

MORE THAN > MINING

Royal Bafokeng Platinum Annual Results for
the year ended 31 December 2012



Contents

- 1 > Overview
- 2 > Safety
- 3 > Market review
- 4 > Operational review and project update
- 5 > Financial review
- 6 > Outlook and conclusion

A photograph of an industrial facility at night. The scene is dominated by a complex network of steel beams and pipes, illuminated by blue and white lights. In the center, there are two large, cylindrical storage tanks supported by a metal frame. The sky is a deep blue, and the foreground shows a paved area with some low walls and a few distant lights.

SECTION 1

Overview

Strong performance in difficult operating environment...

Achievements

- > 1.78 million fatality-free shifts
 - Regrettably one employee fatally injured in fall of ground incident
- > Tonnes milled of 2 375kt (up 3%)
- > Immediately stopable reserve (IMS) face length of 5 710 metres (up 25%)
- > Working cost labour of 6 057 at year end (down 8%)
- > Phase II replacement project complete on schedule (R110 million saving)
- > Capital expenditure to R1 192 million (up 2.4%)
- > Styldrift I Merensky reef intersected at 600m level
- > Balance sheet remains ungeared with cash position of R910 million

Challenges

- > 187kt lost due to safety stoppages and industrial action
 - 117kt - safety stoppages
 - 70kt - industrial action
- > Cost per tonne milled of R864/t (up 10.4%)
- > Built-up head grade achieved of 4.07g/t (down 6.4%)
- > PGM (4E) ounces achieved of 269koz (down 4.4%)
- > Cash operating unit cost per platinum ounce at R11 775/Pt oz (up 19%)
- > Revenue of R2 865 million (down 3.7%)
- > Headline earnings per share of 104 cents (down 37.8%)



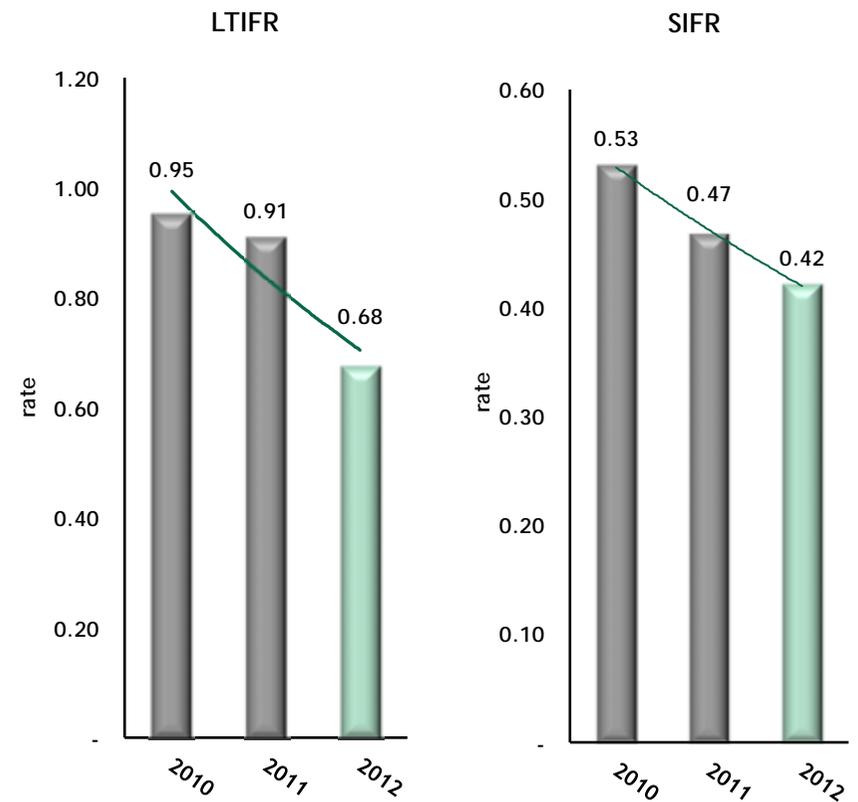
SECTION 2

Safety

Safety performance - significant progress

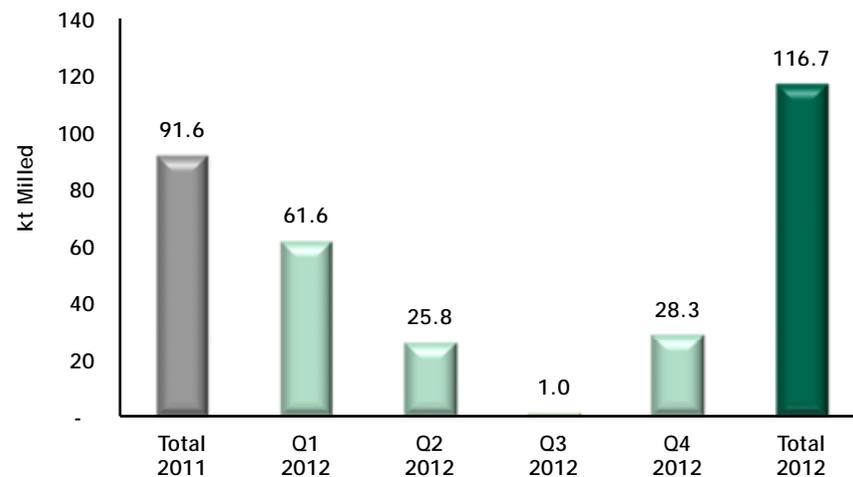
Description	Unit	2010	2011	2012	Var	Var %
Fatal injuries	No.	3	0	1	-1	100%
LTIFR	/200 000	0.95	0.91	0.68	0.23	26%
SIFR	/200 000	0.53	0.47	0.42	0.05	10%

- > 1 FOG fatality 6th February - North shaft
- > 1.78 million fatality free shifts December 2012
- > Improved LTIFR and SIFR
 - LTIFR ↓ 26% YoY
 - SIFR ↓ 10% YoY
- > Safety strategy
 - Principle of zero harm
 - Leadership, design, systems, behaviour
 - High risk areas (FOG, machinery, equipment)
 - Continued focus on regulatory compliance
- > 2013 Health milestones met

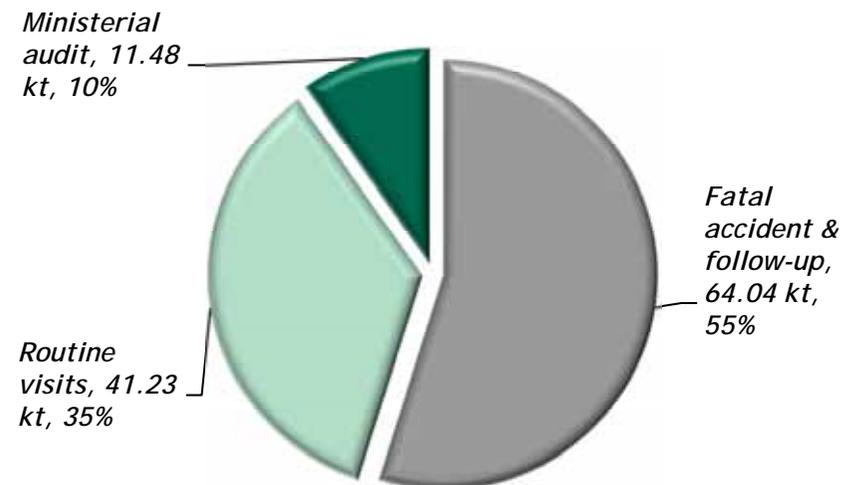


Safety stoppages

Safety stoppages



Classification



Safety stoppages	Unit	2010	2011	2012	Var	Var %
Events	No.	7	12	13	-1	-8%
Production shifts	No.	23	43	51	-8	-19%
Milled tonnes lost	kt	68	92	117	-25	-28%
4E ounces lost	koz	7	11	14	-3	-22%

SECTION 3

Market review

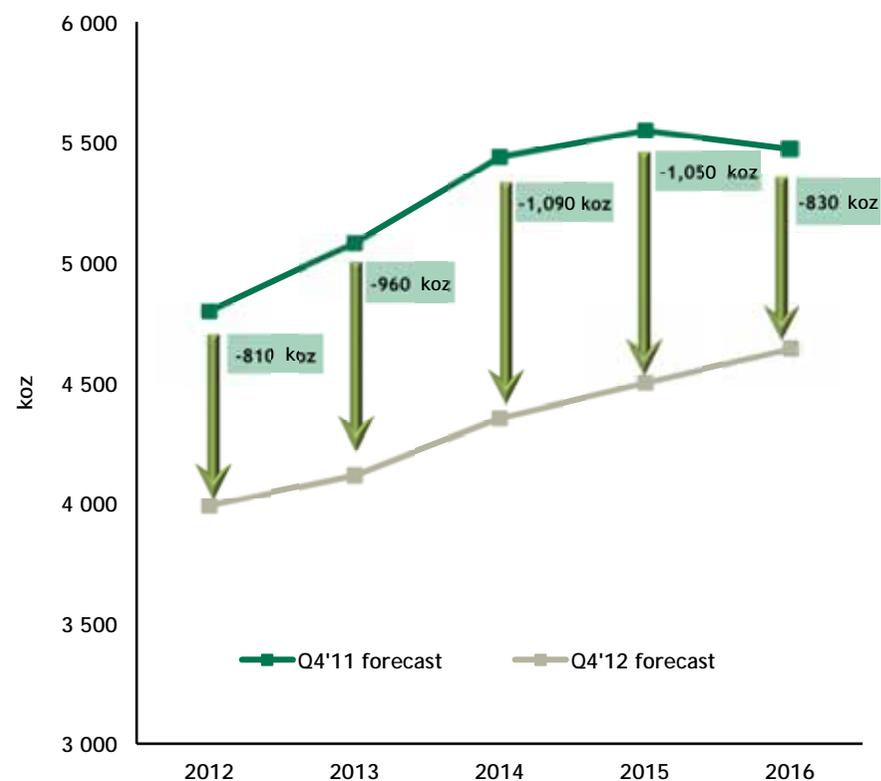


Platinum production forecast downwards from 2011 estimates

- > Global platinum production dropped ca 8.6% to 5.6Moz in 2012
- > Platinum recycling reduced by ca 85koz to 1.76Moz due to softer prices resulting in total supply for 2012 declining 7.7% to 7.4Moz
- > SA platinum output decreased by ca 11% YoY in 2012 to around 4Moz
 - Industrial action in 2H2012 (ca 440koz)
 - Mine closures (ca 90koz)
- > SA planned platinum production forecasts revised downwards
 - 2012 estimate reduced by ca 810koz to 4Moz
 - 2013 forecast reduced by ca 960koz to 4.26Moz
 - Reduction in forecast extending to more than 1Moz by 2014/2015

