

ROYAL BAFOKENG PLATINUM LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number 2008/015696/06)  
JSE share code: RBP, RBPCB  
ISIN: ZAE000149936; ZAE000243853  
("RBPlat" or the "Company")

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD  
1 JANUARY TO 31 MARCH 2018

**SOLID PRODUCTION AND COST PERFORMANCE**

**OVERVIEW**

- No fatal accidents during the quarter
- 1.9% increase in tonnes delivered
- 9.9% increase in tonnes milled
- 4.2% improvement in 4E built-up head grade
- 13.0% increase in platinum ounce production
- 6.6% reduction in cash operating costs
- 5.4% reduction in cash operating cost per platinum ounce
- 61.7% increase in capital expenditure

**SAFETY**

No fatal accidents were recorded during the reporting period. A total of 11 serious and 14 lost time injuries were recorded during the quarter resulting in our serious injury and lost time injury frequency rates deteriorating by 95.8% and 13.3% to 2.571 and 3.272 per million hours respectively, compared to the first quarter of 2017. In contrast, our total injury frequency rate (TIFR) for the period improved by 15.0%.

Notwithstanding the disappointing increase in our lost time and serious injury frequency rates, we are encouraged by the progress achieved with our safety strategy as evidenced in the improvement in our TIFR and having achieved three million fatality free shifts on 4 February 2018.

Fostering a resilient operating culture is fundamental in securing meaningful year-on-year improvements in our key safety metrics, operational excellence and ultimately achieving our goal of zero harm. As such RBPlat's management and employees remain fully committed to our safety strategy.

**PRODUCTION**

Total tonnes delivered to concentrators increased by 1.9% to 735kt with BRPM contributing 535kt and Styldrifft 200kt representing a 10.4% decrease and a 61.3% increase from the operations respectively. The reduction in tonnes delivered by BRPM is mainly attributable to the suspension of UG2 mining at South shaft with the increase in tonnes delivered by Styldrifft being in line with its ramp-up schedule.

Total tonnes milled for the quarter increased by 9.9% to 758kt with BRPM contributing 551kt and Styldrifft 207kt. The UG2 contribution to overall tonnes milled reduced by 27.3% from 20.5% to 14.9% commensurate with lower UG2 volumes from BRPM and increased Merensky volumes from Styldrifft. The 23kt variance between delivered and milled tonnes is attributable to a reduction in surface run-of-mine stocks.

The built-up head grade for the reporting period improved by 4.2% from 3.79g/t (4E) to 3.95g/t (4E).

The increase in tonnes milled and improved built-up head grade yielded a 12.2% and 13.0% increase in 4E and platinum ounce production to 81.1koz and 52.3koz respectively.

## **CASH OPERATING COSTS**

Cash operating costs for the reporting period amounted to R655 million, equating to a 6.6% reduction compared to the comparative period in 2017. The reduction is attributable to lower BRPM production volumes and benefits accrued from the restructuring process embarked on during 2017. Cash operating cost per tonne milled and per platinum ounce ended 3.1% and 5.4% lower at R1 189 and R16 004 compared to the first quarter of 2017.

## **CAPITAL**

Total capital expenditure for the reporting period increased by 61.7% to R599.3 million. The key contributor is the increased Styldrift project development and construction activities in line with the ramp-up schedule, with expansion capital related expenditure increasing by 63.6% to R566.2 million. Replacement capital expenditure increased by R8.1 million to R10.6 million in line with our BRPM Phase III project construction activities. Stay-in-business capital expenditure increased marginally from R22.0 million to R22.5 million, equating to approximately 3.4% of operating costs.

## **PROJECTS**

### **Styldrift I project (expansion)**

Mining and infrastructure construction related activities during the quarter remain aligned with the project ramp-up schedule. Key project milestones completed during the quarter included the commissioning of the Services shaft and overland conveyor belt to the BRPM concentrating facility.

Other project activities during the quarter focussed on:

- On-going decline access development on both 600 and 642 levels to the north and south to establish the required stoping sections and associated section ore-handling infrastructure
- Construction of section conveyor belts, workshops, stores and installation of services related to water and power reticulation
- Mining and construction activities required to complete life of mine rock and water handling infrastructure on 642 and 708 levels (Settler 1, Silo 3 and Silo 4)

Capital expenditure for the quarter amounted to R566.2 million, bringing project expenditure to date to R9.03 billion.

### **BRPM Phase III project (replacement)**

Project expenditure for the quarter amounted to R10.6 million bringing project expenditure to date to R1.08 billion. Project progress and expenditure remains aligned with the construction schedule required to complete the scope of work related to ore handling infrastructure on 14 and 15 levels.

