

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD
1 JULY TO 30 SEPTEMBER 2017 AND AN UPDATE ON THE STYLDRIFT I PROJECT

STRONG PRODUCTION AND COST PERFORMANCE

OVERVIEW

- No fatal accidents recorded during the quarter
- 7.2% increase in tonnes delivered
- 8.1% increase in tonnes milled
- 6.7% increase in 4E and 6.9% in platinum metal in concentrate produced
- 11.9% reduction in cash operating cost per tonne milled
- 10.9% reduction in cash operating cost per platinum ounce
- 129.7% increase in capital expenditure

SAFETY

No fatal accidents were recorded during the reporting period. However, our serious and lost time injury frequency rates increased by 96.0% and 146.7% respectively, with an additional 5 serious and 9 lost time injuries being recorded than the comparative 2016 period.

The sharp increase in the injury frequency rates is attributed to the impact the restructuring process had on worker morale at BRPM, specifically South shaft and an increase in overall risk profile at Styldrift as construction and mining activities were accelerated in line with the capital construction programme requirements.

Despite the disappointing safety performance for the quarter under review we remain confident that our renewed safety culture will yield the desired results on our journey to resilience and achieving zero harm.

No Section 54 stoppage related losses were incurred during the quarter.

PRODUCTION

Total tonnes delivered to concentrators for the reporting period increased by 7.2% to 793kt, with BRPM contributing 644kt and Styldrift 149kt. Total milled volumes for the quarter increased by 8.1% to 825kt in line with the higher mining volumes, with BRPM contributing 670kt and Styldrift 155kt. UG2% milled reduced by 11.0% to 17.8% of total production for the quarter compared to the third quarter of 2016.

The 4E built-up head grade for the quarter reduced by 2.5% to 3.91g/t compared to 2016. The decrease in grade is mainly attributable to lower Merensky grades associated with higher than planned dilutions at both Styldrift and our BRPM South shaft operation.

The 8.1% increase in overall tonnes milled combined with the 2.5% reduction in built-up head grade and marginally higher recoveries yielded a 6.7% increase in metals in concentrate with 89.3koz (4E) and 57.7koz (Pt) metals produced for the quarter.

CASH OPERATING COSTS

The business restructuring process embarked on during the first half of the year and concluded in the third quarter underpinned the production and cost performance for the third quarter. The strategy involved the optimisation of labour structures to reduce the operational fixed cost base and suspension of the South shaft UG2 mining in favour of higher margin ounce production. This process culminated in the reduction of approximately 520 employees and re-deploying 60% of the South shaft UG2 stoping crews to superior margin South shaft Merensky and North shaft UG2 production areas.

Cash operating costs for the quarter amounted to R724 million equating to a 2.9% reduction compared to the comparative period in 2016. The 10.2% increase in BRPM milled volumes and the 2.9% reduction in cash operating costs have resulted in the unit cash operating cost per tonne milled reducing by 11.9% to R1 081 and cost per platinum ounce reducing by 10.9% to R14 535 for the reporting period.

CAPITAL EXPENDITURE

Total capital expenditure increased by 129.7% or R346 million to R613 million compared to the third quarter of 2016, with the key contributor being a R342.6 million increase in expansion capital at Styldrift in line with the increased mining and construction activities related to the ramp-up schedule. Replacement capital expenditure amounted to R9.7 million for the quarter and remains aligned with Phase III project requirements.

Stay-in-business (SIB) capital expenditure decreased by R5.5 million to R25.2 million in line with business requirements, equating to 3.5% of total cash operating cost.

PROJECTS

BRPM PHASE III PROJECT (REPLACEMENT)

Project progress and expenditure remains aligned with the current construction schedule required to complete the scope of work related to the installation of services, conveyor belts and associated bulkheads on 14 and 15 levels. Project expenditure for the quarter amounted to R9.7 million bringing the total project expenditure to date to R1.05 billion.

STYLDRIFT I PROJECT (EXPANSION)

Mining and construction activities continued to make steady progress during the quarter and remain aligned with the overall mining and construction programme to meet its planned ramp-up schedule. During the quarter a total of 2.0km of shaft infrastructure and decline development was completed and construction activities focussed on:

- Overland belt
- Services shaft equipping – with all shaft and station steel work completed
- 600 level trackless workshops
- Ore handling infrastructure on 642 level – silos and rock passes
- Settler No.1 slipe and line activities
- Raiseboring of the second ventilation shaft
- 600 level strike and dip conveyor belts

Capital expenditure for the reporting period amounted to R578 million bringing the total capital project expenditure to date to R7.80 billion.

