

**FLEXIBILITY IN ADVERSITY - KEY TO SUCCESSFULLY  
NAVIGATING THE CURRENT ENVIRONMENT**

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**MORE  
THAN  
MINING**

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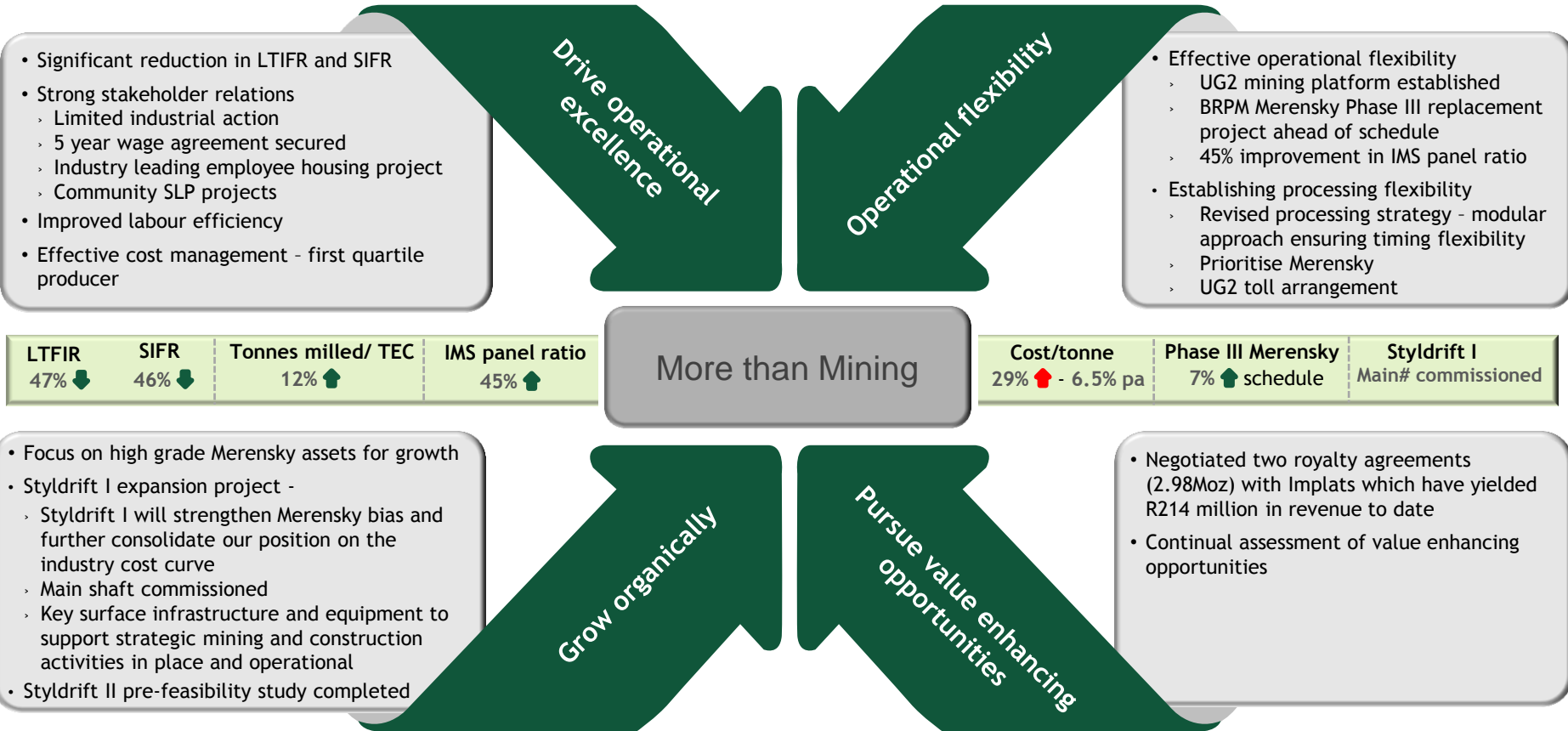
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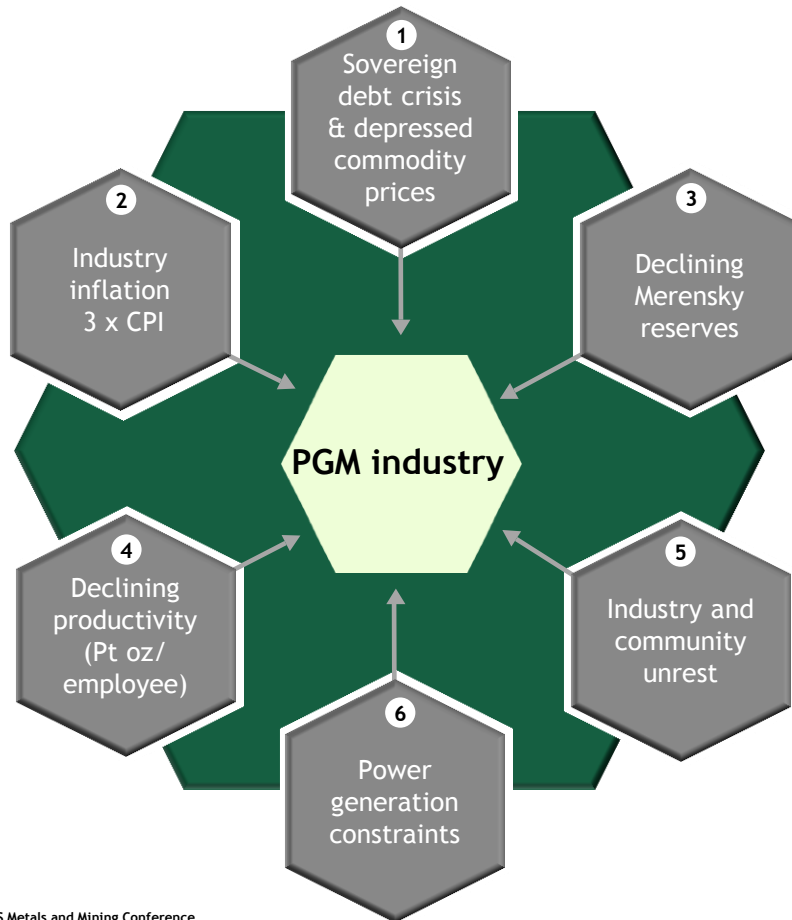


