

ROYAL BAFOKENG PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/015696/06)
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("RBPlat" or "the Company" or "the Group")

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD
1 JULY TO 30 SEPTEMBER 2020 ("REPORTING PERIOD")

STRONG OPERATING PERFORMANCE AND STYLDRIFT RAMP-UP HELP MITIGATE THE IMPACT OF COVID-19 AND YIELD STABLE YEAR-ON-YEAR OUNCE PRODUCTION

OVERVIEW

- Zero fatalities with significant improvements in all key safety rates
- Improvement in all key production metrics for the reporting period
 - 27.3% increase in tonnes hoisted
 - 15.6% increase in tonnes milled
 - 5.3% improvement in built-up head grade
 - 23.8% increase in 4E ounces
- 310kt of ROM ore surface stocks
- 8.7% reduction in cash unit cost per 4E ounce (stock adjusted)
- 20.9% increase in capital expenditure, in line with project and operational requirements

SAFETY

The health and safety of our employees remain a key business objective. In our pursuit of zero harm, the establishment of a resilient safety culture by securing ongoing improvements in our key safety rates through the implementation of a strict operational code of conduct, teamwork and good safety discipline remain the cornerstone of our overall safety, health and environmental strategy.

No fatal accidents were recorded during the reporting period, with quarter-on-quarter improvements of 58.5%, 73.1% and 78.0% in our total injury (TIFR), lost time injury (LTIFR) and serious injury (SIFR) frequency rates. For the year to date our TIFR, LTIFR and SIFR have reduced by 45.7%, 37.2% and 55.3%, respectively, compared to the corresponding 2019 period.

No production losses related to safety stoppages were recorded in the quarter under review.

PRODUCTION

Notwithstanding the impact of the COVID-19 pandemic on operations to date, the business achieved record 4E ounce production of 124.5koz for the reporting period on the back of improved BRPM operational performance, steady ramp-up progress at Styldrift, improved built-up head grades and consistent performance at the concentrators.

Total tonnes hoisted for the reporting period increased by 27.3% to 1 295kt whilst total tonnes milled increased by 15.6% to 1 158kt. For the year to date, total tonnes hoisted amounted to 3 083kt representing an 8.8% increase compared to the comparative 2019 reporting period. Total tonnes milled for the year to date were 2 782kt, resulting in the accumulation of 310kt of ROM ore in surface stocks.

BRPM

Total tonnes hoisted for the reporting period increased by 12.0% to 665kt whilst total tonnes milled reduced by 1.7% to 570kt, resulting in the accumulation of an additional 96kt in surface stocks. Closing surface stocks at the end of the reporting period are now estimated at 124kt.

Merensky tonnes milled for the quarter increased marginally by 0.7% to 417kt whilst reducing by 19.0% to 1 026kt for the year to date compared to 2019. The reduction in the year-to-date Merensky volumes is attributable to the combined impact of the shift to UG2 at South shaft and COVID-19 lockdown restrictions during the first half of the year.

UG2 tonnes milled for the quarter decreased by 7.8% to 153kt, whilst year-to-date tonnes milled increased by 7.8% to

458kt compared to 2019. UG2 volumes were 26.8% of tonnes milled for the quarter and 30.9% for the year to date.

The built-up head grade for the reporting period and year to date improved by 4.4% and 0.7% to 4.03g/t (4E) and 4.05g/t (4E), respectively.

STYLDRIFT

The key focus of the operations and project teams has been and will be to responsibly manage the project in the current COVID-19 environment and minimise the impact of the pandemic on the 230ktpm run rate milestone delivery.

Total tonnes hoisted for the reporting period amounted to 630kt equating to an average of 210ktpm and a 48.9% increase compared to the corresponding 2019 period. Total tonnes milled for the quarter increased by 39.3% to 588kt, with year-to-date milled volumes increasing by 10.1% to 1 298kt. Closing surface stocks are estimated at 186kt.

The built-up head grade at Styldrift continues to improve as the stoping tonnage contribution to overall tonnes increases in line with the ramp-up profile. The quarter-on-quarter and year-to-date built-up head grade improved by 7.1% and 5.3% to 3.92g/t (4E) and 3.96g/t (4E), respectively.

