abstain from exercising, any voting right of the shareholder appointing him without direction, except to the extent that the instrument of proxy provides otherwise, applies without restriction or limitation.	Article 5.5
23.	A record date for exercise of shareholder rights or event shall be determined in accordance with the Act and the Listings Requirements.	Article 5.6
	Shareholder meetings	
24.	Only the Board is authorised in the MOI to call a shareholders meeting, unless there are no directors who can act, in which case two or more shareholders may call a meeting.	Article 6.1
25.	The percentage of voting rights for the requisition by shareholders of a shareholders meeting in Section 61(3) (10%) shall apply.	Article 6.2
26.	The period of notice of shareholders meetings prescribed by the Act applies. Notice of shareholders meetings shall be delivered to each shareholder entitled to vote at such meeting and who has elected to receive such notice.	Article 6.4
27.	Unless authorised by the Board for a particular meeting, no provision will be made for any shareholders meeting to be conducted by electronic communication.	Article 6.5
28.	The percentage of voting rights in terms of Section 64(1) apply for a shareholders meeting to begin (25%), the continuation of a shareholders meeting (25%) and for the consideration of any matter to be decided at any shareholders meeting (25%).	Article 6.6.1
29.	Unless the chairman determines otherwise, the MOI specifies a period of 30 minutes in substitution for the period provided in Section 64(4) (60 minutes) for the adjournment of a shareholders meeting applies. The maximum periods for the adjournment of shareholders meetings specified in Sections 64(12) (earlier of 120 business days after the record date or 60 business days after the date on which the adjournment occurred) apply.	Article 6.6.2
30.	The percentage of voting rights to approve an ordinary resolution is that set out in Section 65(7) (50%). The percentage of voting rights to approve a special resolution is that set out in Section 65(9) is required (75%). A special resolution is only required for matters contemplated in Section 65(11).	Articles 6.9 and 6.9.3
31.	Shareholders' resolution required in terms of the Listings Requirements may not be voted on in writing, unless permitted by the Listings Requirements.	Article 6.10
32.	At any shareholders meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless (i) a poll is demanded by the chairman of the general meeting; (ii) by not less than five shareholders present in person or by proxy or represented and entitled to vote at the general meeting; or (iii) by a shareholder or shareholders present in person or by proxy or represented holding not less than one tenth of the total voting rights of all the shareholders holding the right to vote at the meeting; or (iv) by a shareholder or shareholders entitled to vote at the meeting and holding in the aggregate not less than one tenth of the issued share capital of the Company.	Article 7.1
33.	A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman.	Article 7.1.2
34.	Unless a poll is demanded, a declaration by the chairman has, on a show of hands been passed unanimously or by a particular majority; or has not been passed by a particular majority, or rejected, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.	Article 7.1.3