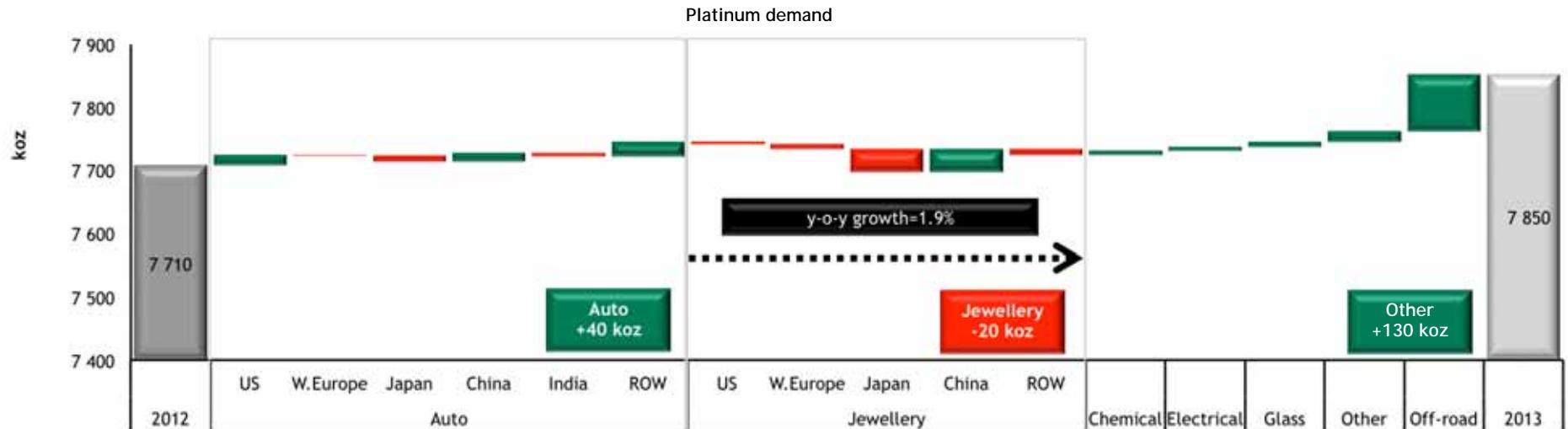
This should bode well for the platinum price as demand is not forecast to drop below current levels

South African planned platinum production forecast (Pt koz)



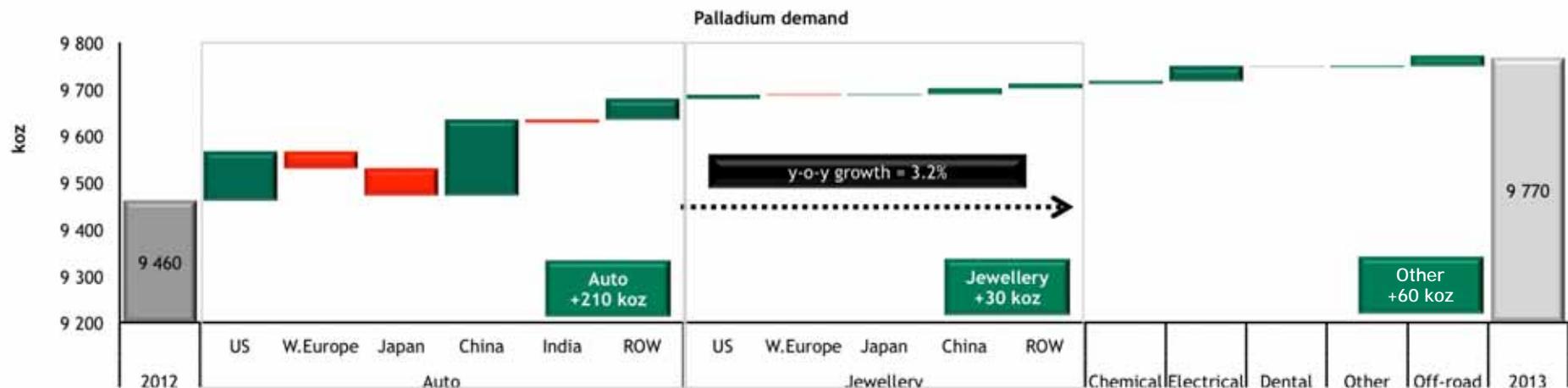
Source: SFA Oxford

Platinum demand expected to grow marginally in 2013...



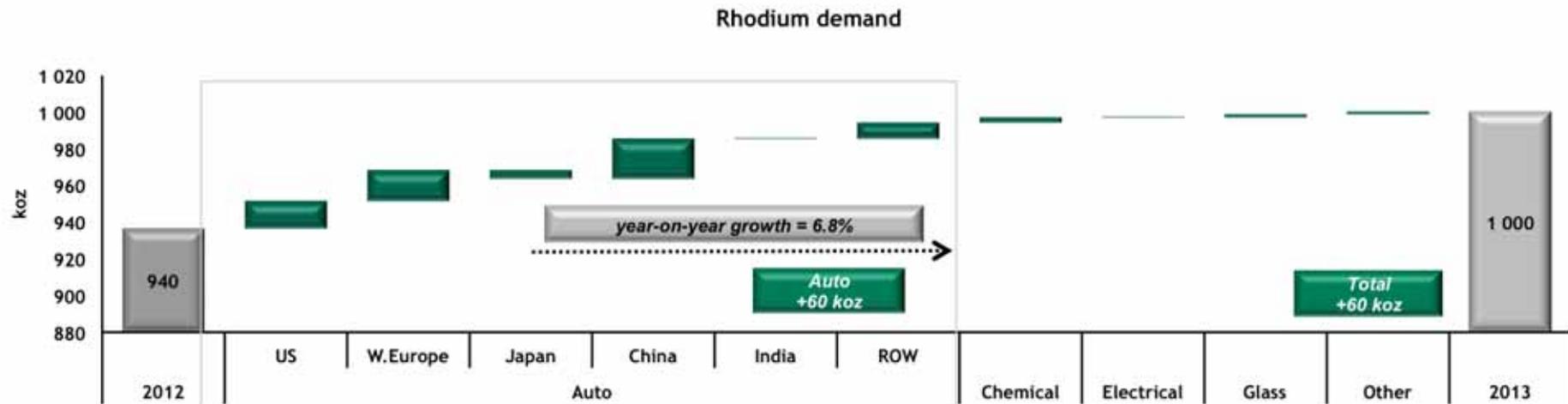
- > Platinum demand for 2012 remained flat YoY at 7.7Moz
- > Automotive demand ended the year at 3.1Moz, which was 1.3% down YoY
- > Net jewellery demand rose by ca 180koz to end the year at 2.7Moz
 - Lower platinum prices and increased wedding registrations in China
- > Platinum ETF holdings increased by 15% to end the year at 1.5Moz
- > Demand for 2013 is forecast to reach 7.85Moz, a 1.9% increase largely expected to come from the on-road auto and off-road engine market
 - Increased platinum loadings to meet on-road Euro VI emissions legislation

Palladium market deficit expected to widen further...



- > Demand for palladium increased 260koz to 9.5Moz in 2012 while palladium supply fell 350koz to 8.4Moz
- > Russian stocks are at significantly low levels, market reliant on global stocks
- > Palladium ETF holdings increased by 11% in 2012 to end the year at 1.8Moz
- > Palladium demand for 2013 is expected to grow by 305koz, 3.2% YoY
 - Strongest demand expected to come from new vehicle demand in China
 - Replacement vehicle market in North America expected to consume an additional 100koz
- > Prices expected to rise steadily in line with the increased deficit

Rhodium close to balance with market set to tighten in 2014



Source: SFA Oxford

- > Rhodium market estimated in surplus in 2012 by ca 90koz
- > If mine supply reduces, the rhodium market could swing into deficit by 2014
- > The anticipated reduction in mine supply augurs well for rhodium prices as stockpiles should start to reduce but this will take time to filter through to the prices
- > Much of the South African UG2 supply base requires rhodium prices of well over \$2,000/oz to ensure long term sustainability

SECTION 4

Operational review and project update



Operational review

- > Operating strategy
 - Increase development
 - Increase IMS
 - Develop UG2 platform

- > Increase development
 - Cost increase
 - Grade dilution
 - Improved flexibility

- > Operational disruptions
 - Safety stoppages
 - Industry unrest

- > Mining volumes lower
 - Increase UG2
 - Low grade stockpile
 - Labour cost pressure

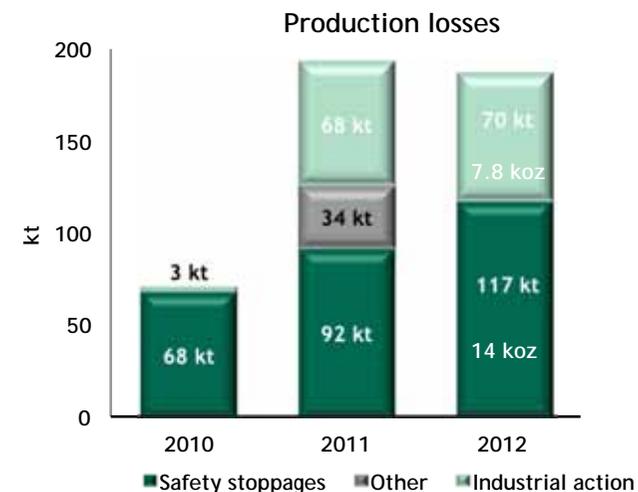
- > Cost management

- > Labour reduction
- > Capital review

- > IMS face length up 25%
- > Tonnes milled up 3%
 - UG2
 - Stockpile
- > Head grade down 6.4%
 - Development dilution
 - UG2 increase
 - 60kt stockpile
- > 4E ounces down 4.4%
- > Labour down 496 or 8%
- > Operating costs up 14%
 - Per tonne milled up 10.4%
 - Per 4E ounce up 19%
 - Per Pt ounce up 19%
- > Capex up 2%

Mining

Description	Unit	2010	2011	2012	Var	Var %
Tonnes delivered - Total	kt	2 366	2 284	2 384	100	4%
Tonnes delivered - MER	kt	2 288	2 026	1 899	-127	-6%
Tonnes delivered - UG2	kt	78	258	425	167	65%
UG2%	%	3%	11%	18%	7%	7%
Surface sources (MER)	kt	0	0	60	60	100%
Built-up head grade (4E)	g/t	4.31	4.35	4.07	-0.28	-6%
Mer built-up head grade (4E)	g/t	4.32	4.44	4.22	-0.22	-5%
UG2 built-up head grade (4E)	g/t	3.83	3.60	3.36	-0.24	-7%
Surface sources	g/t	0.00	0.00	1.99	1.99	100%
Total development	km	33	30	39	9	31%
Working cost development	km	29	27	34	8	29%
Replacement rate	m ² /m	35.0	32.2	27.1	5.1	16%
Immediately stopable reserves	months	4.9	5.5	6.7	1.2	22%
Immediately stopable reserves	km	4.57	4.58	5.71	1.14	25%
IMS panel ratio	ratio	1.10	1.01	1.48	0.47	47%