Notwithstanding the fact that the pandemic did impact the 2020 third quarter 230ktpm milestone, appropriate progress was made during the quarter with regard to the establishment of the remaining spare IMS sections and operational efficiency initiatives related to improved trackless mobile machine availability, minimising in-stope face to tip distances and artisan/operator upskilling programmes. We remain confident that the 230ktpm run rate milestone will be achieved during the fourth quarter or early in 2021.

CONCENTRATING

Total tonnes milled for the reporting period amounted to 1 158kt, representing a 15.6% increase compared to the corresponding 2019 period. Merensky and UG2 tonnes milled were 1 006kt and 153kt, respectively, with UG2 equating to 13% of total milled volumes. The BRPM concentrator treated 746kt, of which 42kt was UG2 (5.6%) and the Maseve concentrator treated 412kt, of which 112kt was UG2 (27%).

For the year to date, total tonnes milled decreased by 89kt or 3.1% to 2 782kt, with the lower performance being mainly attributable to the impact of COVID-19 lockdown restrictions on production.

The combined built-up head grade for the quarter and year to date improved by 5.3% and 2.6%, respectively, to 3.98g/t (4E) and 4.01g/t (4E). The improved head grades supported improvements in 4E recovery performances at both the BRPM and Maseve concentrators, with the quarter-on-quarter and year-to-date 4E recoveries improving by 1.7% and 0.3% to 84.03% and 83.19%, respectively.

The increased milled volumes, higher built-up head grade and associated improvement in recoveries achieved during the quarter, yielded 4E and platinum metals in concentrate increases of 23.8% and 23.6% to 124.5koz and 80.7koz, respectively.

The strong third quarter performance has partially offset the significant impact of COVID-19 lockdown restrictions on operations during the first half of the year, with 4E metals in concentrate production reflecting only a marginal reduction of 1.7koz (0.6%) to 298koz year to date compared to 2019.

Equivalent 4E and platinum metals in surface stocks are estimated at approximately 32koz and 20koz, respectively.

CASH OPERATING COSTS

Cash operating costs for the reporting period have increased by 23.0% to R1 861 million and 14.8% for the year to date to R4 757 million compared to 2019. The increase in expenditure is attributable to increased production volumes and industry-related inflation.

The increase in surface stocks, impact of the national lockdown on production and additional COVID-19 related costs have resulted in double digit unit cost increases of 18.5% and 15.4% per tonne milled and 4E ounce, respectively, to R1 710 (2019: R1 443) and R15 963 (2019: R13 827) for the year to date compared to 2019.

BRPM cash operating costs for the quarter and year to date increased by 7.6% and 3.3% to R875 million and R2 320 million, respectively, in line with production volumes and on-mine inflation. An increase in surface stocks during the quarter has resulted in unit cash costs per tonne milled and per 4E ounce for the quarter increasing by 9.5% and 3.3% to R1 535 and R13 978, respectively. Year-to-date unit costs have increased by 17.8% and 17.0% to R 1 563 per tonne and R 14 295 per 4E ounce due to COVID-19 related production disruptions and an increase in surface inventories.

Styldrift cash operating costs for the quarter and year to date have increased by 40.9% and 28.3% to R986 million and R2 437 million, respectively, in line with production volumes and on-mine inflation. Unit cash costs per tonne milled for the quarter increased by 1.1% to R1 677 whilst the unit cost per 4E ounce reduced by 7.7% to R 15 955. Year-to-date unit costs have increased by 16.6% and 9.8% to R 1 878 per tonne and R 17 972 per 4E ounce due to an increase in surface stocks and COVID-19 related production disruptions.

STOCK AND COVID-19 ADJUSTED UNIT COSTS

Direct comparison of RBPlat's 2020 performance to previous periods is challenging given the difficult operating environment associated with COVID-19. Stock adjusted and COVID-19 adjusted unit costs have therefore been calculated in order to facilitate the comparison.