No	Salient term	Cross reference
	Votes of Shareholders	
35.	The holders of securities will have the voting rights specified in section 63.	Article 8.1.1
36.	A person who is entitled to more than one vote need not cast all his votes, nor cast them in the same manner.	Article 8.1.2
37.	Where two or more persons are registered as joint holders of a share, any one of them may vote as if he is the sole holder thereof. If more than one of such joint holders are present at a general meeting in person or by proxy, only that holder who is present and whose name appears first in the register in respect of the share, shall be entitled to vote.	Article 8.2.1
	Directors and Officers	
38.	The MOI specifies four directors as the minimum number of directors of the Company (which number is higher than the minimum required in terms of Section 66(2)) and 24 directors as the maximum number of directors of the Company.	Article 9.1.1
39.	The shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of Section 68(1). All directors shall be elected by an ordinary resolution of the shareholders at a general meeting or annual general meeting of the Company. No appointment of a director in accordance with a resolution passed by shareholders acting other than at a meeting, in terms of Section 60 of the Act shall be competent.	Article 9.1.2
40.	The MOI does not provide for (i) the direct appointment or removal of directors, (ii) the appointment of *ex officio* directors or (iii) the appointment of any directors for life or for an indefinite period.	Article 9.1.3
41.	Subject to the Act and this MOI, at every annual general meeting of the Company, one third of the non-executive directors or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, or if there are less than three, then all, the non-executive directors shall retire from office.	Article 9.2.1
42.	The Board may appoint a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with Section 68(1).	Article 9.3.1
43.	The authority of the Board to manage and direct the business and affairs of the Company, as contemplated in Section 66(1), is not limited, restricted or qualified by the MOI.	Article 9.4
44.	The MOI does not restrict the directors from acting otherwise than at a meeting, as contemplated in Section 74(1) of the Act and, for so long as it is required by the Listings Requirements, any such resolution must be inserted in the minute book of the Company.	Article 9.6.1
45.	The percentage or number of directors upon whose request a meeting of the Board must be called in terms of Section 73(1) of the Act is not amended (25% where the Board has more than 12 directors or two directors in any other case).	Article 9.6.2
46.	The MOI does not restrict the Board from conducting meetings by electronic communication, as contemplated in Section 73(3) of the Act.	Article 9.6.3
47.	The authority of the Board to proceed with a Board meeting in accordance with the requirements of Section 73(5)(a) of the Act applies without limitation, restriction or qualification.	Article 9.6.4
48.	The MOI does not limit, restrict or qualify the authority of the Board to determine the manner and form of giving notice of its meetings.	Article 9.6.5
49.	The ability of the Company to pay remuneration to its directors for their service as directors in accordance with Section 66(9) of the Act applies without limitation, restriction or qualification.	Article 9.8.1
50.	The MOI does not limit, restrict or qualify the authority of the Board to authorise the Company to provide direct or indirect financial assistance to directors or persons related to directors contemplated in Section 45 of the Act.	Article 9.8.2
51.	The office of a director is vacated if (i) he becomes disqualified from acting as a director or ceases to be a director by virtue of any provision of the Act or is removed from office pursuant to this MOI or the Act, (ii) he is absent from director meetings six consecutive months without permission of the Board and the directors have resolved that his office be vacated or (iii) notice is given to terminate his contract of employment or engagement with the Company where he is in breach of such contract.	Article 9.11
52.	The MOI does not limit the ability of the Company to indemnify a director in respect of any liability arising out of the director's service to the Company as permitted by the Act. The MOI does not limit the Company's ability to purchase insurance to protect a director against any liability, or expenses for which the Company is permitted to indemnify a director in terms of the Act and this MOI. A director shall be indemnified against all costs, losses and expenses, including reasonable travelling and subsistence expenses, which it may incur in the discharge of his duties unless same be attributable to his own negligence, default, breach of duty or breach of trust.	Article 9.13

Annexure A (continued)