> Tonnes delivered

- Merensky declined by 6%
- UG2 increased by 167kt or 65%
- UG2 contribution 18%

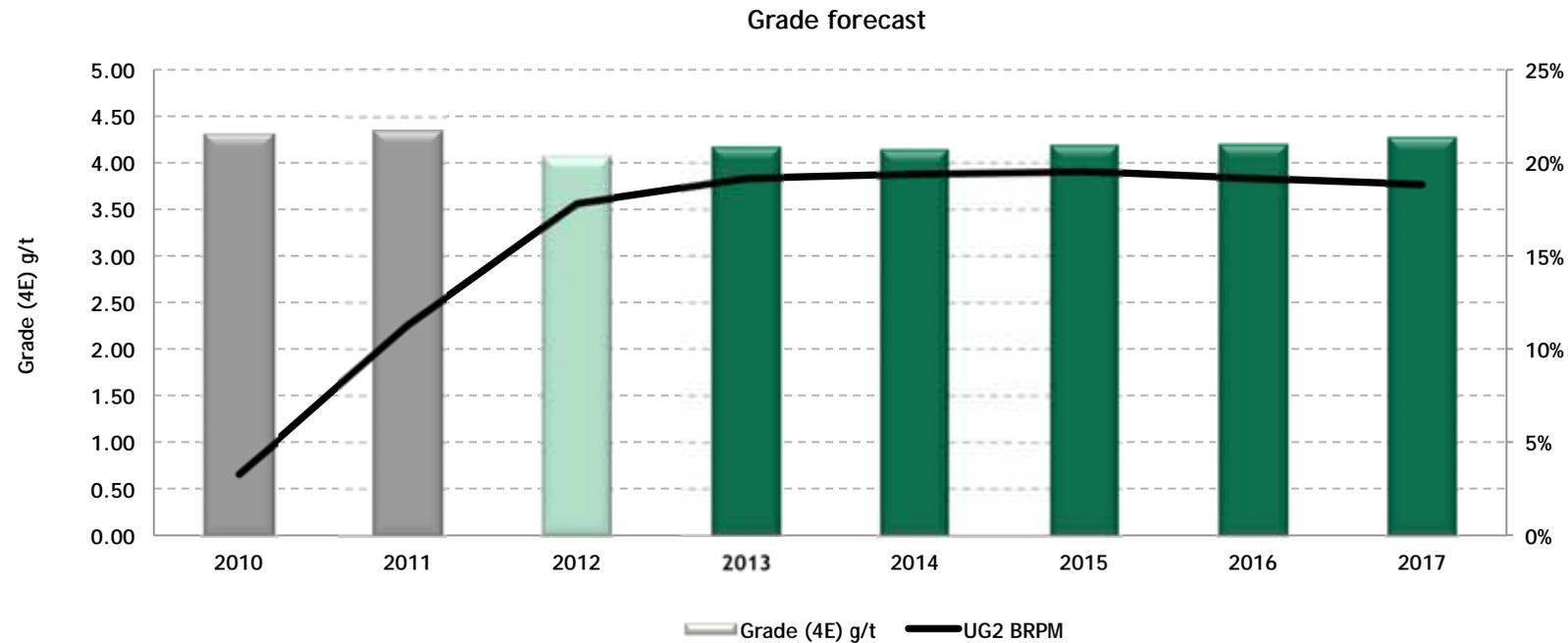
> Grade

- Increased development
- Increased UG2 contribution
- Surface stockpile
- South shaft UG2 grades lower than planned

> Development and IMS

- 31% increase in development
- 25% increase in IMS face length
- IMS panel ratio of 1.48 at year end

Grade forecast

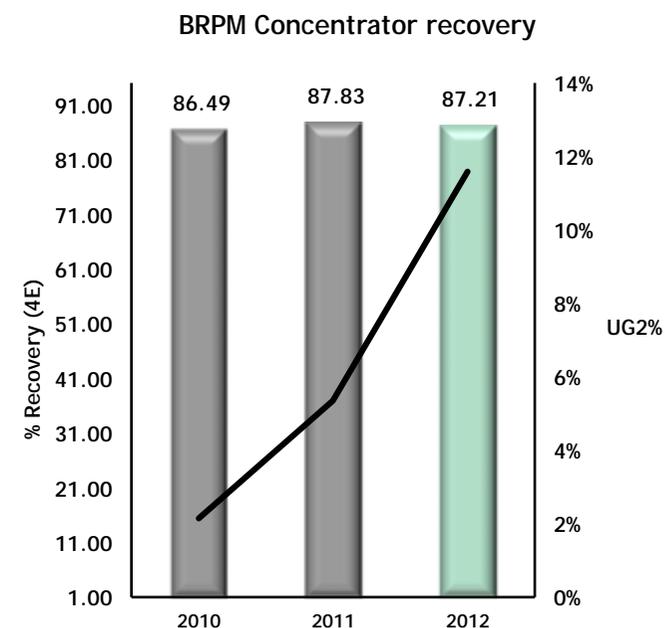


> Forecast

- Forecast grades at 4.1 - 4.2g/t 4E
- Normalisation of development to stoping ratio
- UG2 contribution at 20%
- Long-term grade benefits from Styldrifft ramp-up

Concentrating

Description	Unit	2010	2011	2012	Var	Var %
Tonnes milled - Total	kt	2 407	2 305	2 375	70	3%
Tonnes milled - MER	kt	2 329	2 047	1 898	-149	-7%
Tonnes milled - UG2	kt	78	258	417	159	61%
Tonnes milled - Stockpile (MER)	kt	0	0	60	60	100%
UG2% milled	%	3%	11%	18%	7%	57%
Tonnes milled - BRPM Concentrator	kt	2 380	2 162	2 214	52	2%
Tonnes milled - BRPM MER	kt	2 329	2 047	1 958	-89	-4%
Tonnes milled - BRPM UG2	kt	51	116	257	141	122%
UG2% milled	%	2%	5%	12%	7%	117%
Tonnes milled - UG2 Toll	kt	27	142	160	18	13%
Head grade (4E) - Total	g/t	4.31	4.35	4.07	-0.28	-6%
Head grade (4E) - MER	g/t	4.32	4.44	4.22	-0.22	-5%
Head grade (4E) - UG2	g/t	4.61	3.83	3.60	-0.24	-6%
Recovery - 4E (Total concentrating)	%	86.4	87.5	86.7	-0.8	-1%
Recovery - 4E BRPM concentrator	%	86.5	87.8	87.2	-0.6	-1%
4E metals in concentrate	koz	288	282	269	-12	-4%
Pt metal in concentrate	koz	187	183	174	-9	-5%



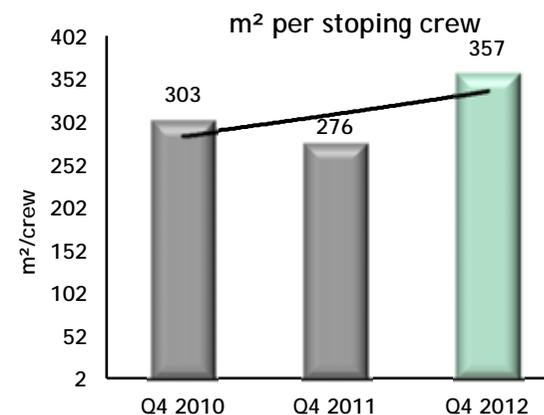
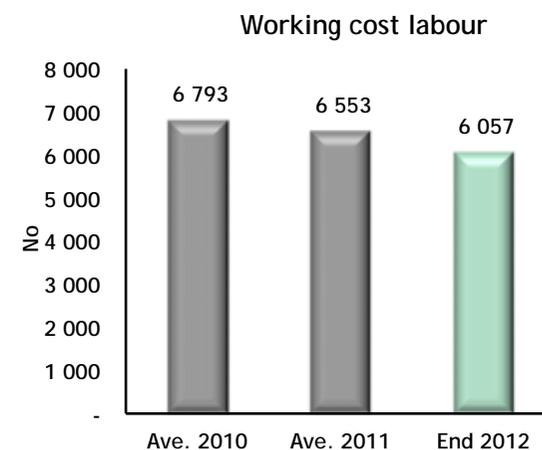
Processing performance

- > Milled tonnes and head grade informed by mining
- > Total tonnes milled increased by 3%
- > UG2 tonnes milled up 417kt or 18% of total tonnes milled
- > Toll treatment up to 160kt due to increase in UG2 volumes
- > Recovery down 1% due to increase in UG2 and head grade
- > 4E metals in concentrate 4% down YoY

Labour

Description	Unit	2010	2011	2012	Var	Var %
Labour - Total	No.	7 670	7 942	7 743	199	3%
Labour - working cost	No.	6 793	6 553	6 057	496	8%
Labour - capital	No.	877	1 389	1 686	-297	-21%
Stopping efficiency - total	m ² /crew	343	308	307	-1	0%
Stopping efficiency - enrolled	m ² /crew	288	288	300	12	4%
Stopping efficiency - contractor	m ² /crew	360	313	308	-5	-1%
Milled tonnes/ TEC	t/TEC	29.5	29.3	29.8	0.5	2%

- > Working cost labour down 8% to 6 057 employees
 - In line with business optimisation strategy
 - Review of organisational structures
 - Crew compliments
 - Shared services with Styldrifft
- > Labour efficiency
 - No material yoy changes - reduction in Q3/Q4
 - Encouraging results in 2012 Q4
- > Capital labour
 - Includes Styldrifft labour
 - Increase in capital labour aligned with capital project requirements