Stock adjusted unit costs are calculated based on cash operating costs net of cost of mining, transport, services and overheads incurred in the development of the stockpiles. COVID-19 adjusted unit costs are calculated through the addition of variable costs (first half of 2020 rates) which would have been incurred in processing the estimated production and ounce loss (480kt/53.9koz 4E) as a result of the 45-day operational stoppage incurred during the first half of the year.

Quarterly – Stock adjusted only

On a stock adjusted basis, total unit costs per tonne milled and per 4E ounce, reduced by 1.4% to R1 475 (2019: R1 496) and 8.0% to R13 725 (2019: R14 912), respectively, year on year.

BRPM unit costs per tonne milled and per 4E ounce reflect a reduction of 0.7% and 6.4%, respectively, to R1 371 (2019: R1 380) and R12 473 (2019: R13 320).

Styldrift's adjusted unit costs reflect year-on-year improvements per tonne milled and per 4E ounce of 4.9% and 13.2%, respectively, to R1 576 (2019: R1 657) and R14 996 (2019: R17 275).

Year-to-date – COVID-19 and stock adjusted

On a COVID-19 production loss and stock adjusted basis, total unit costs per tonne milled and per 4E ounce, reduced by 0.5% to R1 420 (2019: R1 427) and 3.4% to R13 205 (2019: R13 671), respectively, year on year.

BRPM adjusted unit costs reflect year-on-year increases per tonne milled of 1.9% to R1 335 (2019: R1 310) and a decrease in cost per 4E ounce of 0.1% to R12 055 (2019: R12 067).

Styldrift's adjusted unit costs reflect year-on-year improvements per tonne milled and per 4E ounce of 5.0% and 10.2%, respectively, to R1 515 (2019: R1 595) and R14 557 (2019: R16 211).

CAPITAL

Total capital expenditure for the reporting period increased by 20.9% to R456.7 million in line with project and operational stay-in-business (SIB) capital requirements. Expansion capital expenditure for the quarter increased by 10.6% to R274.9 million compared to 2019, with the increase in line with project schedule and construction progress at Styldrift, Maseve concentrator MF2 upgrade and tailings storage facility expansions.

Replacement capital expenditure amounted to R74.8 million for the quarter and is attributable to the Styldrift replacement project which is currently extending the footwall declines to the north, south and east beyond the original expansion capital footprint to access, establish and secure the required ore-reserves to sustain production in the longer term.

SIB capital increased by R37.0 million to R107.0 million equating to 5.7% of cash operating costs.

FINANCIAL POSITION

As at 30 September 2020, the Company was in a net debt position of R376.3 million, compared to a net cash position of R701.8 million as at 30 June 2020. At the end of the quarter, RBPlat had approximately R1 800 million of banking facilities available with cash and cash equivalents on hand of R559.0 million. Group cash flows for the third quarter were impacted by the delayed effect of the lockdown and revised concentrate delivery and payment terms during the temporary shutdown of the Anglo Converter Plant (ACP).

COMPANY GUIDANCE

Notwithstanding the ongoing uncertainty around the COVID-19 pandemic with regard to duration, potential resurgence and associated operational impacts, guidance for the Group has been revised given the strong third quarter performance.

Group production guidance for 2020, is therefore upwardly revised to be between 3.80Mt and 3.95Mt at an estimated built-up head grade of 3.98g/t (4E), yielding 405koz to 420koz (4E) metals in concentrate. Unit cost guidance for the Group is forecast to be between R15 600 and R15 800 per 4E ounce (unadjusted).

Group capital expenditure for 2020, including escalation and contingencies, is reforecast to be approximately R1.9 billion. Styldrift mining and infrastructure for the 230ktpm ramp-up footprint (R750 million), the Maseve plant expansion (R210 million), tailings storage facility upgrades (R200 million) and Styldrift replacement capital (R310 million) will be the main drivers. SIB expenditure for the Group is expected to be approximately 6% of total operating costs.