- 1. Our approach in a challenging environment
- 2. Styldrift I going forward and Q3 2015 review
- 3. Conclusion

# Tailored strategies with inherent flexibility drive efficiencies and create value



# The SA PGM industry - a challenging environment



## Protecting asset value and shareholder wealth - Our approach

- 1**
  - Expect medium to longer term rebound
  - Continue to strategically develop Styldrift I with due cognisance of prevailing market conditions - prudent capital expenditure
  - Optimise current BRPM Merensky extraction

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- 2**
  - Cost per Pt oz increases since 2010 - 8.25% p.a., per tonne 6.50% p.a.
  - Maintain the first quartile producer position
    - > Maintain focus on cost control and drive mechanisation
    - > Target high-margin yielding assets

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- 3**
  - Develop and bring into production Styldrift I and II - high grade, high margin Merensky assets
  - Merensky will comprise 92% of RBPlat production by 2019

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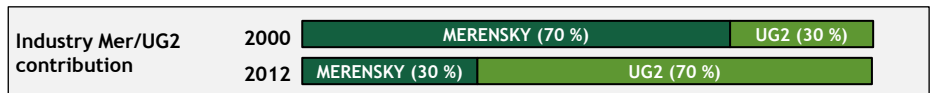
- 4**
  - Zero harm safety approach, regulatory compliance and continuous improvement
  - Targeted mechanisation of mining operations

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- 5**
  - Strong stakeholder relations and *More than Mining* philosophy key
  - No labour unrest in 2014 / 2015 to date

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- 6**
  - Continuous engagement with Eskom
  - Limit energy cost inflation with energy efficiency projects