No	Salient term	Cross reference
	General provisions	
53.	If any amendments are proposed to any preferences, rights, limitations or other terms of any class of shares, such amendment would be subject to the prior sanction of a resolution passed at a separate class meeting of the holders of that class of shares in the same manner, *mutatis mutandis,* as a special resolution.	Article 10.1
54.	Dividends may be declared by the Board in accordance with the provisions of the Act and the Listings Requirements.	Article 10.2.1
55.	No dividend shall bear interest against the Company, except as otherwise provided under the conditions of issue of the shares in respect of which such dividend is payable.	Article 10.2.2
56.	Dividends shall be declared payable to shareholders registered as such on a date at least 14 days after the date of the declaration of the dividend or on the date of confirmation of the dividend, whichever is the later.	Article 10.2.3
57.	The directors may from time to time declare and pay to the shareholders such interim dividends as the directors consider to be justified by the profits of the Company.	Article 10.2.4
58.	The directors may also pay the fixed dividend payable on any share of the Company bearing a fixed dividend half yearly or on fixed dates, as the directors may deem fit.	Article 10.2.5
59.	Any dividend, interest or other sum payable in cash to the holder of a share may be paid by cheque or warrant sent by post.	Article 10.2.6
60.	Every such payment shall be at the risk of the person or persons entitled to the money represented thereby, and a payment of a cheque by the banker, upon whom it is drawn, and any transfer or payment in terms of the MOI shall be a good discharge to the Company.	Article 10.2.7
61.	Subject to the provisions of the MOI and to the rights attaching to any shares, any dividend, interest or other sum payable on or in respect of a share may be paid in such currency as the directors may determine, using such exchange rate for currency conversions as the directors may select.	Article 10.2.12
62.	The Company must hold all monies due to shareholders for the benefit of shareholders indefinitely, but subject to the laws of prescription.	Article 10.2.13
63.	Any payments to a shareholder who has given written instructions requesting payment at an address outside South Africa may be paid in such currency or currencies other than the currency of South Africa as may be stipulated by the directors. The directors may also stipulate the date upon which the currency of South Africa will be converted into such other currency or currencies.	Article 10.2.15
64.	If a shareholder dies, the only persons the Company shall recognise as having any title to his interest in the shares shall be (i) the survivors or survivor where the deceased was a joint holder and (ii) the executors or administrators of the deceased where he was a sole or only surviving holder.	Article 10.6.1.1
65.	A person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law may either (i) be registered himself as holder of the share upon giving to the Company notice in writing to that effect or (ii) transfer such share to some other person and fulfil all requirements relating to such transfer as set out in the MOI.	Article 10.6.2.1
66.	A person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder or otherwise by operation of law shall be entitled to the same distributions and advantages as a registered holder of the share upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share and shall not be entitled to exercise any right in respect of the share in relation to general meetings until he has been registered as a shareholder in respect of the share.	Article 10.6.3.1
67.	Whenever any shareholder becomes entitled to fractions of a share, the directors may deal with fractions as they see fit and in particular round up or down to the nearest whole number of a fraction, if any.	Article 10.7
68.	The rights and conditions attaching to the "A" ordinary shares are set out in detail. These rights and conditions are the same as provided for in the previous memorandum and articles of association.	Article 10.8

Glossary of terms and acronyms

Term/abbreviation	Explanation
4E	Four platinum group elements, namely platinum, palladium, rhodium and gold
ABET	Adult basic education and training
Aids	Acquired immune deficiency syndrome
Anglo American Platinum	Anglo American Platinum Limited
ART	Antiretroviral treatment
Au	Gold
Base metal	A common metal that is not considered precious, such as copper, nickel, tin or zinc
BC	Bushveld Complex
BRMS	Bafokeng Rasimone Management Services Proprietary Limited
BSP	Bonus share plan
CD4 count	HIV infects and destroys a type of white blood cell called a CD4 cell (sometimes called a T-cell). When the immune system loses too many CD4 cells, it becomes weak and is unable to fight off germs. At this point the HIV+ person is at risk of contracting infections, called Aids-related opportunistic infections (OIs), which can cause serious illness or death. The number of CD4 cells gives a picture of the health of the immune system. A normal CD4 cell count is about 500 – 1 500 cells per cubic millimetre of blood. CD4 cell counts usually fall as HIV disease progresses. A CD4 cell count can help a healthcare provider tell whether the HIV disease is progressing and the individual concerned should start HIV treatment
CED	Community enterprise development
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 metal and precious metal minerals, these minerals are treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
CSI	Corporate Social Investment
Cu	Copper
DEA	Department of Environmental Affairs
Debt:equity ratio	Interest-bearing borrowings, including the short-term portion payable, as a ratio of shareholders' equity
Decibel A	A-weighted decibels, abbreviated dBA, or dBa, or dB(a), are an expression of the relative loudness of sounds in air as perceived by the human ear. In the A-weighted system, the decibel values of sounds at low frequencies are reduced, compared with unweighted decibels, in which no correction is made for audio frequency. This correction is made because the human ear is less sensitive at low audio frequencies, especially below 1 000 Hz, than at high audio frequencies
Decline	A generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef
DMR	Department of Mineral Resources
DWA	Department of Water Affairs
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employment equity	Percentage of historically disadvantaged South African managers in core and support functions – 2011 targets in terms of the Mining Charter
Employees who tested HIV positive	The number of employees that have been identified as HIV positive as indicated by the test results in the reporting period. The HIV positive rate is calculated as a percentage for the people that tested positive over the number that tested for HIV in the reporting period
EMS	Environmental management system
EPS	Earnings per share
Fatality	Death resulting from an accident

