

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

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD

1 JULY TO 30 SEPTEMBER 2014

**Operational continuity leads to strong performance**

**Key features**

- 15% improvement in LTIFR
- 11% increase in tonnes delivered
- 26% increase in tonnes milled
- 23% increase in 4E metals in concentrate produced
- 9% reduction in cash operating cost per tonne milled
- 7% reduction in cash operating cost per platinum ounce
- 3% reduction in built-up head grade
- 56 days lost on Styldrift I Project's critical path
- 2 fatal accidents post reporting period

Description	Unit	Unaudited quarter ended 30 September 2014	Unaudited quarter ended 30 September 2013	Quarter ended September 2014 vs. quarter ended September 2013 % change
<b>Safety</b>				
SIFR (/200,000 hrs)	rate	0.25	0.18	(39)
LTIFR (/200,000 hrs)	rate	0.50	0.59	15
<b>Production</b>				
Total tonnes delivered	kt	687	618	11
Tonnes delivered - BRPM	kt	687	618	11
Tonnes delivered - Styldrift	kt	-	-	0
Total tonnes milled	kt	681	540	26
Tonnes milled - BRPM	kt	681	540	26
Tonnes milled - Styldrift	kt	-	-	0
% UG2 of total tonnes milled	%	21	19	11
4E built-up head grade	g/t	4.29	4.41	(3)
4E built-up head grade - MER	g/t	4.45	4.53	(2)
4E built-up head grade - UG2	g/t	3.70	3.89	(5)
Closing stocks - surface stockpiles	kt	57	135	(58)
<b>Metals in concentrate produced</b>				
4E	koz	80.4	65.6	23
Platinum	koz	52.1	42.4	23
Palladium	koz	21.3	17.5	22
Rhodium	koz	4.6	3.7	24
Gold	koz	2.4	2.0	20
Nickel	kt	0.51	0.40	28
Copper	kt	0.33	0.26	27
<b>Cash operating costs</b>				
Cash operating cost / tonne milled	R/t	945	1 041	9
Cash operating cost / Pt oz	R/oz	12 364	13 263	7
Cash operating cost / 4E oz	R/oz	8 004	8 565	7
<b>Capital expenditure</b>				
Total capital expenditure	R'm	379.1	275.9	(37)
Expansion	R'm	282.7	192.8	(47)
Replacement	R'm	55.4	42.0	(32)
SIB capital	R'm	41.0	41.0	0
SIB / operating cost %	%	6	7	14

\*Please note that any difference in percentage change in this table is due to rounding

## **SAFETY**

The board of directors, management as well as colleagues at RBPlat wish to extend their sincere condolences to the family and friends of Mr. Xadrique Chihungo and Mr. Refumane Petrose Kanono who were fatally injured in separate accidents which occurred on the 4th and 10th of October 2014 at Styldrift and BRPM respectively.

The trend in the injury frequency rate has continued to show improvement as the year has progressed with RBPlat achieving a lost time injury frequency of 0.50 injuries per 200 000 hours, the lowest achieved for a quarter to date. The serious injury frequency rate is 39% higher than the equivalent quarter for 2013 and requires additional focus and training to bring about improvement and move us from compliance to pro-active on the safety maturity ladder.

Zero harm remains one of RBPlat's primary and most important goals and is key to achieving the company's strategic objective of operational excellence.

## **PRODUCTION**

Total tonnes delivered to concentrators were 11% higher than in the third quarter of 2013. 4E ounces-in-concentrate increased by 23% to 80.4 koz during the quarter with the marked increase being attributable to a

- 26% increase in tonnes milled; and
- 3% reduction in built-up head grade.

Tonnes milled in the third quarter of 2013 were affected by the replacement of the primary mill discharge end resulting in the BRPM concentrator being offline for 15 production days.

## **CASH OPERATING COSTS**

Cash operating cost per tonne milled decreased by 9% to R945 and per platinum ounce by 7% to R12 364 year-on-year. The lower milled volumes in the third quarter of 2013 exaggerate the unit cost improvements. However, cost per tonne milled and cost per platinum ounce for the quarter are 4% lower compared to the first half of 2014.

## **CAPITAL**

Capital expenditure ended 37% (R103.2 million) higher for the quarter under review when compared to the same quarter in 2013. Expansion capital increased by 47% (R89.9 million) in line with the Styldrift construction schedule. Replacement capital expenditure increased by 32% (R13.4 million) which reflects expenditure on the Phase III project. Stay-in-business (SIB) capital expenditure of R41 million is consistent with our target range of between 6% and 8% of operating costs.

## **PROJECTS**

### **Styldrift I Project (expansion)**

As communicated during our half year results for 2014 the Services shaft hoisting capacity has been identified as a key constraint with regards to underground construction activities. The Services shaft provides all logistical support for underground development and construction work on 600, 642 and 708 levels including rock hoisting, transportation of men and material and all services during the period the Main shaft is being equipped. Detailed technical analysis has highlighted that this constraint will effectively limit the development of key infrastructure required for the commissioning of the Main shaft and the start of production ramp-up.

The project is currently 78 days behind schedule on the critical path, of which 52 days were lost during the third quarter of 2014 (26 at the end of the 2014 half year) as a result of:

- the Services shaft hoisting constraint;
- poor ground conditions encountered in the Main shaft loading box area requiring extensive support; and
- a section 54 notice issued when an acetylene bottle fell down the Services shaft.

Revision of the project schedule to mitigate the impact of this constraint has resulted in the Main shaft commissioning and subsequent ramp-up being delayed. The Main shaft will now be commissioned during the second quarter of 2015 (previously scheduled for the first quarter of 2015) with start of ramp-up occurring in the first quarter of 2016 (previously scheduled for the third quarter of 2015).

As a result of the later commissioning of the Main shaft and start of production ramp-up, steady state will now be achieved in the first quarter of 2019. The later timing of the Styldrift ramp-up allows for additional Merensky and UG2 production from South shaft during 2018 which mitigates the effects of the delayed ramp-up to 120koz 4E.

The capital cost of the project remains R11.014 billion as the impact of the delayed Main shaft commissioning and start of ramp-up will be absorbed by savings and contingency.

Capital expenditure for the quarter was R264.7 million which is in line with the progress made. Total expenditure for the project for the 2014 financial year is forecast at R1.306 billion (including the concentrator project, contingency and escalation). Expenditure to date for the year is 32% (R419 million) lower than planned.

At the end of the quarter under review the project to date commitment was R4.347 billion with expenditure to date of R3.403 billion.

The project is 48.2% complete, which is 3.6% behind the current plan of 51.8%.

### **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 and is 69% complete against a plan of 63%.

The project remains below budget, with expenditure for the quarter amounting to R55.3 million and R722.6 million for the project to date.

### **Company presentation**

A presentation in support of this quarterly review and production report will be published on the company's website at [www.bafokengplatinum.co.za](http://www.bafokengplatinum.co.za) at or around 8h00 CAT.

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

Johannesburg  
20 October 2014

JSE Sponsor  
Macquarie First South Capital (Pty) Limited

For further enquiries, please contact:

Investors:  
Lindiwe Montshiwagae  
Investor Relations Manager  
Tel: +27 (0)10 590 4517  
Email: [lindiwe@bafokengplatinum.co.za](mailto:lindiwe@bafokengplatinum.co.za)

Media:  
Mpueleng Poee  
Executive: Corporate Affairs  
Tel: +27 (0)10 590 4515  
Email: [Mpueleng@bafokengplatinum.co.za](mailto:Mpueleng@bafokengplatinum.co.za)