## **MASEVE ACQUISITION**

In line with the terms announcement on 6 September 2017 for the two phase acquisition of Maseve Investments 11 Proprietary Limited, focus was placed on finalising the conditions precedent in order to conclude the first phase (Plant Transaction) of the transaction during the reporting period.

The first phase was concluded on 6 April 2018 resulting in all surface rights and plant assets relating to the Plant Transaction being transferred into the name of Royal Bafokeng Resources (Pty) Ltd ("**RBR**"), a wholly-owned subsidiary of RBPlat.

Description	Unit	Unaudited quarter ended 31 March 2018	Unaudited quarter ended 31 March 2017	March 2018 vs. March 2017
<b>Safety</b>				
TIFR (/1 000 000 hrs)*	rate	10.049	11.817	15.0%
SIFR (/1 000 000 hrs)*	rate	2.571	1.313	(95.8%)
LTIFR (/1 000 000 hrs)*	rate	3.272	2.889	(13.3%)
<b>Production</b>				
Tonnes delivered to concentrators	kt	735	721	1.9%
BRPM	kt	535	597	(10.4%)
Styldrift	kt	200	124	61.3%
Total tonnes milled	kt	758	690	9.9%
BRPM	kt	551	571	(3.5%)
Styldrift	kt	207	119	73.9%
% UG2 of total tonnes milled	%	14.9	20.5	27.3%
4E built-up head grade	g/t	3.95	3.79	4.2%
BRPM	g/t	4.21	4.07	3.4%
Styldrift	g/t	3.24	2.47	31.2%
Merensky	g/t	3.90	3.76	3.7%
UG2	g/t	4.21	3.94	6.9%
Recovery (4E) total concentrating	%	84.33	85.93	(1.9%)
Recovery (4E) BRPM concentrator	%	84.63	86.93	(2.6%)
<b>Metals in concentrate produced</b>				
<b>BRPM JV</b>				
4E	koz	81.1	72.3	12.2%
Platinum	koz	52.3	46.3	13.0%
Palladium	koz	21.7	19.5	11.3%
Rhodium	koz	4.6	4.3	7.0%
Gold	koz	2.5	2.1	19.0%
Iridium	koz	1.5	1.4	7.1%
Ruthenium	koz	7.8	7.1	9.9%
Nickel	kt	0.534	0.425	25.6%
Copper	kt	0.329	0.272	21.0%
<b>BRPM</b>				
4E	koz	63.5	64.7	(1.7%)
Platinum	koz	40.9	41.4	(1.2%)
Palladium	koz	17.0	17.5	(2.9%)
Rhodium	koz	3.7	3.9	(5.1%)
Gold	koz	1.9	1.9	-
Iridium	koz	1.2	1.3	(7.7%)
Ruthenium	koz	6.2	6.5	(4.6%)
Nickel	kt	0.389	0.348	11.8%
Copper	kt	0.246	0.225	9.3%
<b>Styldrift</b>				
4E	koz	17.6	7.6	131.6%
Platinum	koz	11.4	4.9	132.7%
Palladium	koz	4.7	2.0	135.0%
Rhodium	koz	0.9	0.4	125.0%
Gold	koz	0.6	0.2	200.0%
Iridium	koz	0.3	0.1	200.0%
Ruthenium	koz	1.6	0.6	166.7%
Nickel	kt	0.145	0.077	88.3%
Copper	kt	0.083	0.048	72.9%

Description	Unit	Unaudited quarter ended 31 March 2018	Unaudited quarter ended 31 March 2017	March 2018 vs. March 2017
<b>Cash operating costs (Excl Styldrift incidental production)</b>				
Cash operating costs	R'm	655	701	6.6%
Cash operating cost / tonne milled	R/t	1 189	1 227	3.1%
Cash operating cost / 4E oz	R/oz	10 310	10 823	4.7%
Cash operating cost / Pt oz	R/oz	16 004	16 922	5.4%
<b>Capital expenditure</b>				
Total capital expenditure	R'm	599.3	370.6	(61.7%)
Expansion	R'm	566.2	346.1	(63.6%)
Replacement	R'm	10.6	2.5	(324.0%)
Stay-in-business (SIB)	R'm	22.5	22.0	(2.3%)
SIB as a percentage of operating cost	%	3.4	3.1	(9.7%)

\* As of 2018 RBPlat will report injury frequency rates per 1 000 000 man hours to align with industry best practice

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

Johannesburg  
17 April 2018  
JSE Sponsor:  
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