Styldrift I going forward  
and Q3 2015 overview



# Styldrift Mine - A high grade, shallow, mechanised Merensky mine



## High quality Merensky

- Resource grade of 6.94g/t 4E
- Resource of 72.90Mt
- LOM 30 years - Merensky only



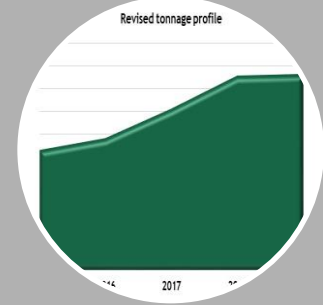
## Shallow Merensky mine

- R11bn capital investment
- R5.16bn spent to date
- Main shaft 758m deep
- Services shaft 723m deep



## Key operating statistics

- Mechanised mining
- 320koz 4E per annum
- 4.33g/t 4E delivered grade
- 2020 steady state:  
R7 204/4E oz (Jan 2015 terms)



## Production ramp up

- First ROM production Q3 2015
- Steady state Q1 2020
- 230ktpm Merensky reef at steady state

High grade, long life

Shallow

Mechanised, low cost

Near term

# Styldrift is a well advanced high-margin project with substantial by-product credits

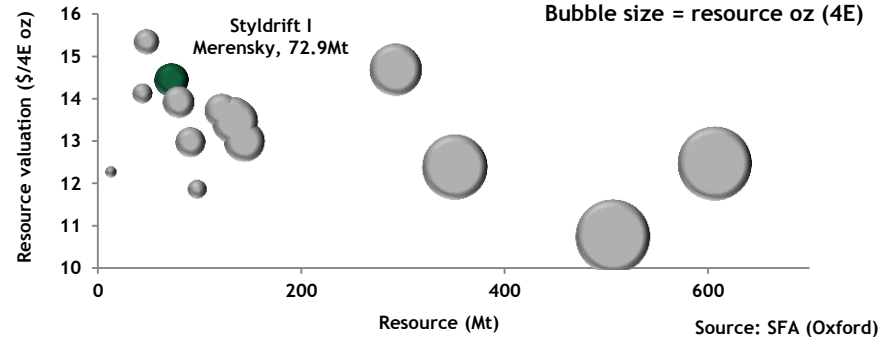
## Styldrift orebody strategy

- Merensky resource of 133Mt
  - > Styldrift I portion is 72.9Mt
- UG2 resource of 130Mt
- Extract higher-margin Merensky preferentially
- Develop UG2 orebody access
  - > Extract during advantageous market cycles
  - > Create future flexibility

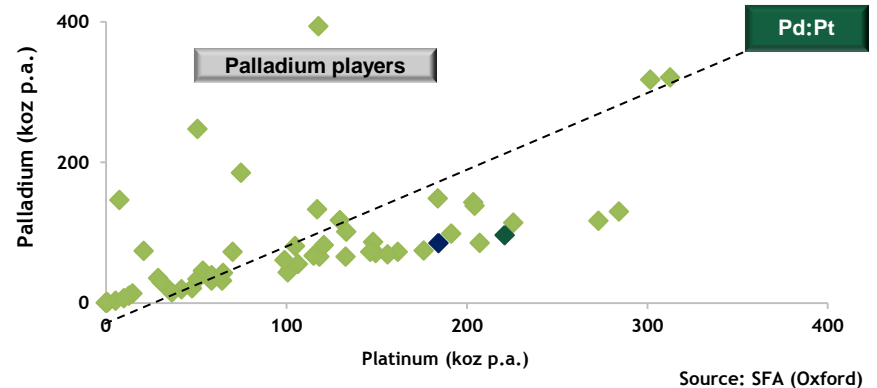
## Styldrift I strongly platinum biased

- High Pt:Pd ratio of 2.3:1 drives premium basket price
- Similar to BRPM
- By 2020 RBPlat will produce 92% of tonnes from the Merensky orebody

