

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD
1 JULY TO 30 SEPTEMBER 2015

IMPROVED PRODUCTION PERFORMANCE AND CASH PRESERVATION STRATEGY IMPLEMENTED

Key features

- Tragically one scraper winch related fatal accident
- 48% improvement in both SIFR and LTIFR
- 6% increase in tonnes milled
- 3% increase in 4E metals in concentrate produced
- 4.4% increase in cash operating cost per tonne milled
- 3% reduction in built-up head grade
- Cash preservation strategy implemented

Description	Unit	Unaudited quarter ended 30 September 2015	Unaudited quarter ended 30 September 2014	Quarter ended September 2015 vs. quarter ended September 2014 % Change
Safety				
SIFR (/200,000 hrs)	rate	0.13	0.25	48
LTIFR (/200,000 hrs)	rate	0.26	0.50	48
Production				
Tonnes delivered to concentrators	kt	662	687	(4)
Tonnes delivered from BRPM	kt	651	687	(5)
Tonnes delivered from Styldrift	kt	12	-	-
Total tonnes milled	kt	725	681	6
% UG2 of total tonnes milled	%	23.7	21.5	(10)
4E built-up head grade	g/t	4.15	4.29	(3)
4E built-up head grade - MER	g/t	4.21	4.45	(5)
4E built-up head grade - UG2	g/t	3.96	3.70	7
Closing stocks - surface stockpiles	kt	33	57	(42)
Concentrator recovery (4E)	%	85.56	85.60	(0)
Metals in concentrate produced				
4E	koz	82.9	80.4	3
Platinum	koz	53.4	52.1	2
Palladium	koz	22.0	21.3	3
Rhodium	koz	4.8	4.6	4
Gold	koz	2.5	2.4	4
4E + Ruthenium and Iridium	koz	90.3	87.5	3
Nickel	kt	0.511	0.512	(0)
Copper	kt	0.330	0.331	(0)
Cash operating costs*				
Cash operating cost	R'm	703	644	(9.2)
Cash operating cost / tonne milled	R/t	987	945	(4.4)
Cash operating cost / 4E oz	R/oz	8 585	8 004	(7.3)
Cash operating cost / Pt oz	R/oz	13 310	12 364	(7.7)
Capital expenditure (including Styldrift)				
Total capital	R'm	463.6	379.1	(22)
Expansion	R'm	384.1	282.7	(36)
Replacement	R'm	58.2	55.4	(5)
Stay-in-business (SIB)	R'm	21.3	41.0	48
SIB as a percentage of operating cost	%	3	6	50

*Excludes Styldrift I incidental tonnes, ounces and costs

SAFETY

Tragically Mr Kayaletu Sidumo was fatally injured in a scraper winch related accident at our BRPM South shaft on the 6th of July 2015. The RBPlat board of directors, management as well as colleagues at RBPlat extend their sincere condolences to the family and friends of Mr Sidumo.

Notwithstanding the fatal accident, we are encouraged by the fact that our ongoing commitment at all levels of the organisation to achieving our goal of zero harm has continued to yield improvements with a 48% year-on-year

reduction being achieved in both the severe injury frequency rate (0.13) and lost time injury frequency rate (0.26). These rates represent the lowest combined injury frequency rates in the history of BRPM.

Zero harm remains one of RBPlat's primary and most important goals and is key to achieving the company's strategic objective of a resilient safety, health and wellness culture leading to operational excellence.

CASH PRESERVATION AND RESTRUCTURING STRATEGY

Following the company's interim results announcement on the 4th of August 2015 the focus for this quarter was on managing the company through the current depressed market conditions, which included:

- Reducing non-critical expenditure and improving short-term cash flow
- Scaling down of activities on the Styldrift I project: Q3 expenditure 32% less than in Q2 2015
- Deferment of development on the UG2 at South shaft into 2017 as reserves are sufficient for mining requirements during 2016
- Reducing the number of UG2 trial mining teams at South shaft and transferring them to higher grade Merensky reef panels
- Deferment of Phase III construction capital expenditure planned for 2016 into 2017 as the project is well ahead of schedule
- Transfer of experienced development resources from Phase III to Styldrift to assist with early development of key infrastructure
- Reducing SIB expenditure to between 4% and 5% of operating costs
- A reduction in labour at BRPM of 174 employees
- Deferment of the Styldrift II feasibility study and exploration drilling

PRODUCTION

Total tonnes delivered to concentrators were 4% lower compared with a very strong operational performance in Q3 2014. The 4E built-up head grade was 4.15 g/t (4E) due to the proportion of UG2 tonnes milled being 8% higher than our planned ratio of 22.0% and dilution from on-reef development at Phase III and Styldrift.

The 6% increase in tonnes milled combined with the 3% reduction in built-up head grade yielded a 3% increase in 4E ounces-in-concentrate to 82.9koz (4E) during the quarter. The increase in tonnes milled is attributable to:

- Stocks available at the end of H1 2015
- 12kt of low grade on-reef development from Styldrift

CASH OPERATING COSTS

Cash operating costs for the quarter of R703 million were 9.2% higher than the comparable quarter in 2014. Year-on year unit cost increases were below mining inflation increasing by 4.4% to R987 per tonne milled and by 7.7% to R13 310 per platinum ounce.

CAPITAL

Capital expenditure ended 22% (R84.5 million) higher when compared to the same quarter in 2014. Expansion capital increased by 36% (R101.4 million) when compared with Q3 2014 due to progress made at the Styldrift project during the first month of the quarter before the scale down from August 2015. Replacement capital expenditure on the Phase III project increased by 5% (R2.8 million) year-on-year.

Stay-in-business capital expenditure of R21.3 million is 48% lower and consistent with our cash preservation strategy.

PROJECTS

Styldrift I Project (expansion)

Construction related activities and related capital expenditure at the Styldrift I project were scaled down in the quarter with work expenditure aligned to excess cash flows generated from BRPM and revenue generated from on-reef development at Styldrift. During the quarter a total of 12kt were delivered to the BRPM concentrator from on-reef development. The shaft now has four operating teams developing on-reef which are expected to deliver 40kt of ore during the remainder of 2015.

The development and construction of ventilation shaft No 1, silo 2 and appropriate workshop infrastructure is being advanced during H2 2015 as this is a prerequisite to delivering approximately 400kt of on-reef development and sustainably meeting the build-up to 50ktpm during 2016.

The focus during 2016 will be on enhancing the ability of Styldrift to ramp-up beyond 50ktpm by continuing with on-reef development to create face flexibility and progressing the following key infrastructure:

- 642 level footwall development, decline and ore-pass installation
- Services shaft equipping
- Settler 1 and silo 4

The concentrator upgrade to 250ktpm which was previously intended to be completed during Q3 2015 has been deferred until Q1 2016 as the existing treatment plant facilities are adequate to treat all ore volumes now arising during 2015.

Capital expenditure for the quarter was R370.0 million which is 40% higher than the same period in 2014, but is 32% lower than expenditure in Q2 2015.

BRPM Phase III Project (replacement)

Phase III involves the extension of the North shaft Merensky decline system and associated infrastructure from 10 level down to the mining boundary at 15 level. The overall project is ahead of schedule at 86% completion against a plan of 77% allowing the construction scope on 14 and 15 levels to be delayed into 2017 without impact on the key handover dates for those levels as a result reducing the capital expenditure in 2016.

The project remains below budget, with expenditure for the quarter amounting to R57.9 million and R936.9 million for the project to date.

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

Johannesburg

19 October 2015

JSE Sponsor:

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