Description	Unit	Unaudited quarter ended 30 September 2020	Unaudited quarter ended 30 September 2019	Quarter 3 2020 vs. Quarter 3 2019 % Change	Unaudited YTD 30 September 2020	Unaudited YTD 30 September 2019	YTD Sept 2020 vs. YTD Sept 2019 % Change
Safety							
TIFR (/1 000 000 hrs)	rate	4.47	10.78	58.5	5.15	9.48	45.7
SIFR (/1 000 000 hrs)	rate	0.36	1.64	78.0	0.59	1.32	55.3
LTIFR (/1 000 000 hrs)	rate	0.54	2.01	73.1	1.30	2.07	37.2
Production							
Total tonnes hoisted	kt	1 295	1 017	27.3	3 083	2 833	8.8
BRPM	kt	665	594	12.0	1 603	1 689	(5.1)
Styldrift	kt	630	423	48.9	1 480	1 144	29.4
Tonnes delivered to concentrators	kt	1 169	1 025	14.0	2 816	2 860	(1.5)
BRPM	kt	567	592	(4.2)	1 485	1 688	(12.0)
Styldrift	kt	602	432	39.4	1 331	1 172	13.6
Total tonnes milled	kt	1 158	1 002	15.6	2 782	2 871	(3.1)
BRPM	kt	570	580	(1.7)	1 484	1 692	(12.3)
Styldrift	kt	588	422	39.3	1 298	1 179	10.1
Merensky	kt	1 006	837	20.2	2 325	2 447	(5.0)
UG2	kt	153	166	(7.8)	458	425	7.8
% UG2 of total tonnes milled	%	13%	17%	(23.5)	16%	15%	6.7
Closing surface stocks	kt	310	43	620.9	310	43	620.9
BRPM	kt	124	32	287.5	124	32	287.5
Styldrift	kt	186	11	1 590.9	186	11	1 590.9
Built-up head grade (4E)	g/t	3.98	3.78	5.3	4.01	3.91	2.6
BRPM	g/t	4.03	3.86	4.4	4.05	4.02	0.7
Styldrift	g/t	3.92	3.66	7.1	3.96	3.76	5.3
Merensky	g/t	4.01	3.79	5.8	4.03	3.92	2.8
UG2	g/t	3.78	3.70	2.2	3.87	3.86	0.3
Concentrator recovery (4E)	%	84.03	82.66	1.7	83.19	82.95	0.3
BRPM	%	85.14	83.89	1.5	84.62	84.18	0.5
Maseve	%	82.01	79.51	3.1	80.37	80.00	0.5
Metals in concentrate produced							
Total							
4E	koz	124.5	100.6	23.8	298.0	299.7	(0.6)
Platinum	koz	80.7	65.3	23.6	193.4	194.5	(0.6)
Palladium	koz	33.3	26.7	24.7	79.3	79.8	(0.6)
Rhodium	koz	6.7	5.5	21.8	16.4	16.3	0.6
Gold	koz	3.8	3.1	22.6	8.9	9.1	(2.2)
Iridium	koz	2.2	1.8	22.2	5.4	5.3	1.9
Ruthenium	koz	11.4	9.4	21.3	28.0	27.4	2.2
Nickel	kt	0.848	0.707	19.9	1.986	2.019	(1.6)
Copper	kt	0.518	0.438	18.3	1.212	1.245	(2.7)
BRPM							
4E	koz	62.6	60.1	4.2	162.3	183.7	(11.6)
Platinum	koz	40.3	38.7	4.1	104.5	118.8	(12.0)
Palladium	koz	16.8	16.0	5.0	43.3	49.0	(11.6)
Rhodium	koz	3.9	3.7	5.4	10.4	10.4	0.0
Gold	koz	1.6	1.6	0.0	4.1	5.5	(25.5)
Iridium	koz	1.0	1.0	0.0	2.8	3.0	(6.7)
Ruthenium	koz	5.6	5.5	1.8	15.0	16.5	(9.1)
Nickel	kt	0.357	0.401	(11.0)	0.887	1.183	(25.0)
Copper	kt	0.225	0.280	(19.6)	0.555	0.814	(31.8)
Styldrift							
4E	koz	61.8	40.5	52.6	135.6	116.1	16.8
Platinum	koz	40.3	26.6	51.5	88.8	75.7	17.3
Palladium	koz	16.5	10.7	54.2	36.0	30.8	16.9
Rhodium	koz	2.8	1.8	55.6	6.0	5.9	1.7
Gold	koz	2.2	1.5	46.7	4.8	3.7	29.7
Iridium	koz	1.1	0.8	37.5	2.6	2.2	18.2
Ruthenium	koz	5.7	3.9	46.2	13.0	10.9	19.3