Glossary of terms and acronyms (continued)

Term/abbreviation	Explanation
Flotation	In the flotation process, milled ore mixed with water (pulp) is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (water-loving). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the 'concentrate', and a waste pulp stream, called 'tailings'
GHG	Greenhouse gases (GHGs) are the gases present in the earth's atmosphere which reduce the loss of heat into space and contribute to global temperatures through the greenhouse gas effect. On earth, the most important abundant greenhouse gases are, in order of relative abundance: water vapour, carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons
GJ	Gigajoules (10^9 joules)
Greenfield project	A project situated on a previously undeveloped mineral resource
Greenhouse gas emissions scope 1 and 2	As per the Greenhouse Gas Protocol (GHG Protocol) jointly convened in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) protocol: scope 1 – LPG, acetylene gas consumption, the combustion of lubrication oil, explosives, generators (petrol and diesel), company-owned vehicles (petrol and diesel); scope 2 – electricity
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise-level, sustainable development reports
g/t	Grams per tonne, the unit of measurement of grade
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
HIV	Human immunodeficiency virus
HRD	Human resource development
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
IMA	Immediately available ore reserves, which is ground available for mining without any further development
IMS	Immediately stopable faces which are fully-equipped and spare mining faces that can be mined immediately
Incidence rate of TB	Total number of employees, including contractors, who tested infected with TB over the number that did TB testing in the reporting period expressed as a percentage
Indicated Mineral Resource	"An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed." (SAMREC 2007)
Inferred Mineral Resource	"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geologically or through analysis of grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability." (SAMREC 2007)
In situ	The original, natural state of the ore body before mining or processing of the ore takes place

Term/abbreviation	Explanation
ISO 14001	ISO 14001 is applicable to any organisation that wishes to establish, implement, maintain and improve an environmental management system and to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004 by making a self- determination and self-declaration, or seeking confirmation of its conformance by parties having an interest in the organisation, such as customers, or seeking confirmation of its self-declaration by a party external to the organisation, or seeking certification/registration of its environmental management system by an external organisation
JSE SRI Index	Johannesburg Stock Exchange Socially Responsible Index
koz	Thousand ounces
kt	Thousand tonnes
ktpm	Thousand tonnes per month
LED	Local economic development
LOM	Life of mine
LTIFR	Lost time injury frequency rate, which is the number of lost time injuries per 200 000 hours worked
MACHARORA	Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations
Mahube Trust	Royal Bafokeng Platinum Mahube Trust
Mass pull	The mass of concentrate expressed as a percentage of total plant feed
Merensky Reef	The Merensky Reef is a layer in the Bushveld Complex (BC) containing one of the world's largest concentrations of platinum group metals (PGMs)
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Moz	Million ounces
Measured Mineral Resource	"A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity." (SAMREC 2007)
Mineral Reserve	"A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life of Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed." (SAMREC 2007)
Mineral Resource	"A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories." (SAMREC 2007)
MSDS	Material safety data sheets
Mt	Million tonnes
Net asset value	Total assets less all liabilities, including deferred taxation, which equates to shareholders' equity
Net asset value as a percentage of market capitalisation	Shareholders' equity expressed as a percentage of market capitalisation
Ni	Nickel

Glossary of terms and acronyms (continued)