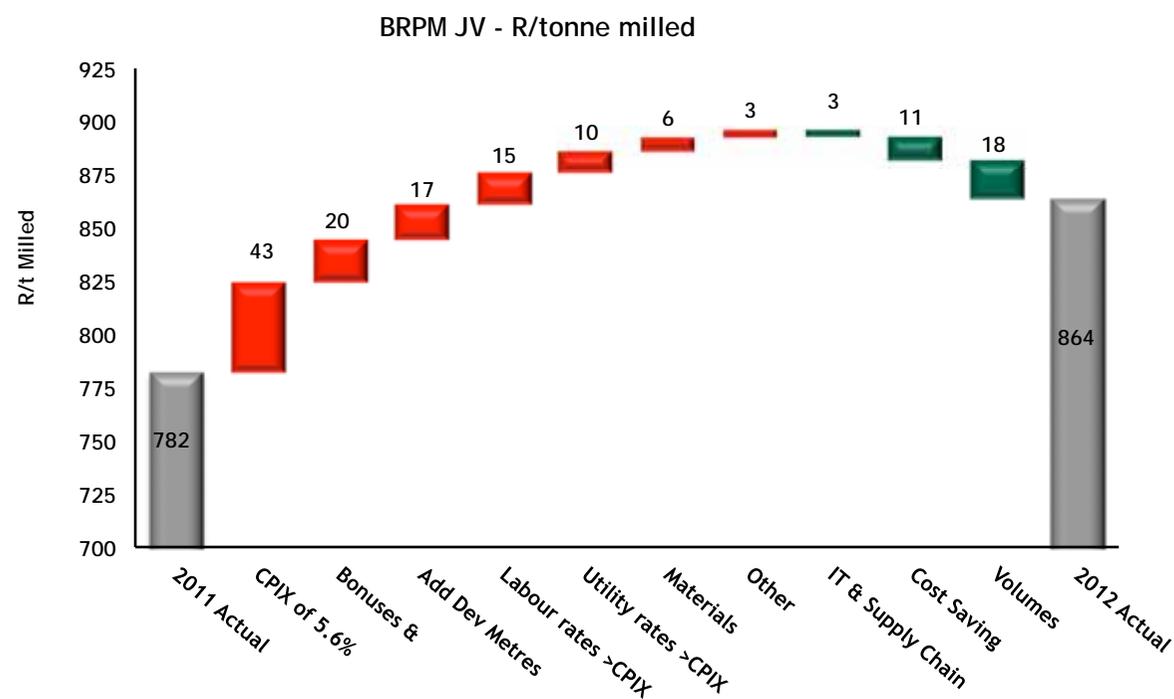


Operating expenditure

Description	Unit	2010	2011	2012	Var	Var %
Cash operating costs	R'm	1 700	1 802	2 051	-248	-14%
Cash unit cost	R/t	707	782	864	-82	-10%
Cash unit cost	R/4E oz	5 901	6 399	7 616	-1 217	-19%
Cash unit cost	R/Pt oz	9 076	9 863	11 775	-1 911	-19%

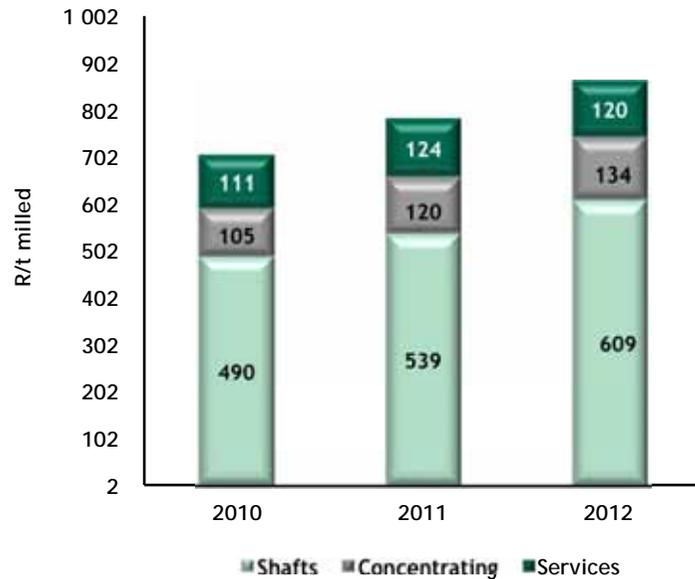
Key drivers

- > Inflation
 - Electricity (16.7%)
 - Water (11.1%)
 - Labour (9.01%)
- > Labour
 - Wage agreement
 - Incentives
- > Development
- > Materials
 - Support
 - Concentrator

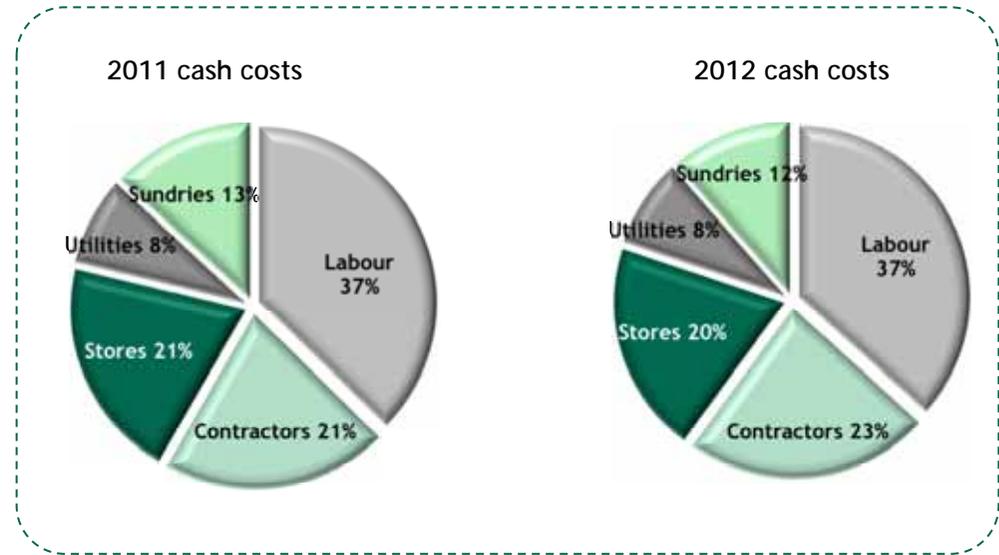


Operating expenditure...continued

Process unit costs



Cash cost breakdown

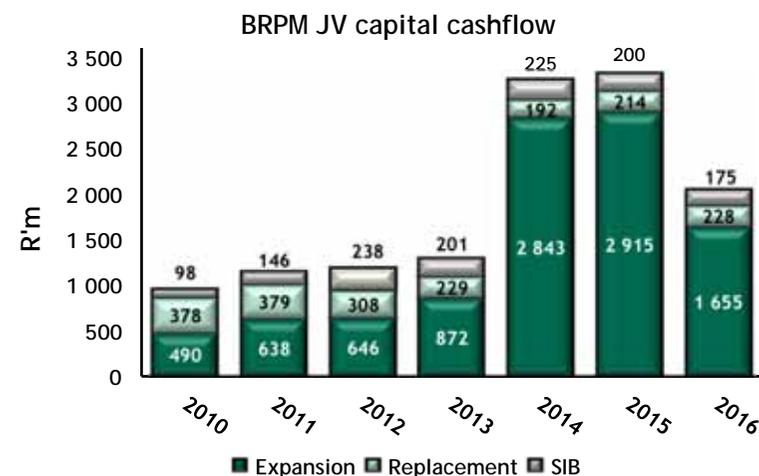


Description	Unit	2011	2012	Var %
Mining	R/t milled	539	609	-13%
Concentrator	R/t milled	120	134	-12%
Services	R/t milled	124	120	3%
Total	R/t milled	782	864	-10%



Capital expenditure

Description	Unit	2010	2011	2012	Var	Var %
Total capex	R'm	966	1 164	1 192	29	2%
Expansion	R'm	490	638	646	8	1%
Styl drift I	R'm	480	631	635	4	1%
Styl drift II	R'm	0	5	9	4	-80%
BRPM concentrator upgrade	R'm	9	3	2	-1	-24%
Replacement	R'm	378	379	308	-71	-19%
Phase II	R'm	304	209	116	-93	-45%
Phase III	R'm	60	167	192	25	15%
BRPM UG2	R'm	14	3	0	-3	-93%
SIB	R'm	98	146	238	92	63%
SIB %	%	6%	8%	12%	-4%	-43%



Expansion capital

- > Styl drift I expenditure in line with construction schedule and under budget
- > R300 million BRPM plant upgrade deferred in 2012 to 2015

Replacement capital

- > Phase II : Project complete, R110 million saving
- > Phase III : Increased expenditure in line with construction schedule
- > BRPM UG2 : Only working cost development in 2012

SIB capital

- > R92 million increase due to large once off projects
 - North shaft chairlift R51.0 million
 - SAP ICT and Supply chain migration projects R36.1 million
 - Tailings line replacement R16.9 million
 - Security upgrade R4.4 million
- > Forecast SIB to reduce to 9% of operating cost for 2013-2014

BRPM replacement projects

Phase II : Decline extension : level 6 to level 10

Description	Unit	Plan	Act	Var
N# % complete	%	Complete	Complete	Complete
S# % complete	%	Complete	Complete	Complete
Cost at completion	R'm	2 387	2 277	110

- > North shaft completed : Sept 2011
- > South shaft completed : Sept 2012
- > R110 million saving

Phase III : North shaft decline extension to boundary

Description	Unit	Plan	Act	Var
% Complete	%	36%	40%	4%
Development	m	1 949	2 254	305
Completion date	month	Aug 17	Jun 17	2
Expenditure to date	R'm	296	216	80
Estimate at completion	R'm	1 270	1 213	57

- > Project 2 months ahead of schedule
- > First production level handed over for development
- > Estimate at completion - R57 million saving

