

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" or "the Group")

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD
1 JULY TO 30 SEPTEMBER 2021 ("REPORTING PERIOD")

RECORD QUARTERLY OUNCE PRODUCTION - UNDERPINNED BY STEADY OPERATING AND RAMP-UP PERFORMANCES DESPITE THE IMPACT OF THE COVID-19 THIRD WAVE

OVERVIEW

- No fatal incidents during the quarter
- Improvement in most key production metrics for the reporting period
 - 3.5% increase in tonnes hoisted
 - 7.7% increase in tonnes milled
 - 2.3% reduction in built-up head grade
 - 2.0% increase in 4E ounces
- 228kt of ROM ore surface stocks
- Increase in cash operating costs and unit cost reflective of increased production and current operating environment
- 7.8% decrease in capital expenditure, in line with project and operational requirements

HEALTH AND SAFETY

Ensuring the health and safety of our employees remains a key objective for the business, with our main focus areas geared towards maintaining our health programmes, effectively managing COVID-19 and embedding a resilient safety culture in our pursuit of zero harm.

All our COVID-19 protocols remain in place with good progress made on our vaccination programme since it was initiated in July. To date, a total of 6 622 employees have been fully vaccinated, equating to approximately 63% of our workforce.

There were no fatal incidents in the reporting period and our operations achieved one million fatality-free shifts on the 28th of September. However, the impact of COVID-19 resulted in inconsistent manning levels and contributed to a decline in our overall safety statistics, with our total injury (TIFR), lost time injury (LTIFR) and serious injury (SIFR) frequency rates weakening quarter-on-quarter to 7.73, 1.77 and 0.97, respectively. For the year to date our TIFR, LTIFR SIFR have increased to 7.58, 1.74 and 0.73 respectively, compared to the corresponding 2020 period.

The health, safety and wellbeing of our employees is paramount. As such, we remain committed to improving our safety performance through ongoing development and strengthening of our key safety pillars, namely; leadership, design, systems and behaviour.

18kt of ore production losses relating to safety stoppages were recorded in the quarter under review.

PRODUCTION

Notwithstanding the ongoing impact of the COVID-19 pandemic and the protracted third wave, which reached its peak during July, the business achieved record 4E ounce production of 127koz for the reporting period. This has been underpinned by steady BRPM performance and an improved Styldrift performance, marginally offset by lower grades and concentrator recoveries.

Total tonnes hoisted for the reporting period increased by 3.5% to 1 340kt, whilst total tonnes milled increased by 7.7% to 1 248kt.

For the year to date, total tonnes hoisted amounted to 3 498kt, representing a 13.5% increase compared to the comparative 2020 reporting period. Total tonnes milled for the year to date amounted to 3 408kt, a 22.5% increase compared to the similar period in 2020.

Closing surface stocks at the end of the reporting period are estimated at 228kt.

BRPM

Total tonnes hoisted and milled for the reporting period increased by 2.6% and 18.6%, respectively, to 682kt and 676kt. Surface stocks reduced by 58kt or 46.8%. Closing surface stocks at the end of the reporting period are now estimated at 66kt.

Merensky tonnes milled for the quarter decreased by 7.9% to 384kt and reduced by 0.6% to 1 020kt for the year to date, compared to the similar period in 2020. The reduction in the year-to-date Merensky volumes is attributable to increased UG2 production as BRPM South shaft transitions to a UG2 biased operation, as its Merensky reserves deplete.

UG2 tonnes milled for the quarter increased by 90.2% to 291kt, whilst year-to-date tonnes milled increased by 80.8% to 828kt, compared to 2020. UG2 volumes represent 43% of total tonnes milled for the quarter and 45% for the year to date.

For the reporting period and year to date, the built-up head grade declined by 2.2% and 4.9% to 3.94g/t (4E) and 3.85g/t (4E), respectively. The reduction is mainly attributable to the increased contribution of lower grade South shaft UG2.

STYLDRIFT

With the 230ktpm footprint completed and planned IMS flexibility in place, the focus is now aimed at developing and embedding the operational maturity and associated efficiencies to enable the mine to sustainably achieve 230ktpm.

Notwithstanding COVID-19 impacting Styldrift's ability to fully leverage its installed infrastructure capacity effectively, total tonnes hoisted for the reporting period amounted to 658kt equating to a 4.4% increase compared to the corresponding 2020 period. The average hoisting performance for the quarter amounted to 219ktpm, with a peak of 228kt.

