



US\$145 MILLION STREAMING AGREEMENT

16 OCTOBER

20
19



DISCLAIMER

The information presented in this presentation is of a general nature and the forward-looking information, opinions and beliefs of the Company and its affiliates are based on various market related assumptions. Changes in market circumstances after the production of the information may impact on the accuracy thereof. No assurance can therefore be given as to the accuracy of any information after publication.

Before relying on the information, investors or potential investors should carefully evaluate the accuracy, completeness and relevance of the information and should preferably obtain professional relevant advice.

The Company, its directors, officers, managers or employees, advisers or representatives accept no responsibility or liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

This presentation also includes market share and industry data obtained by the Company from industry publications and surveys and the Company does not have access to the facts and assumptions underlying the numerical data, market data and other information extracted from publicly available sources. As a result, the Company is unable to verify such numerical data, market data and other information. The Company assumes no responsibility for the correctness of any market share or industry data included in the materials and presentation.



DELIVERING ON OUR STRATEGIC OBJECTIVES

01

- > Achieve zero harm
- > Labour stability
- > Optimise volumes
- > Reduce costs

02

- > Maintaining our IMS panel ratio
- > Enhance flexibility in our business
- > **Robust balance sheet to provide financial flexibility**

03

- > Styldrift ramp-up
- > LOM extension and ramp-up of BRPM South shaft UG2

04

- > **Settlement of Rustenburg Platinum Mines (“RPM”) deferred consideration**
- > Maintain value-focus in evaluation of M&A and bolt-on opportunities



Note:
* Rustenburg Platinum Mines Limited, a wholly-owned subsidiary of Anglo American Platinum



TRIPLE FLAG STREAMING AGREEMENT – SALIENT TERMS

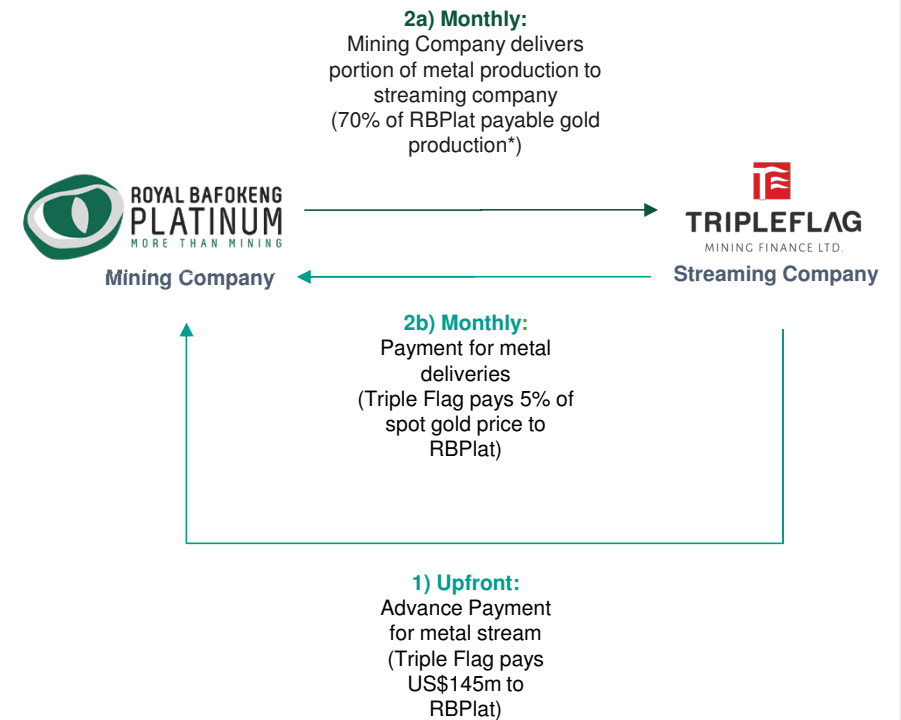
- > Royal Bafokeng Platinum* (“RBPlat”) has entered into a streaming agreement with Triple Flag Mining Finance Bermuda Ltd (“Triple Flag”) for gold delivery over life of mine from its operations (excluding Styldrift II and Impala royalty areas)
 - RBPlat receives US\$145 million advance payment on closing of the agreement
 - RBPlat delivers 70% of payable gold production to Triple Flag until 261koz has been delivered; thereafter 42% of payable gold production
 - RBPlat receives ongoing payment of 5% of the gold price for each ounce delivered as part of the streaming agreement
- > Launch of Triple Flag scholarship program for RBPlat employee families and doorstep communities
 - Scholarship will support the graduation of more than 50 young engineers, geologists and other technical professions over the life of the operations
 - Funded through US\$100 000 annual contribution by Triple Flag, starting in the upcoming 2020 academic year
 - Reflects RBPlat and Triple Flag support for host communities and a long-term partnership
- > Agreement is expected to close in January 2020 following regulatory approvals and consents