Styldrift I Project



Styldrift project progress

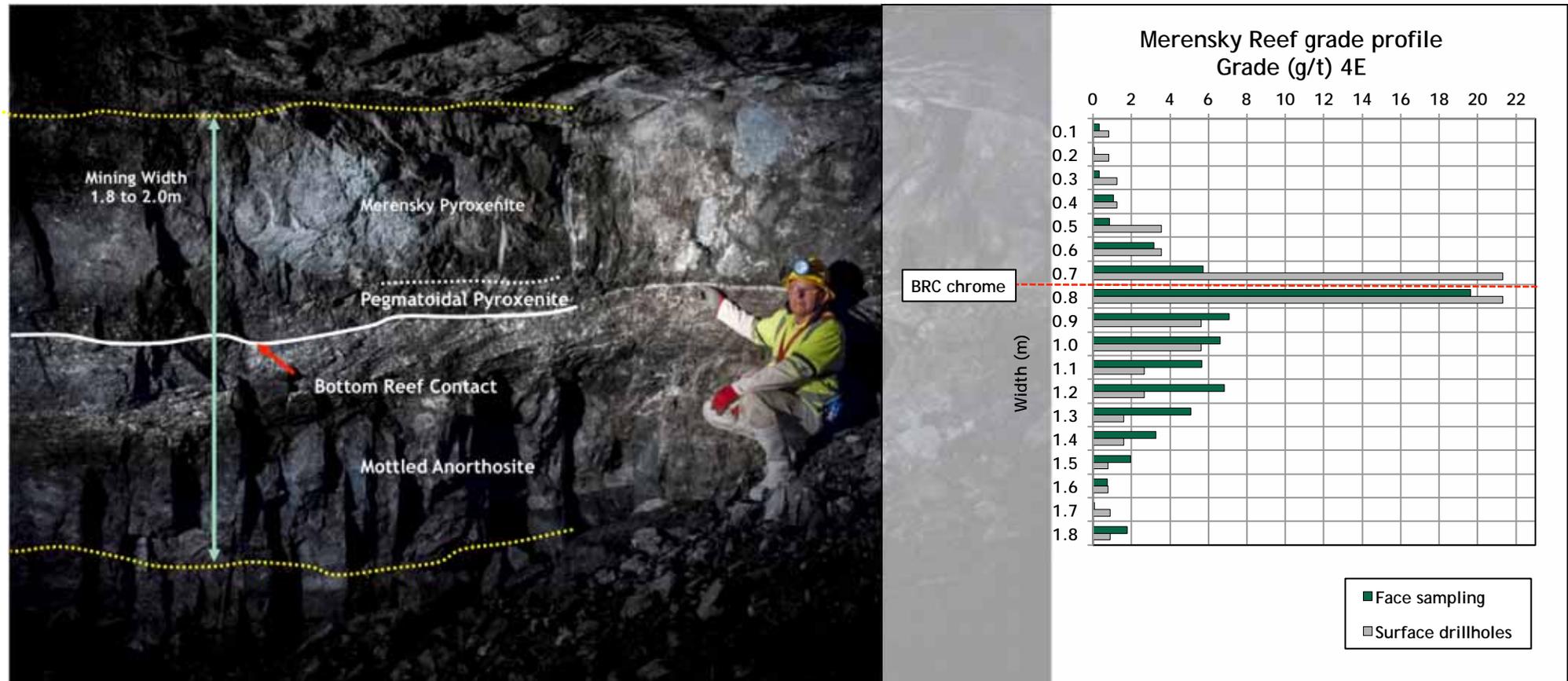
Description	Unit	Plan	Actual	Var
Progress				
Overall progress	%	32	34	1.9
Main shaft	m	616	614	-2
Service shaft	m	635	636	1
Lateral development	m	375	376	1
Expenditure				
Project to date (PTD)	R'm	2 483	1 851	632
Accrued savings to date	R'm	-	323	323
Committed to date	R'm	-	2 261	2 261
Estimate at completion (EAC)	R'm	11 801	11 478	323

Optimisation study

- Bord widths reduced from 13m to 8m
- Ramp-up extended from 27 to 36 months
- Footwall trucking replaced by on reef conveyors
- Shaft depths increased by 18 metres
- Access to UG2 included
- Additional silos included in design for UG2
- Electric drilling replaced by hydro-powered drilling
- Personnel carriers replaced by chairlifts
- Steady state operating costs revised to R687/t (2012 terms)

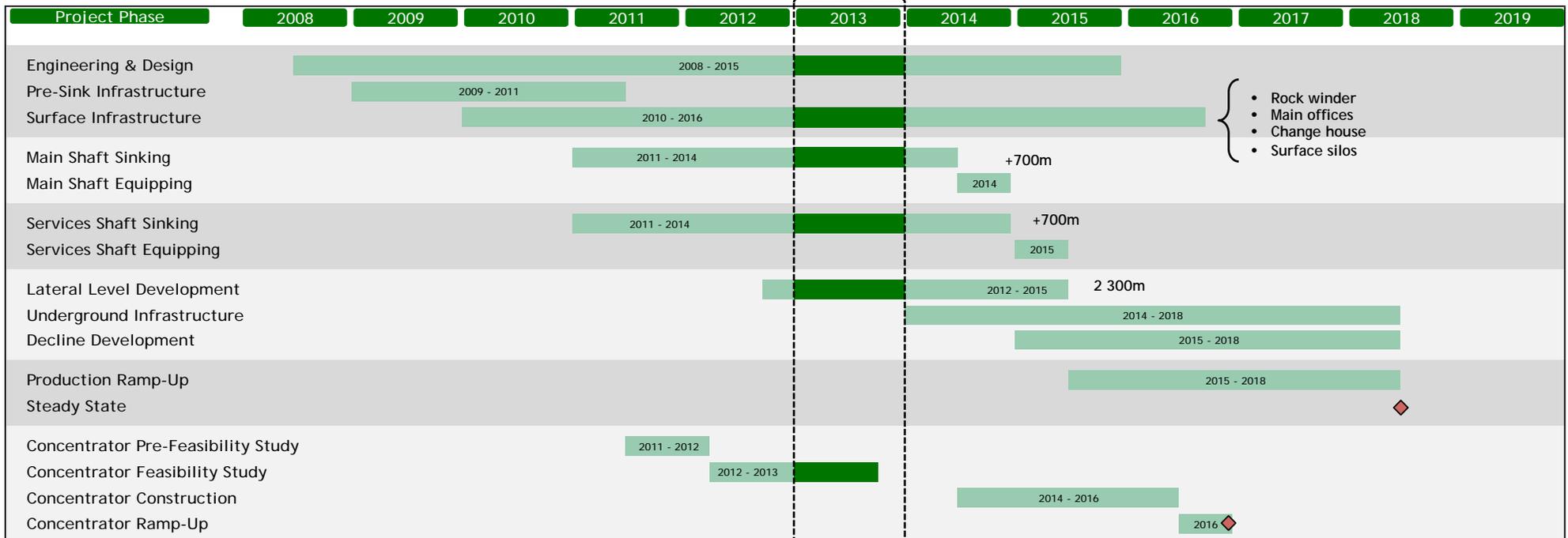
Progress	Capital expenditure
<ul style="list-style-type: none"> > Sinking operations on schedule > 600 Level Merensky reef intersection in August 2012 > Merensky mineralisation grade 4.00 g/t 4E over a width of 1.8m > Initial 600 Level lateral development completed (376m) 	<ul style="list-style-type: none"> > Declared saving of R323 million project to date > Optimisation study complete: Capital estimate remains at R11.8 billion > Remain confident about saving at project completion

600 level reef intersection

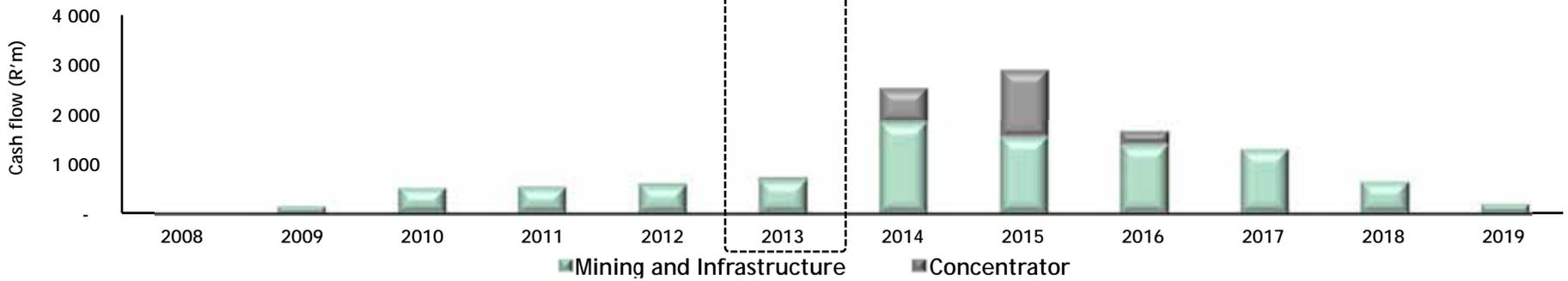


- > Good correlation with geological model
 - Mining width : 1.8 to 2.0m
 - Grade : 3.9 to 4.5 g/t 4E
 - Gradient/dip : Average 4°