Total tonnes milled for the quarter decreased by 2.7% to 572kt, with year-to-date milled volumes increasing by 20.2% to 1 560kt. Closing surface stocks are estimated at 162kt.

The quarter-on-quarter and year-to-date built-up head grade declined by 2.0% and 3.3% to 3.84g/t (4E) and 3.83g/t (4E), respectively, due to on-reef dilution challenges currently being experienced as the northern declines negotiate a known fault zone.

CONCENTRATING

Total tonnes milled for the reporting period amounted to 1 248kt, representing a 7.7% increase compared to the corresponding 2020 period. Merensky and UG2 tonnes milled amounted to 957kt and 291kt, respectively, with UG2 equating to 23% of total milled volumes. The BRPM concentrator treated 675kt, of which 35kt was UG2 (5%) while the Maseve concentrator treated 446kt, of which 129kt was UG2 (29%). 128kt was toll treated during the period compared to zero for the corresponding period in 2020. For the year to date, total tonnes milled increased by 626kt or 22.5% to 3 408kt.

The combined built-up head grade for the quarter and year to date declined by 2.3% and 4.2%, respectively, to 3.89g/t (4E) and 3.84g/t (4E). The reduction in head grade is attributable to the increased contribution of the lower grade South shaft UG2 from BRPM and the on-reef dilution challenges at Styldrift.

Overall 4E recovery performance remained in line with the reduced built-up head grade and increased toll treatment with the quarter-on-quarter and year-to-date 4E recoveries declining by 3.2% and 2.1% to 81.36% and 81.48%, respectively.

The combination of increased milled volumes, lower built-up head grade and associated reduction in recoveries achieved during the quarter, yielded a 4E metals in concentrate increase of 2.0% to 127koz. 4E metals in concentrate for the year to date increased by 15.0% to 342.8koz compared to 2020.

Equivalent 4E metals in surface stocks are estimated at approximately 25koz.

CASH OPERATING COSTS

Cash operating costs for the reporting period increased by 15.2% to R2 143 million and 20.6% for the year to date to R5 735 million compared to 2020. The increase in expenditure is attributable to increased production volumes, additional toll treatment expenses due to the delay in the Maseve MF2 upgrade and industry-related inflation.

The decrease in surface stocks, improved production, on-mine inflation, lower grade and associated recoveries have resulted in a 1.6% decrease and 4.8% increase in cash unit cost per tonne milled and 4E ounce, respectively, to R1 683 (2020: R1 710) and R16 730 (2020: R15 963) for the year to date.

BRPM cash operating costs for the quarter and year to date increased by 20.2% and 22.7% to R1 052 million and R2 847 million, respectively, in line with production volumes, UG2 toll treatment and on-mine inflation. Unit cash costs per tonne milled and per 4E ounce for the quarter increased by 1.4% and 8.3% to R1 556 and R15 137, respectively. Year-to-date unit costs have decreased by 1.4% to R1 541 per tonne and increased by 7.2% to R15 331 per 4E ounce due to on-mine inflation and lower UG2 grades.

Styldrift cash operating costs for the quarter and year to date increased by 10.6% and 18.5% to R1 091 million and R2

888 million, respectively, in line with production volumes, increased trackless fleet maintenance related costs and on-mine inflation. The lower milled volumes, grade and associated reduction in recovery resulted in unit cash cost increases for the quarter of 13.7% to R1 907 per tonne milled and by 18.7% to R18 941 per 4E ounce. Year-to-date unit costs have decreased by 1.4% to R1 851 per tonne milled and increased by 2.2% to R18 372 per 4E ounce.

We expect Styldrift's unit cash costs to reduce, becoming competitive with industry peer levels as further gains in operational maturity, experience, business improvement process are made and final steady state volumes are achieved.

CAPITAL

Total capital expenditure for the reporting period decreased by 7.8% to R421 million in line with project and operational stay-in-business (SIB) capital requirements. Expansion capital expenditure for the quarter decreased by 62.5% to R103.2 million compared to 2020, with the decrease in line with project schedule and construction progress at Styldrift, Maseve concentrator MF2 upgrade and tailings storage facility expansions.

Notwithstanding the impact of Covid-19 on construction, good progress was made with the Maseve MF2 upgrade related works during the reporting period. Construction works are now expected to be completed by early December 2021, subsequent to which commissioning of the upgrade will commence. The upgrade is expected to be fully commissioned during the first quarter of 2022, yielding increased volume and recovery benefits. The Maseve plant will be systematically ramped up to 180ktpm by the second half of 2022 as the circuit is optimised.