### High quality resource



### High Platinum : Palladium ratio





# Styldrift is a well advanced high-margin project with substantial base metal credits

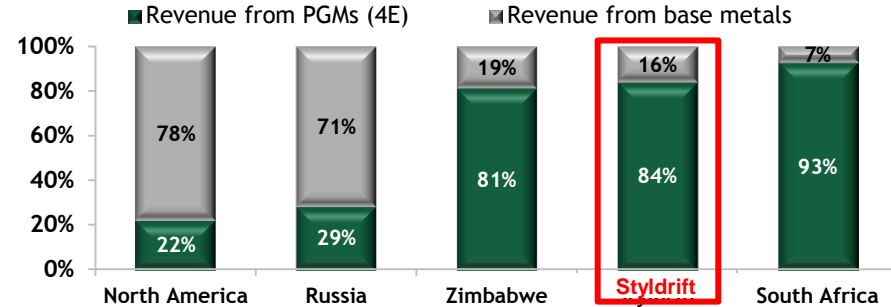
## Base metals content at Styldrift well above South Africa average

- South African production (70% UG2) has low base metal content
- Nickel is a significant revenue driver for Styldrift as at BRPM

## High-net cash margin business

- High grade
- Favourable Pt:Pd ratio
- Additional revenue from base metals
- Shallow
- Mechanised operation

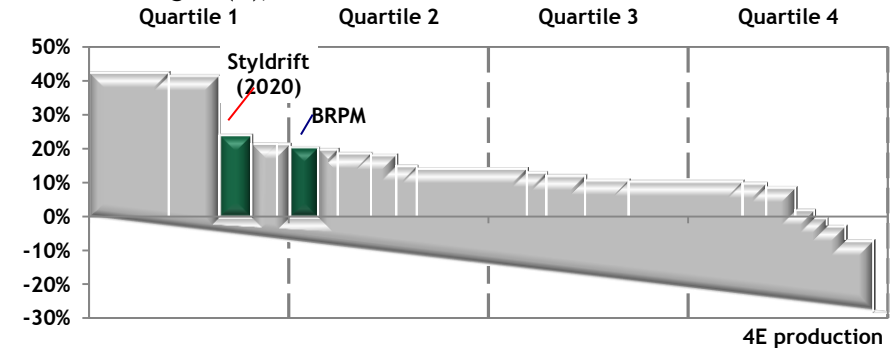
### Styldrift is in the first quartile for by-product credits



Source: SFA (Oxford)

### Styldrift is in the first quartile for net cash margins

#### Net cash margins (%), 2015



Source: SFA (Oxford)

## 2015 Mining and construction

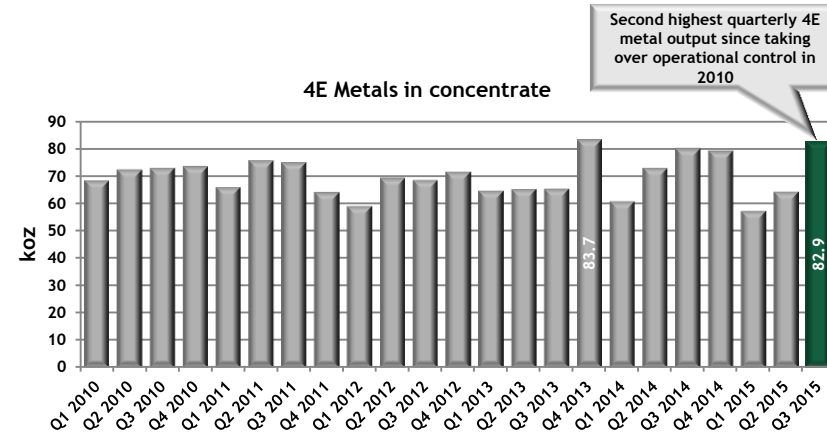
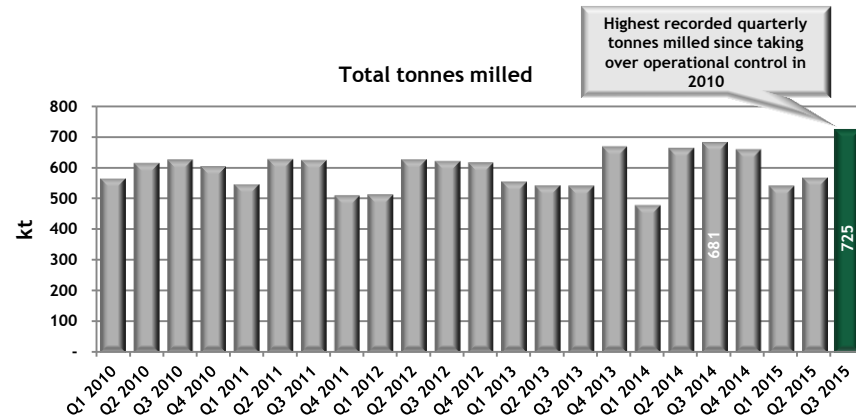
- Development of underground infrastructure on 600 level
  - > Workshops
  - > Refuelling bay
  - > Access roadways
- Complete ventilation shaft No.1
- Complete Silo No.2