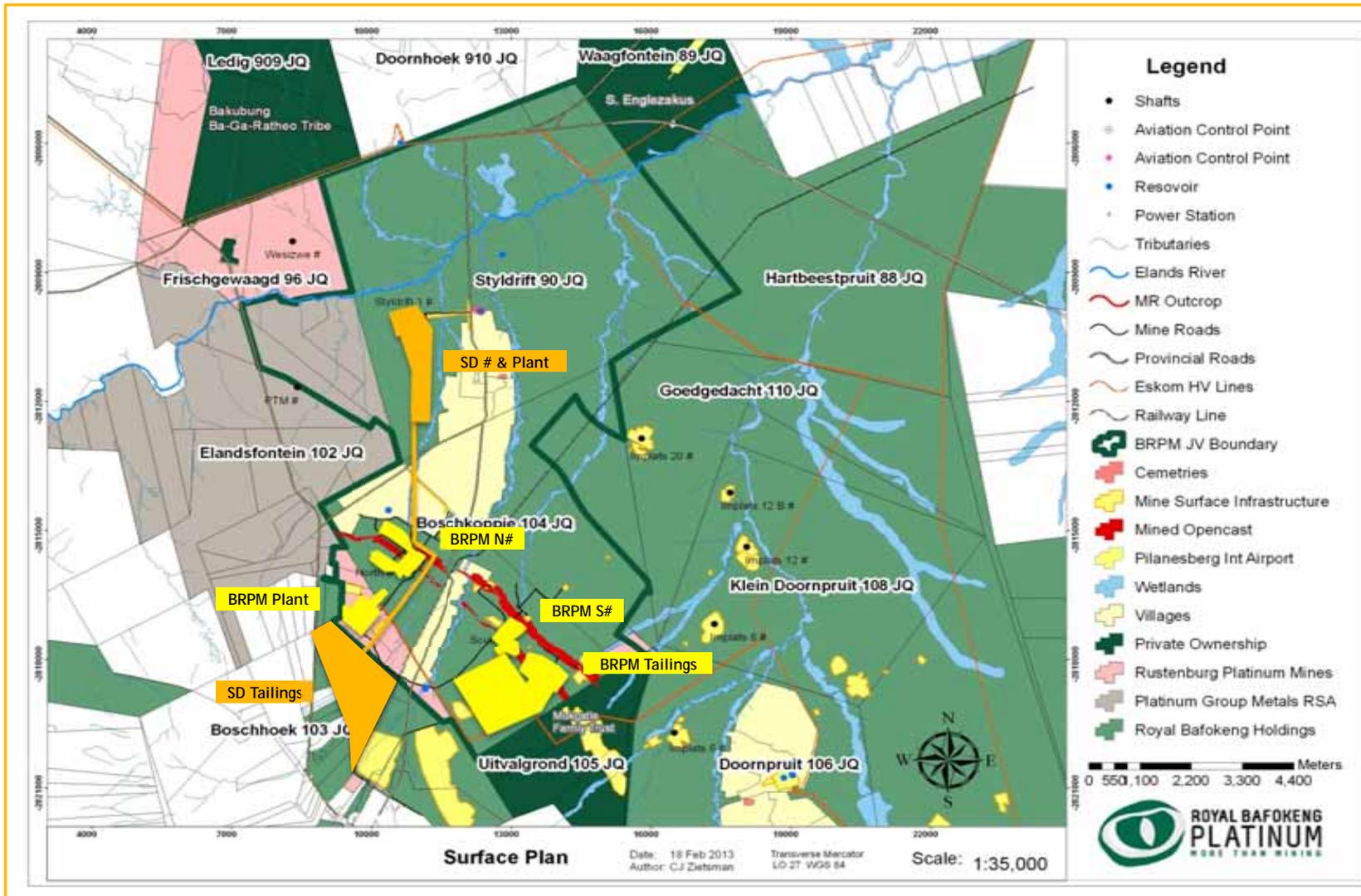
Styldrift schedule & cash flow



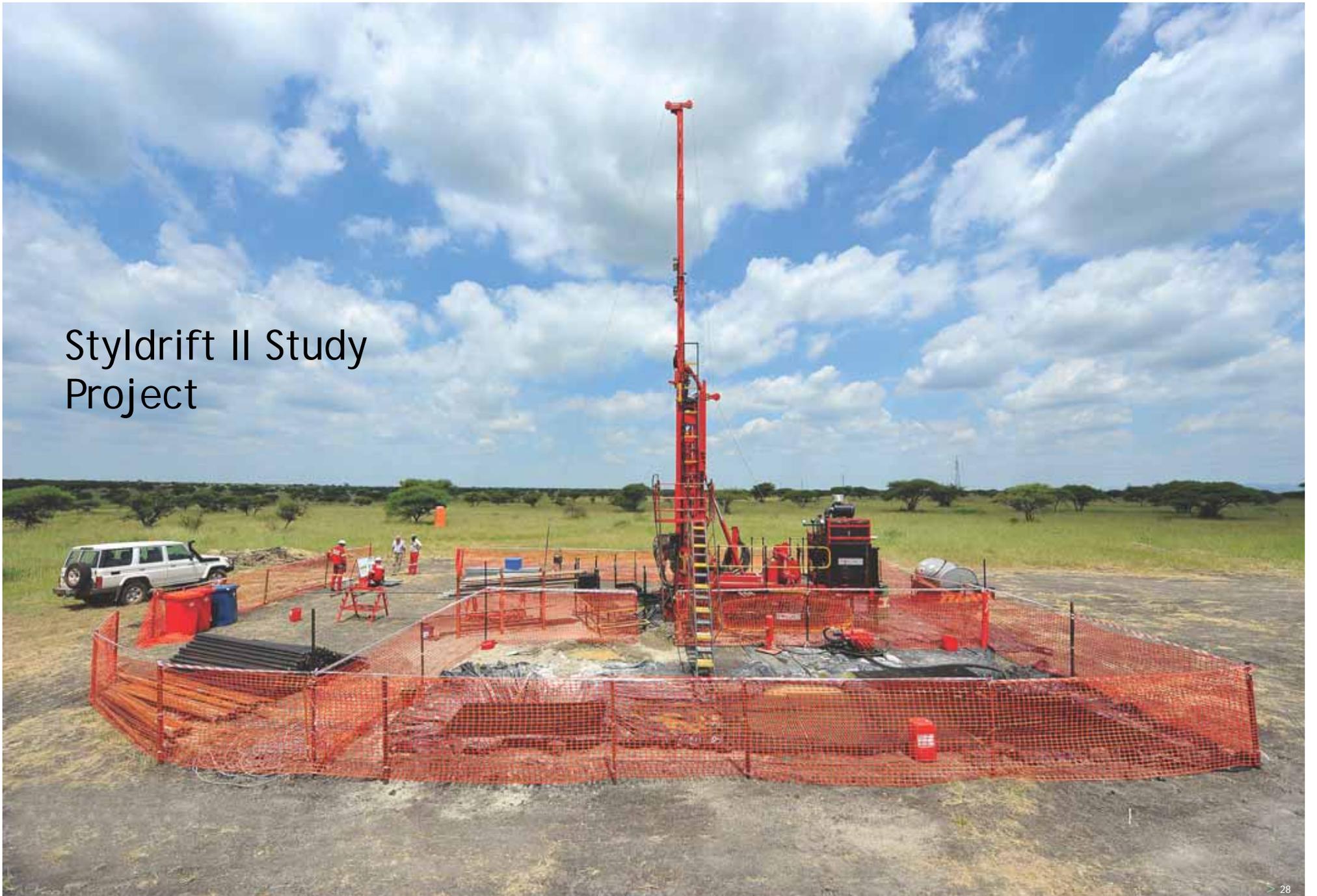
- Rock winder
- Main offices
- Change house
- Surface silos



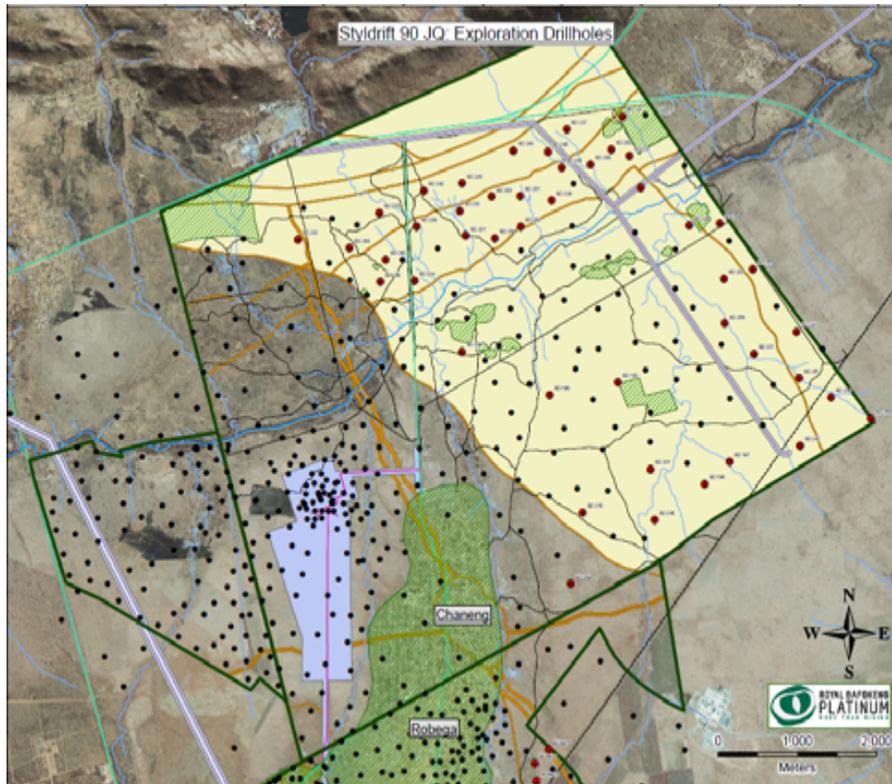
Surface layout



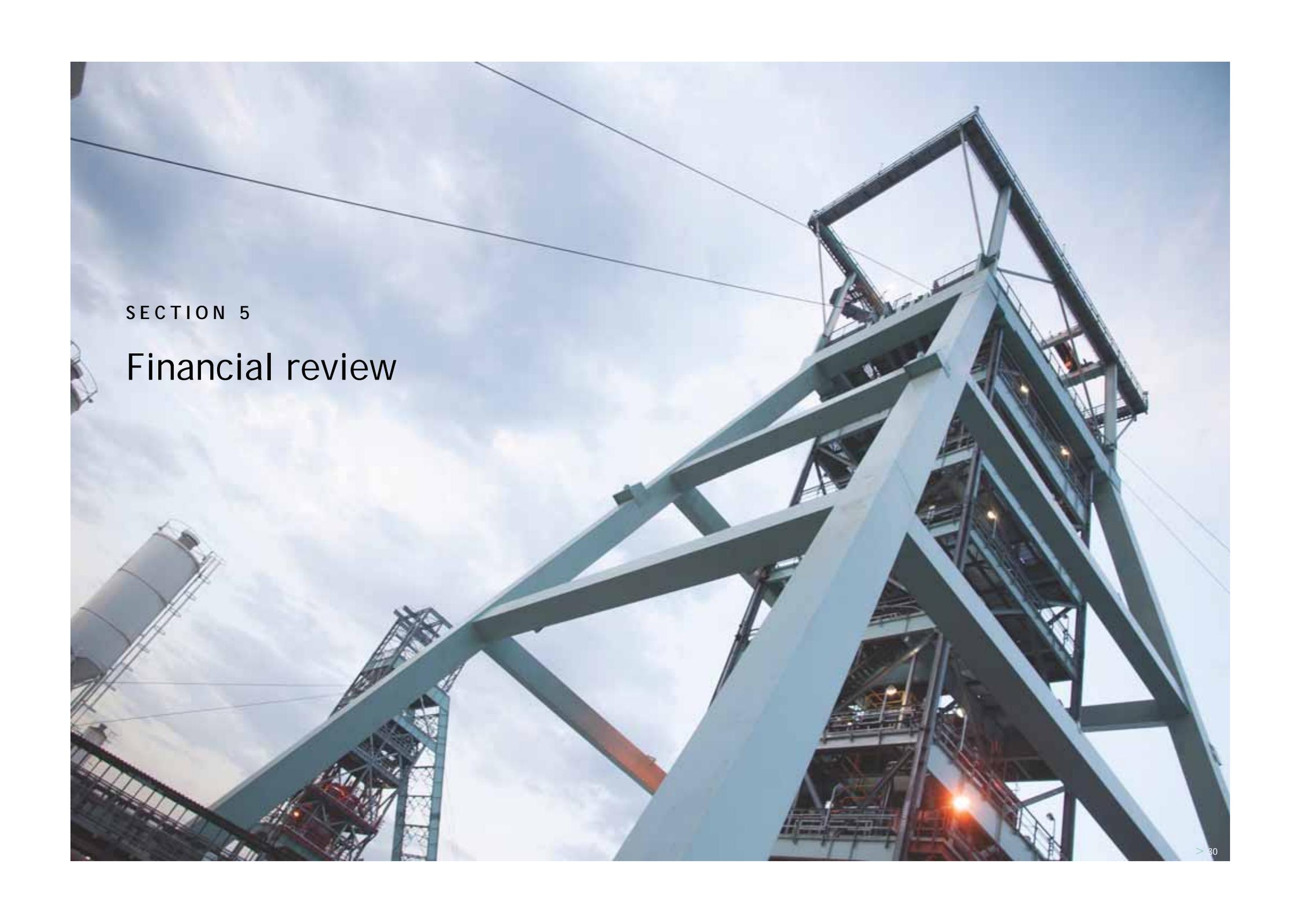
Styldrift II Study Project



Styldrift II



- > Concept study
 - Completed in May 2012
 - Technical review completed in October 2012
 - Pre-feasibility study approved
- > Pre-feasibility
 - Initiated in November 2012
 - Completion planned for H2 2014
- > Additional 27 000m of exploration drilling planned for 2013