Term/abbreviation	Explanation
NIHL	Noise-induced hearing loss
NUM	National Union of Mineworkers
Number of days without injury during the year	The number of calendar days on which no injury was reported or recorded at the BRPM Clinic. This can be for a specific area or the total mine depending on the area being reported on in the reporting period
Number of employees counselled	The number of employees that received HIV counselling before deciding if they are going to accept undergoing the HIV test (HIV counselling is compulsory for all employees during initial and periodic medical surveillance examination)
Number of employees currently on antiretroviral treatment (ART)	The number of employees that have been identified to be HIV positive as indicated by the HIV test results and where the CD4 count is 350 or below
Number of employees tested and were infected with TB	The total number of employees that have been identified as TB-infected as indicated by the test results in the reporting period
Number of fatalities	Any death resulting from an unexpected and unplanned occurrence, including acts of violence on the premises of the Company. Deaths arising out of or in connection with work, irrespective of the time between the injury and the occurrence of the death
OEM	Original equipment manufacturer
OHSAS 18001	OHSAS 18001 is an Occupational Health and Safety Assessment series for health and safety management systems. It is intended to help organisations control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which businesses can be certified and assessed
PAYE	Pay-as-you-earn
Pd	Palladium
PGE	Platinum group elements
PGM	Platinum group metals, six elemental metals of the platinum group nearly always found in association with each other. Some texts refer to PGE. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium
PPA	Purchase price allocation
PPE	Property, plant and equipment
Prill split	A term used to describe the ratio in which platinum group elements occur in a platiniferous ore body
Probable Mineral Reserve	"A 'Probable Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007)
Proven Mineral Reserve	"A 'Proven Mineral Reserve' is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007)
Pt	Platinum
Redevelopment	Development work carried out for the purpose of reestablishing mining sections/panels which have been adversely affected by geological or geotechnical conditions

Term/abbreviation	Explanation
RBA	Royal Bafokeng Administration
RBH	Royal Bafokeng Holdings Proprietary Limited
RBN	Royal Bafokeng Nation
RBPH	Royal Bafokeng Platinum Holdings Proprietary Limited
RBPlat	Royal Bafokeng Platinum Limited
RBPlat's GRI application level assertion	Application B+ as per the GRI definition
RBP MS	Royal Bafokeng Platinum Management Services Proprietary Limited
RBR	Royal Bafokeng Resources Proprietary Limited
RCF	Revolving credit facility
Rh	Rhodium
RPM	Rustenburg Platinum Mines Limited
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SDL	Skills development levy
Section 54	In terms of Section 54 of the Mine Health and Safety Act No 29 of 1996, if an inspector of mines believes that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health or safety of persons at the mine including instructing that operations at the mine or a part of the mine be halted
Section 55	If an inspector believes that an owner or manager has failed to comply with the provisions of this Act, the inspector may instruct that owner or manager in writing to take any steps that the inspector considers necessary to comply with the provision; and specifies in the instruction
SENS	Stock Exchange News Service
SHE	Safety, health and environment
SIB	Stay-in-business capital expenditure
SIFR	Number of serious injuries per 200 000 hours worked
SLP	Social and labour plan
SMME	Small, medium and micro enterprises
STC	Secondary tax on companies
Stoping	Operations directly associated with the extraction of reef
Tailings	That portion of the ore from which most of the valuable material has been removed by concentrating and that is therefore low in value but still available for future extraction pending technology development
TAWUSA	The Togetherness Amalgamated Workers Union of South Africa
TB	Tuberculosis
Total energy consumption	Energy from electricity purchased, plus energy from fossil fuels consumed
tpm	Tonnes per month
UASA	United Associations of Trade Unions South Africa
UG2 Reef (Upper Group 2)	A chromite layer in the Bushveld complex, often containing economic values of PGMs
UIF	Unemployment insurance fund
VAT	Value added tax
VCT	Voluntary counselling and testing
Water used for non-primary activities	Water used for non-primary activities is total new or make-up water entering the operation and use for non-primary activities, excluding internally recycled water. Non-primary activities are those activities in which the operation engages which are not required for the production of their products
Water used for primary activities	Water used for primary activities consists of total new or make-up water entering the operation and used for the operation's primary activities. This definition excludes internally recycled water and mine dewatering discharged to surface and not used for any primary activities. Primary activities are those in which the operation engages to produce their products