## Current operating status

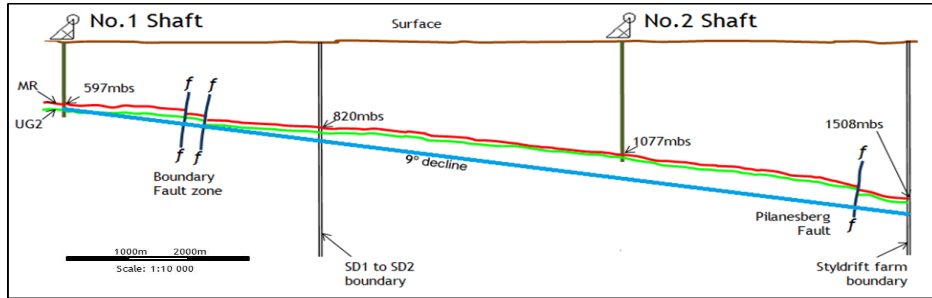
- 4 production crews operational on 600 level
- Silo No.2 construction progressing well
- Ventilation shaft No.1 has been commissioned
- A total of 30kt of ROM has been hoisted and delivered to the BRPM plant

# Q3 Overview

Description	Unit	Q1 -2015	Q2 -2015	Q3 -2015
<b>Safety</b>				
SIFR (/200,000 hrs)	rate	0.12	0.17	0.13
LTIFR (/200,000 hrs)	rate	0.48	0.54	0.26
<b>Production</b>				
Total tonnes milled	kt	540	567	725
% UG2 of total tonnes milled	%	27%	26%	24%
4E built-up head grade	g/t	3.87	4.18	4.15
<b>Metals in concentrate produced</b>				
4E	koz	57.5	64.5	82.9
Platinum	koz	36.9	41.8	53.4
<b>Cash operating costs</b>				
Operating cash cost / tonne milled	R/t	1 121	1 117	987
Operating cash cost / 4E oz	R/oz	10 383	9 810	8 585
Operating cash cost / Pt oz	R/oz	16 153	15 140	13 310
<b>Capital expenditure</b>				
Total capital	R'm	509	632	464



# Styldrift II pre-feasibility provides positive business case



## Pre-feasibility study

- Study resulted in a positive business case
- Mechanised mine design
- Early access utilising Styldrift I infrastructure

## Exploration drilling

- 14 surface exploration holes amounting to 10 500m of drilling completed during 2014
- Total exploration drilling at 98 holes (125 000m)
  - > 350 Merensky intersections
  - > 307 UG2 intersections
  - > High correlation with previous geological modelling
- Update of 3D Seismic model in progress



CONCLUSION



# Royal Bafokeng Platinum : an attractive investment proposition

Lower political risk	Black-owned and controlled - exceeds all statutory BEE requirements
Lower labour risk	Employees and owners are aligned
Long-life assets	Long-life Merensky producer
Excellent growth	Low risk growth: +/- 70% increase in production by 2020
Strong balance sheet	Debt fundable growth, zero debt currently
Low cost	1 <sup>st</sup> quartile producer

Industry leading margins - World class operations