SECTION 5

Financial review

Key financial performance indicators

Description	Unit	Year ended 31 December 2012	Year ended 31 December 2011	% Change
Average basket price*	R/Pt oz	16 404	16 282	0.7 
Average Rand:US\$ received	R/US\$	8.21	7.26	13.1 
Revenue	R'm	2 865.3	2 974.9	3.7 
Cost of sales	R'm	2 525.5	2 408.7	4.9 
Gross profit	R'm	339.8	566.2	40.0 
Operating profit	R'm	305.0	516.7	41.0 
EBITDA	R'm	633.8	1 035.5	38.8 

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

Key financial performance indicators... continued

Description	Unit	Year ended 31 December 2012	Year ended 31 December 2011	% Change
Headline earnings	R'm	170.3	273.7	37.8 
Weighted average shares outstanding	#'m	164.0	163.7	0.2 
HEPS	R/share	1.04	1.67	37.7 
<i>Fair Value depreciation and amortisation</i>	R/share	0.50	0.52	
<i>Optimisation project costs</i>	R/share	-	0.10	
<i>Income from RPM receivable settlement</i>	R/share	-	(0.17)	
<i>Tax impact of adjustments</i>	R/share	(0.12)	0.02	
Normalised HEPS	R/share	1.42	2.14	33.6 
Dividend per share	R/share	-	-	

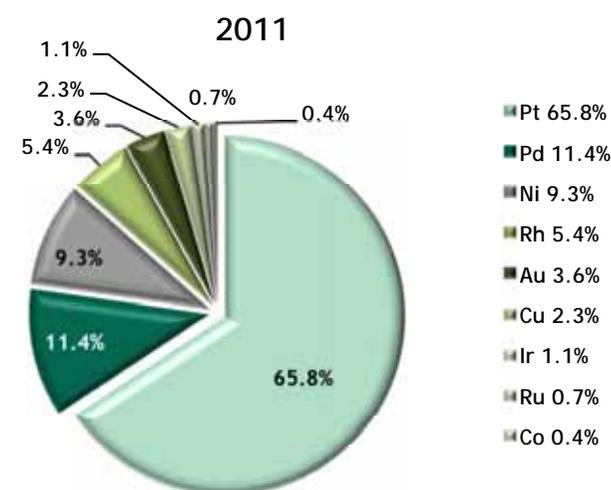
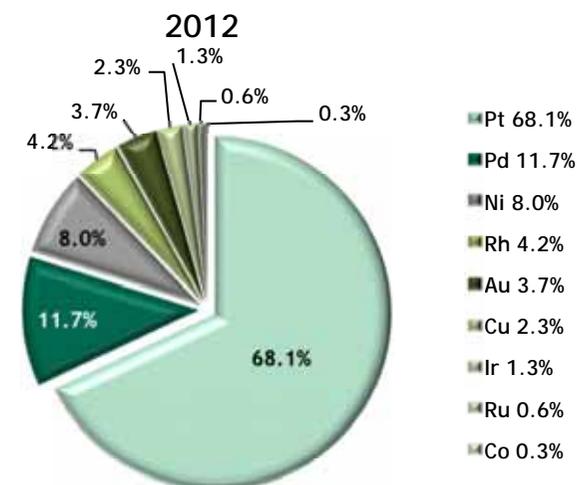
Key financial performance indicators...continued

Description	Unit	Year ended 31 December 2012	Year ended 31 December 2011	% Change
Cash generated by operating activities	R'm	732.6	1 025.1	28.9 ↓
Cash, net of debt (incl. pref share investment)	R'm	910.5	1 364.1	33.3 ↓
Capital expenditure (100% BRPM)	R'm	1 192.3	1 163.6	2.4 ↓
Gross profit margin	%	11.9	19.0	37.4 ↓
EBITDA margin	%	22.1	34.8	36.5 ↓
Net Asset Value (NAV)	R/share	70.2	68.9	1.9 ↑

Revenue contribution by metal

Description	Year ended 31 December 2012 Sales volume	Average price achieved* (US\$)
Platinum (oz)	174 665	1 552/oz
Palladium (oz)	72 007	649/oz
Gold (oz)	8 761	1 672/oz
Rhodium (oz)	14 488	1 143/oz
Iridium (oz)	4 813	1 037/oz
Ruthenium (oz)	24 858	92/oz
Nickel (tonne)	1 875	7.68/lb
Copper (tonne)	1 175	3.50/lb

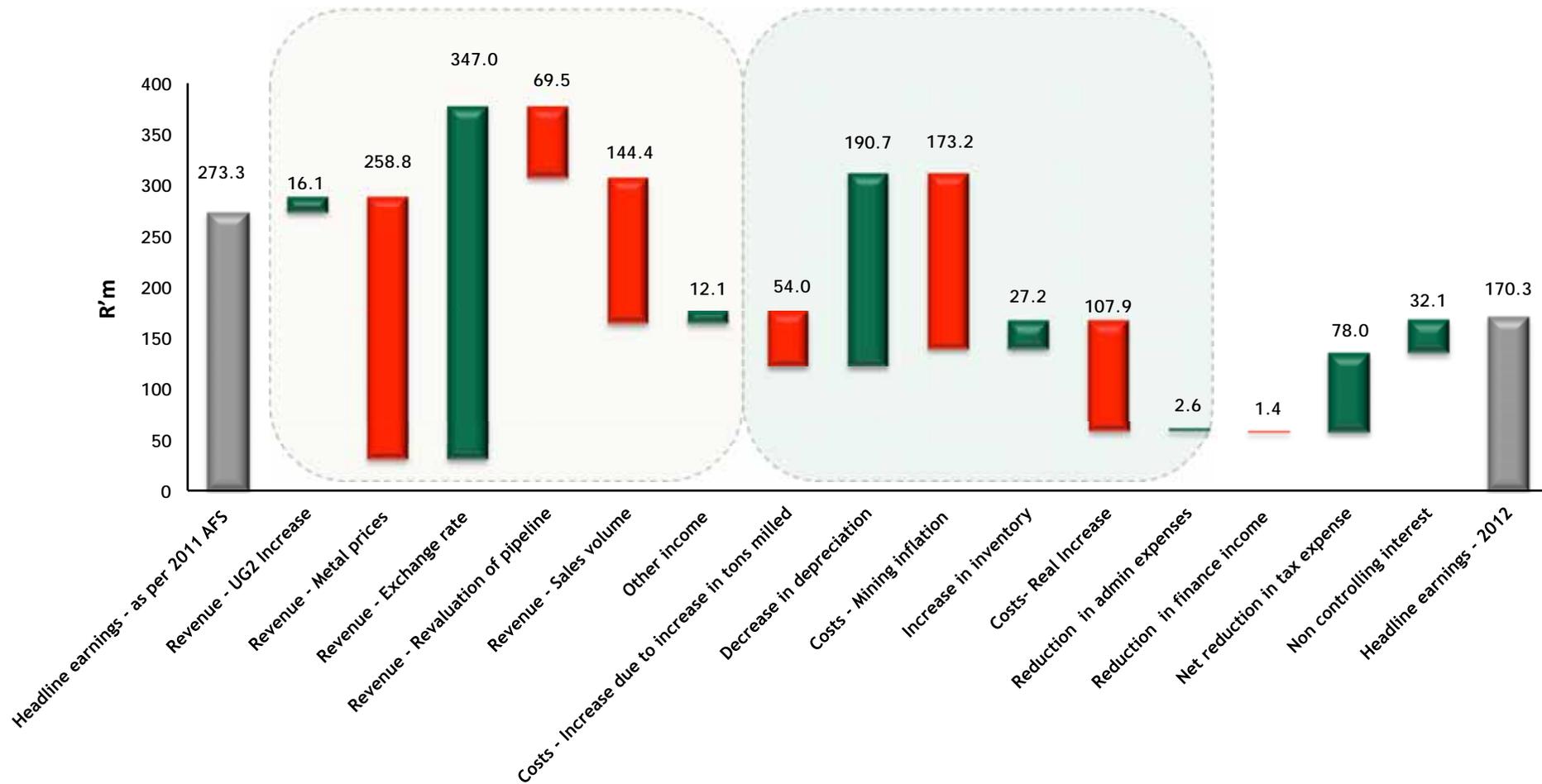
* Grossed up to 100% from amount received in terms of disposal of concentrate agreement, excludes pipeline revaluation.



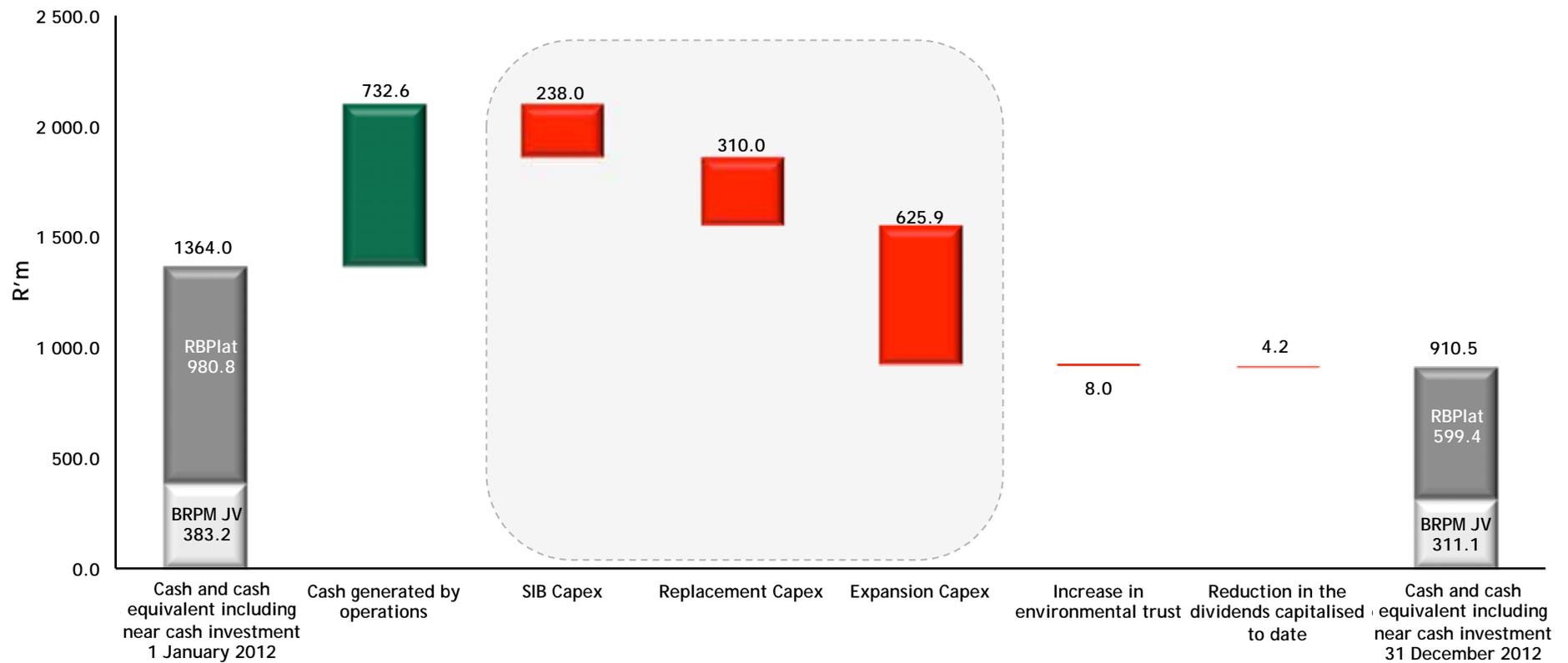
Cost of sales breakdown

Description	2012 R million	2012 % of Total	2011 R million	2011 % of Total
Labour	753.1	34.3%	673.9	35.7%
Utilities	171.1	7.8%	144.5	7.6%
Contractor costs	478.4	21.8%	377.0	19.9%
Materials and other mining costs	648.0	29.5%	583.3	30.9%
Total cash costs excl once-off costs	2 050.6	93.4%	1 778.7	94.1%
Movements in inventories	3.9	0.2%	(23.3)	(2.0%)
Elimination of intergroup charge	(33.3)	(1.5%)	(31.5)	(2.1%)
Social and labour plan expense	126.9	5.7%	35.8	1.1%
Other costs	48.1	2.2%	130.7	3.8%
Cost of sales (excl. depreciation and amortisation)	2 196.1	100.0%	1 890.4	100.0%