*Note:
Through its wholly-owned subsidiary Royal Bafokeng Resources Proprietary Limited



MECHANICS OF THE STREAMING AGREEMENT

- > The streaming company makes an upfront payment to the mining company to secure the delivery of a fixed percentage of the production of certain metals
- > The streaming company will in addition make ongoing payments to the mining company based on a certain percentage of the value of metal delivered at the prevailing spot price
- > The mining company is not obliged to deliver minimum quantities, make any cash payments, nor make cash settlement
- > Typically accounted for under IFRS 15 (Revenue from Contracts with Customers) with cash flow recognised upfront and revenue and implied finance cost recognised over life of the streaming agreement

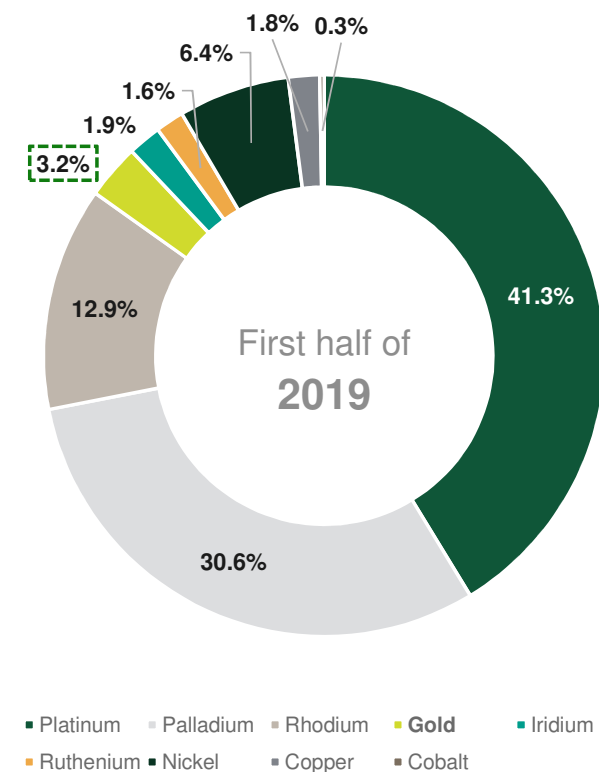




TRANSACTION RATIONALE

- > Triple Flag agreement provides cash proceeds with 'equity-like' risk profile
 - Streamer shares in operational risk and commodity price risk
 - No fixed delivery obligations
- > Streaming horizon significantly improves the tenure of capital structures to match the long life of the mining operations
- > Derives attractive benefits from gold by-product
 - Gold contributed 3.2% to RBPlat's revenue in the first half of 2019
- > Stream economics capture the current strong gold price environment
 - However, RBPlat retains effective exposure to 33.5% of its gold production (the 30% portion not delivered into the stream and a 5% exposure to the 70% delivered via the ongoing payment)
- > Long-term partnership model with Triple Flag, a quality partner having extensive experience in the mining sector

Revenue contribution





USE OF PROCEEDS

- > Streaming agreement enhances RBPlat's robust balance sheet in support of its strategy going forward
 - Bank facilities provide short to medium term financing
 - Convertible debt likely to convert at current share price
- > Agreement was sized to enable RBPlat to settle the RPM deferred consideration in cash, taking into account minimum Triple Flag deal size
- > Current exchange rate implies potential excess cash proceeds of approximately R300 million
 - Reduces finance cost of existing facilities
 - Underpins the commitment to dividend payments

	Facility amount (R million)	Repayment date	Interest rate	Effective rate*
Current bank facilities	3 008			10.22%
General banking facilities	508	31-Dec-20	Prime less 0.25%	9.75%
Revolving credit facility	750	31-Mar-22	JIBAR plus 3.75%	10.53%
Revolving credit facility	1 000	31-Mar-22	JIBAR plus 3.25%	10.03%
Term debt facility	750	31-Mar-24	JIBAR plus 3.70%	10.48%
Other facilities**	1 200			7%
Convertible bond	1 200	16-Mar-2022	Fixed coupon; convertible at R40.79 /share	7%

Note:
* Effective rate as at 15 October 2019
** Excludes the PIC Housing facility ring-fenced to our Housing Estate



REFINANCING OF THE RPM DEFERRED CONSIDERATION

- > Purchase of RPM's 33% stake in the BRPM JV was part settled in cash, and R1.6 billion in deferred consideration
 - Transaction effective date was 11 December 2018
 - Deferred consideration is payable in three equal annual instalments within 18 months (June 2020), further 12 months (June 2021) and further 12 months (June 2022)
 - Accrued interest is also payable with the settlement of each tranche
 - Interest is charged at RBPlat's lending rate plus 2%
 - Tranches can be settled in cash or equity, however RBPlat has an option to settle the full obligation in advance in cash
- > RBPlat's preference is to settle in cash to avoid equity dilution and potential share overhang