Administration and Company information

Shareholders' diary

Financial year-end:

31 December of each year

Interim period-end:

30 June of each year

Integrated Annual report and Financial Statements

(mailed to shareholders):
5 March 2013

Administration

Company registered office

Royal Bafokeng Platinum Ltd
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

The Pivot
No. 1 Monte Casino Boulevard
Block C
4th Floor
Fourways
Johannesburg
2021

PO Box 2283
Fourways
2055
South Africa

Company Secretary

Lester Jooste (ACIS)
Email: lester@bafokengplatinum.co.za
Telephone: +27 10 590 4519
Telefax: +27 086 572 8047

Investor relations

Lindiwe Montshiwagae
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Telephone: +27 10 590 4517
Telefax: +27 086 219 5131

Public Officer

Reg Haman
Email: reginald@bafokengplatinum.co.za
Telephone: +27 10 590 4533
Telefax: +27 086 219 5131

Independent external auditors

PricewaterhouseCoopers Inc
2 Eglin Road
Sunninghill
Johannesburg
2157
South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg

PO Box 61051
Marshalltown
2107
South Africa
Telephone: +27 11 370 5000
Telefax: +27 11 688 5200

Sponsor

Macquarie First South Capital Proprietary Limited
The Place
1 Sandton Drive
South Wing
Sandton
Johannesburg
2196
South Africa

Bankers

Nedbank Limited
135 Rivonia Road
Sandton
2196
South Africa

Disclaimer

Certain statements in this integrated annual report constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of RBPlat and its subsidiary companies, as well as the industry in which it operates, to be materially different from future results, performances, objectives or achievements expressed or implied by these forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', 'anticipates' or the negatives of this terminology. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events.

No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group.

Notes

Form of proxy

Royal Bafokeng Platinum Limited (RBPlat or the Company)
(Incorporated in the Republic of South Africa)
(Registration number: 2008/015696/06) (Share Code: RBP) (ISIN: ZAE000149936)

Form of proxy for the fourth annual general meeting to be held on Wednesday, 17 April 2013 at 10:00. For use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

Holders of dematerialised ordinary shares other than "own name" registration must inform their CSDP or broker of their intention to attend the AGM and request their CSDP to issue them with the necessary authorisation to attend the AGM in person or provide their CSDP or broker with their voting instructions should they not wish to attend the AGM in person but wish to be represented thereat.

I/We, ______________________________

of (address) ______________________________

being registered holders of ______________ ordinary shares in the issued share capital of the Company hereby appoint:

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

the chairman of the AGM as my/our proxy to vote on my/our behalf at the AGM of the Company to be held on Wednesday, 17 April 2013 at 10:00 for the purpose of considering and, if deemed appropriate, to pass with or without modification the resolutions to be proposed at the meeting or at any adjournment thereof in respect of the shares registered in my/our name(s), in accordance with the following instructions:

			Number of ordinary shares		
			In favour	Against	Abstain
1.	Ordinary resolution number 1	To receive and adopt the annual financial statements for the financial year ended 31 December 2012			
2.	Ordinary resolution number 2	To re-elect Mr RG Mills as a director of the Company			
3.	Ordinary resolution number 3	To re-elect Prof FW Petersen as a director of the Company			
4.	Ordinary resolution number 4	To re-elect Mr NJ Muller as a director of the Company			
5.	Ordinary resolution number 5	To re-elect Mr MJL Prinsloo as a director of the Company			
6.	Ordinary resolution number 6	To reappoint PricewaterhouseCoopers as the independent external auditors and Mr AJ Rossouw as the designated auditor for the ensuing year			
7.	Ordinary resolution number 7	To elect Prof L de Beer as the Chairman and member of the Audit and Risk Committee			
8.	Ordinary resolution number 8	To elect Mr RG Mills as a member of the Audit and Risk Committee			
9.	Ordinary resolution number 9	To elect Mr DC Noko as a member of the Audit and Risk Committee			
10.	Ordinary resolution number 10	To elect Prof FW Petersen as a member of the Audit and Risk Committee			
11.	Ordinary resolution number 11	To elect Ms MJ Vuso as a member of the Audit and Risk Committee			
12.	Ordinary resolution number 12	To grant a general authority for directors to issue up to 5% of the unissued share capital of the Company			
13.	Ordinary resolution number 13	To grant directors a general authority to issue up to 10% of the unissued share capital of the Company for cash			
14.	Ordinary resolution number 14	To approve via a non-binding vote the remuneration policy of the Company			
15.	Ordinary resolution number 15	To approve the new Royal Bafokeng Platinum Limited Share Plan			
16.	Ordinary resolution number 16	To approve an increase in the number of shares which may be issued for the purpose of the employee share incentive schemes of the Company and to authorise the directors to issue such shares			
17.	Special resolution number 1	To adopt in its entirety the new Memorandum of Incorporation			
18.	Special resolution number 2	To grant the directors a general authority to authorise the Company or any subsidiary/ies to repurchase its issued shares			
19.	Special resolution number 3	To approve the non-executive directors' fees			

Please indicate with an "X" in the spaces provided above how you wish to vote. If no indication is given the proxy will vote at his/her discretion or abstain from voting.

Any member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Every person present and entitled to vote shall, on a show of hands have one vote only, but on a poll, every share shall have one vote. Voting will be conducted by poll.

Signed at ______________ on ______________ 2013

Signature ______________ or assisted by ______________ (where applicable)

Notes to the form of proxy

1. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided and any such proxy need not be a shareholder of the Company. Should a proxy not be specified, this will be exercised by the Chairman of the AGM.
2. When there are joint holders of shares and if more than one such joint holder is present or represented, the person whose name stands first in the register at such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
3. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form, unless previously recorded by the Company or waived by the Chairman of the AGM.
4. The Chairman shall be entitled to decline to accept the authority of the signatory:

   4.1 under a power of attorney, or

   4.2 on behalf of a company,

   if the power of attorney or authority has not been lodged at the offices of the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, Republic of South Africa or posted to PO Box 61051, Marshalltown, 2017, Republic of South Africa, by 15 April 2013 at 10:00.
5. This proxy form should be completed and returned to the Company's transfer secretaries, Computershare Investor Services Proprietary00 Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), so as to reach them by not later than Monday, 15 April 2013 at 10:00.
6. The completion and lodging of this proxy shall not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
7. The Chairman of the meeting may reject or accept a proxy which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
8. Any alteration or correction made to this form of proxy must be signed in full.
9. An "X" must be inserted in the relevant space according to how a shareholder wishes his/her votes to be cast. However, if a shareholder wishes to cast his/her votes in respect of a lesser number of ordinary shares than he/she owns in the Company, the number of shares held in respect of which a shareholder wishes to vote must be inserted. Failure to comply with the above will be deemed to authorise the Chairman of the general meeting, if he is the authorised proxy, or any other proxy, to vote or abstain from voting at the general meeting as he/she deems fit in respect of all the relevant shareholders' votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by that shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of the votes exercisable by the shareholder or by his/her proxy.

Summary in terms of Section 58(8)(b)(i) of the Act

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by Section 58 of the Act, 2008, which summary is set out below:

> A shareholder of a company may, at any time, appoint any individual including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at a shareholders' meeting on behalf of the shareholders.

> A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

> A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.

> A proxy appointment must be in writing, dated and signed by the shareholder and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from, such revocation.

> A shareholder may revoke a proxy appointment in writing.

> A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercise of any rights as a shareholder.

> A Proxy is entitled to exercise, or abstain from exercising any voting right of the shareholder without direction.

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