Headline earnings variance analysis



Cash flow analysis



Year in review and future outlook

2012	2013
<p>Cash management</p> <ul style="list-style-type: none">> Deferment of R462 million in project capital expenditure> Utilisation of surplus funds to fund shortfall on expansion capital expenditure> Increased Social & Labour Plan expenditure of R126.9 million <p>Operational independence</p> <ul style="list-style-type: none">> Successful implementation of IT migration> Successful implementation of Supply Chain migration	<p>Capex funding</p> <ul style="list-style-type: none">> Accelerated Styldrift I capital expenditure profile> Increased utilisation of surplus cash resources to fund expansion> Potential tapping into debt facilities> Progression towards an optimal longer term funding solution <p>Cost control</p> <ul style="list-style-type: none">> Enhanced focus on cost reporting, management & control

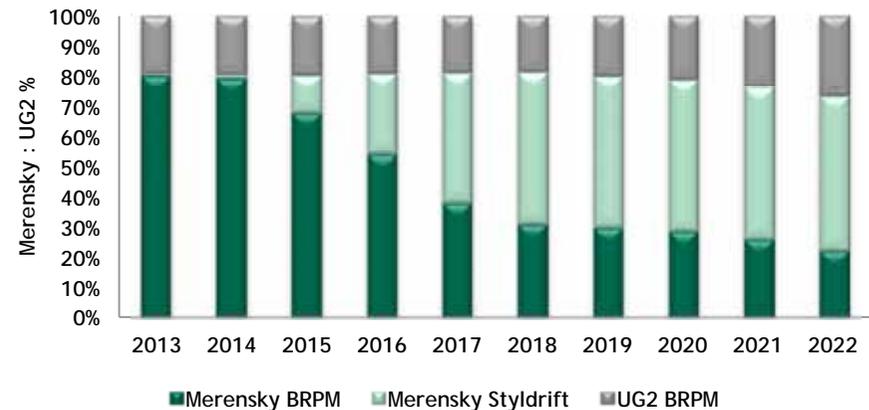
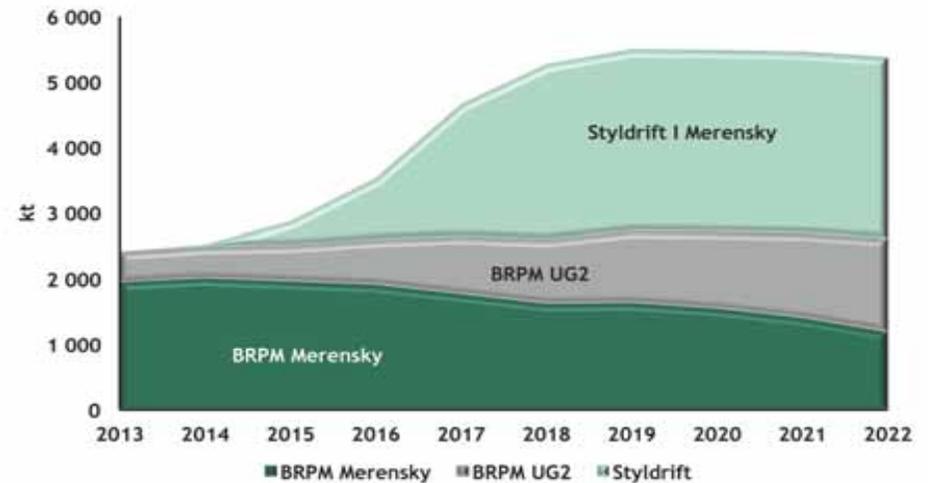
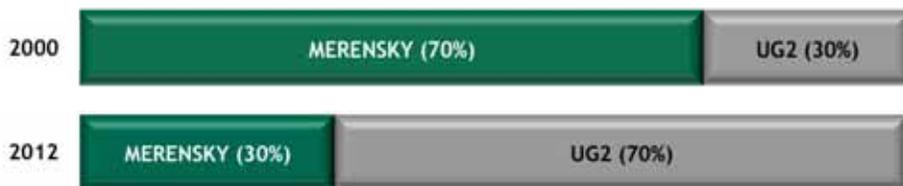
SECTION 6

Outlook and
Conclusion

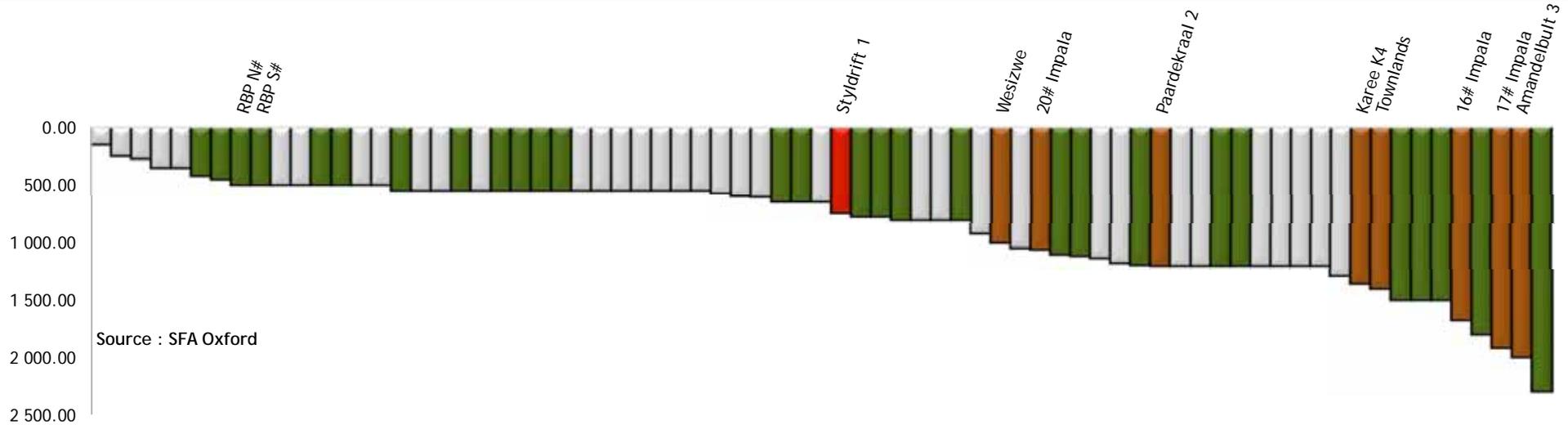


Long-term Merensky bias

- > Industry : 2000 vs 2012
 - Merensky contribution declined from 70% to 30%
 - Average head grade reduced by 40%
 - Platinum production per employee reduce by 40%
- > Styldrift
 - High grade Merensky
 - Pt:Pd ratio of 2.3 : 1
 - High base metal revenue contribution
 - Low cost mechanised mining methods

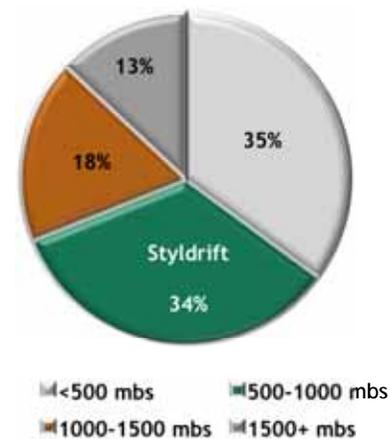


Styldrift project benchmark

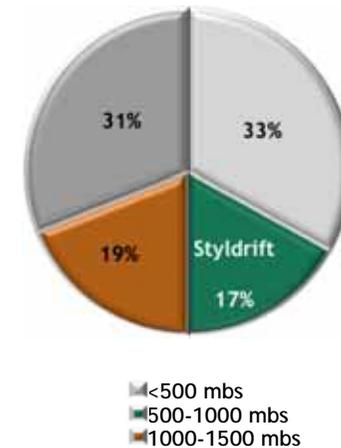


- > Styldrift is a high quality Merensky asset at shallow depth
- > Styldrift and BRPM cash margins first quartile
 - R687/t steady state trackless cost (2012 terms)
- > High base metal contributions
 - Natural PGM hedge
- > New shafts average depth 1500m
 - Styldrift 661m

South Africa: 2010



South Africa: 2020



We believe our strategic goals remain relevant...

Outlook	Key focus areas
<p>Market</p> <ul style="list-style-type: none"> > Platinum and palladium deficits expected to continue to widen due to constrained output from South Africa, this is expected to have a positive impact on metal prices <p>Operations</p> <ul style="list-style-type: none"> > Improved operational flexibility <ul style="list-style-type: none"> • Additional Merensky mining levels (Phase II and III) • IMS panel ratio up to 1.5 panels per stoping team • Dual operating platform - Merensky and UG2 • Will support a production rate of 2.4 Mt per annum • 20% UG2 contribution > Head grade forecast at 4.1 to 4.2 g/t 4E > Productivity improvements expected > Normalisation of development rates 	<ul style="list-style-type: none"> > Further safety performance improvements > Operating costs > Stakeholder engagement - labour and communities > South shaft UG2 mining - grade > Continue to deliver Styldrift on time and on budget

The Pivot,
No 1 Monte Casino Boulevard
Block C, Floor 4, Fourways
Johannesburg, 2021
PO Box 2283
Fourways, 2055
South Africa
Telephone: +27 (0)10 590 4510
Telefax: +27 086 572 8047

www.bafokengplatinum.co.za