Description	Unit	Unaudited quarter ended 30 September 2020	Unaudited quarter ended 30 September 2019	Quarter 3 2020 vs. Quarter 3 2019 % Change	Unaudited YTD 30 September 2020	Unaudited YTD 30 September 2019	YTD Sept 2020 vs. YTD Sept 2019 % Change
Nickel	kt	0.491	0.307	59.9	1.099	0.836	31.5
Copper	kt	0.294	0.159	84.9	0.657	0.431	52.4
Operating costs							
Cash operating costs	R'm	1 861	1 513	(23.0)	4 757	4 144	(14.8)
BRPM	R'm	875	813	(7.6)	2 320	2 245	(3.3)
Styldrift	R'm	986	700	(40.9)	2 437	1 899	(28.3)
Cash operating cost / tonne milled	R/t	1 607	1 510	(6.4)	1 710	1 443	(18.5)
BRPM	R/t	1 535	1 402	(9.5)	1 563	1 327	(17.8)
Styldrift	R/t	1 677	1 659	(1.1)	1 878	1 611	(16.6)
Cash operating cost / 4E ounce	R/oz	14 948	15 040	0.6	15 963	13 827	(15.4)
BRPM	R/oz	13 978	13 527	(3.3)	14 295	12 221	(17.0)
Styldrift	R/oz	15 955	17 284	7.7	17 972	16 371	(9.8)
Operating costs - stock adjusted							
Cash operating cost / tonne milled	R/t	1 475	1 496	1.4	1 565	1 427	(9.7)
BRPM	R/t	1 371	1 380	0.7	1 476	1 310	(12.7)
Styldrift	R/t	1 576	1 657	4.9	1 666	1 595	(4.5)
Cash operating cost / 4E ounce	R/oz	13 725	14 912	8.0	14 604	13 671	(6.8)
BRPM	R/oz	12 473	13 320	6.4	13 444	12 067	(11.4)
Styldrift	R/oz	14 996	17 275	13.2	15 992	16 211	1.4
Operating costs - COVID-19 and stock adjusted							
Cash operating cost / tonne milled	R/t	1 475	1 496	1.4	1 420	1 427	0.5
BRPM	R/t	1 371	1 380	0.7	1 335	1 310	(1.9)
Styldrift	R/t	1 576	1 657	4.9	1 515	1 595	5.0
Cash operating cost / 4E ounce	R/oz	13 725	14 912	8.0	13 205	13 671	3.4
BRPM	R/oz	12 473	13 320	6.4	12 055	12 067	0.1
Styldrift	R/oz	14 996	17 275	13.2	14 557	16 211	10.2
Capital expenditure							
Total capital	R'm	456.7	377.7	(20.9)	1 236.2	998.5	(23.8)
Expansion	R'm	274.9	307.4	10.6	829.5	868.8	4.5
Replacement	R'm	74.8	0.3	>100	187.2	6.5	(2 780.0)
Stay-in-business (SIB)	R'm	107.0	70.0	(52.9)	219.5	123.1	(78.3)
BRPM	R'm	17.0	23.6	28.0	56.5	54.7	(3.3)
Styldrift	R'm	24.1	40.5	40.5	72.9	60.2	(21.1)
Maseve	R'm	1.7	-	0.0	11.0	-	0.0
Concentrators	R'm	64.2	5.9	(988.1)	79.1	8.3	(853.0)
BRPM SIB as a % of operating costs	%	1.9	2.9	34.5	2.4	2.4	0.0
Styldrift SIB as a % of operating costs	%	2.4	5.8	58.6	3.0	3.2	6.3

* Please note any difference in totals in this table is due to rounding

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

Johannesburg
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