Description	Unit	Unaudited quarter ended 30 September 2017	Unaudited quarter ended 30 September 2016	Quarter 3 2016 vs. Quarter 3 2017 % Change	Unaudited year to date ended 30 September 2017	Unaudited year to date ended 30 September 2016	YTD 2016 vs. YTD 2017 % Change
Safety							
SIFR (/200,000 hrs)	rate	0.49	0.25	(96.0)	0.34	0.20	(70.0)
LTIFR (/200,000 hrs)	rate	0.74	0.30	(146.7)	0.60	0.31	(93.5)
Production							
Tonnes delivered to concentrators	kt	793	740	7.2	2 266	2 036	11.3
BRPM	kt	644	590	9.2	1 879	1 746	7.6
Styldrift	kt	149	150	(0.7)	387	290	33.4
Total tonnes milled	kt	825	763	8.1	2 301	2 055	12.0
BRPM	kt	670	608	10.2	1 907	1 758	8.5
Styldrift	kt	155	155	0.0	394	297	32.7
% UG2 of total tonnes milled	%	17.8	20.0	11.0	19.3	21.0	8.1
4E built-up head grade	g/t	3.91	4.01	(2.5)	3.84	4.01	(4.2)
BRPM	g/t	4.13	4.24	(2.6)	4.07	4.18	(2.6)
Styldrift	g/t	2.98	3.14	(5.1)	2.71	3.18	(14.8)
Merensky	g/t	3.88	4.07	(4.7)	3.82	4.08	(6.4)
UG2	g/t	4.05	3.76	7.7	3.91	3.75	4.3
Recovery (4E) total concentrating	%	86.1	85.0	1.3	85.8	85.2	0.7
Recovery (4E) BRPM concentrator	%	86.5	85.6	1.1	86.4	85.6	0.9
Metals in concentrate produced*							
4E **	koz	89.3	83.7	6.7	243.8	225.6	8.1
Platinum**	koz	57.7	54	6.9	157.0	145.6	7.8
Palladium	koz	23.8	22.4	6.3	65.3	60.4	8.1
Rhodium	koz	5.2	4.8	8.3	14.3	13.1	9.2
Gold	koz	2.6	2.4	8.3	7.1	6.6	7.6
4E + Ruthenium and Iridium	koz	100.1	93.8	6.7	265.1	252.5	5.0
Nickel	kt	0.556	0.536	3.7	1.504	1.359	10.7
Copper	kt	0.360	0.336	7.1	0.963	0.842	14.4
Cash operating costs***							
Cash operating cost	R'm	724	746	2.9	2 153	2 075	(3.8)
Cash operating cost / tonne milled	R/t	1 081	1 227	11.9	1 129	1 181	4.4
Cash operating cost / 4E oz	R/oz	9 393	10 520	10.7	9 970	10 336	3.5
Cash operating cost / Pt oz	R/oz	14 535	16 307	10.9	15 495	16 033	3.4
Capital expenditure (incl Styldrift)							
Total capital	R'm	613.0	266.9	(129.7)	1 460	743	(96.5)
Expansion	R'm	578.1	235.5	(145.5)	1 356	613	(121.2)
Replacement	R'm	9.7	0.7	(1 285.7)	20	44	54.5
Stay-in-business (SIB)	R'm	25.2	30.7	17.9	84	86	2.3
SIB as a percentage of operating cost	%	3.5%	4.1%	14.6	3.9%	4.1%	4.9

* Metals in concentrate produced include Styldrift I on-reef development ounces

** Includes ounce contribution from Styldrift I for Q3 2017 of 12.2koz (4E) (2016:12.7) and 7.9koz (Pt) (2016:8.3) and for YTD 2017 of 27.8koz (4E) (2016:24.9) and 18.1koz (Pt) (2016:16.2)

*** Costs are calculated excluding Styldrift I on-reef development tonnes, ounces and costs

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

Johannesburg

12 October 2017

JSE Sponsor:

Merrill Lynch South Africa (Pty) Ltd

For further information, please contact:

Investors:

Lindiwe Montshiwagae

Executive: Investor Relations

+27 (0) 10 590 4510

lindiwe@bafokengplatinum.co.za

Media:

Mpueleng Poee

Executive: Corporate Affairs

+27 (0) 10 590 4515

mpueleng@bafokengplatinum.co.za