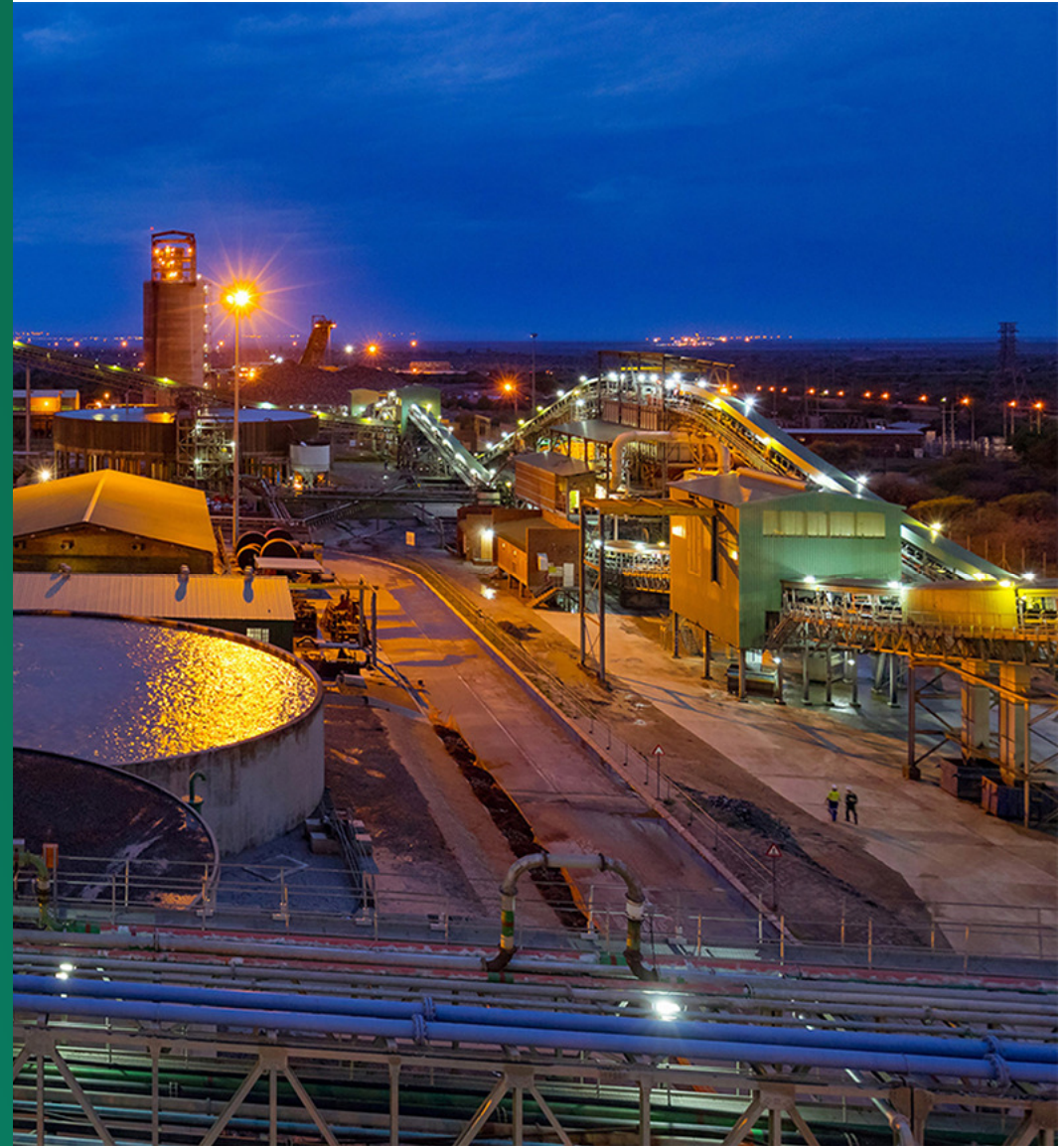


CONCLUSION

- > Long-term streaming agreement represents a significant commitment of international capital in RBPlat and signals confidence in our business and South Africa as an investment destination
- > Offers value and earnings per share accretive solution
 - Further optimises the balance sheet
 - Enables us to settle RPM deferred consideration in cash
 - Supports the reduction of finance charges
 - Underpins commitment to dividend payments



APPENDIX





BACKGROUND ON TRIPLE FLAG

- > Triple Flag primarily targets precious metal streaming and royalty investments in the mining sector, with backing by Elliott Management Corporation, an experienced global investment firm with more than US\$38 billion of assets under management
- > Triple Flag's focus is on being a leading sought-after long-term funding partner to mining companies throughout the commodity cycle
- > In the past three years, Triple Flag has concluded 15 deals to build its portfolio of 38 streaming and royalty assets
- > Triple Flag has committed over US\$1 billion to the mining sector, helping its partners to build new mines, acquire new assets, refinance their balance sheets and enhance their liquidity