Replacement capital expenditure amounted to R178.1 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 R32.7 million to R139.7 million equating to 6.5% of cash operating costs. The increase in SIB expenditure is mainly attributable to increased Styldrift trackless fleet rebuild and strike belt extension related works.

FINANCIAL POSITION

As at 30 September 2021, the Company had net cash of R3 851 million, compared to a net cash position of R3 625 million as at 30 June 2021. Cash movements for the quarter include the payment of a R5.35/share equating to approximately R1 500 million interim dividend.

At the end of the quarter, RBPlat had no interest bearing borrowings outstanding, with approximately R3 000 million of banking facilities available in addition to cash on hand. We have refinanced our banking facilities to a R1 000 million General Banking Facility and a new 5-year R2 000 million Revolving Credit Facility.

COMPANY GUIDANCE

Group production guidance for the full year remains unchanged as communicated in our 2021 interim results. Subject to any unforeseen operational disruptions, 4E ounce production is expected to be between 475koz and 485koz for the year. Total cash operating costs per 4E ounce for the Group have been revised and are forecast to be between R16 100 and R16 400, compared to R15 825 and R16 150 previously.

Group capital expenditure is revised lower to R2.1 billion from R2.2 billion, with SIB expenditure between 6% and 8% of operating cost for the year.

Description	Unit	Unaudited quarter ended 30 September 2021	Unaudited quarter ended 30 September 2020	Quarter 3 2021 vs. Quarter 3 2020 % Change	Unaudited YTD 30 September 2021	Unaudited YTD 30 September 2020	YTD Sept 2021 vs. YTD Sept 2020 % Change
Safety							
TIFR (/1000 000 hrs)	rate	7.73	4.47	(72.9)	7.58	5.15	(47.2)
LTIFR (/1000 000 hrs)	rate	1.77	0.54	(227.8)	1.74	1.30	(33.8)
SIFR (/1000 000 hrs)	rate	0.97	0.36	(169.4)	0.73	0.59	(23.7)
Production							
Total tonnes hoisted	kt	1 340	1 295	3.5	3 498	3 083	13.5
BRPM	kt	682	665	2.6	1 820	1 603	13.5
Styldrift	kt	658	630	4.4	1 678	1 480	13.4
Total tonnes milled	kt	1 248	1 159	7.7	3 408	2 782	22.5
BRPM	kt	676	570	18.6	1 848	1 484	24.5
Styldrift	kt	572	588	(2.7)	1 560	1 298	20.2
Merensky	kt	957	1 006	(4.9)	2 580	2 325	11.0
UG2	kt	291	153	90.2	828	458	80.8
% UG2 of total tonnes milled	%	23%	13%	76.9	24%	16%	50.0
Closing surface stocks	kt	228	310	(26.5)	228	310	(26.5)
BRPM	kt	66	124	(46.8)	66	124	(46.8)
Styldrift	kt	162	186	(12.9)	162	186	(12.9)
Built-up head grade (4E)	g/t	3.89	3.98	(2.3)	3.84	4.01	(4.2)
BRPM	g/t	3.94	4.03	(2.2)	3.85	4.05	(4.9)
Styldrift	g/t	3.84	3.92	(2.0)	3.83	3.96	(3.3)
Merensky	g/t	3.87	4.01	(3.5)	3.85	4.03	(4.5)
UG2	g/t	3.96	3.78	4.8	3.81	3.87	(1.6)
Concentrator recovery (4E)	%	81.36	84.03	(3.2)	81.48	83.19	(2.1)
BRPM concentrator	%	82.35	85.14	(3.3)	82.46	84.62	(2.6)
Maseve concentrator	%	80.10	82.01	(2.3)	80.32	80.37	(0.1)
Metals in concentrate produced							
Total							
6E	koz	142.4	138.1	3.1	384.4	331.4	16.0
4E	koz	127.0	124.5	2.0	342.8	298.0	15.0
Platinum	koz	81.9	80.7	1.5	220.8	193.4	14.2
Palladium	koz	34.0	33.3	2.1	91.8	79.3	15.8
Rhodium	koz	7.6	6.7	13.4	20.6	16.4	25.6
Gold	koz	3.5	3.8	(7.9)	9.6	8.9	7.9
Iridium	koz	2.6	2.2	18.2	7.0	5.4	29.6
Ruthenium	koz	12.8	11.4	12.3	34.6	28.0	23.6
Nickel	kt	0.743	0.848	(12.4)	2.060	1.986	3.7
Copper	kt	0.458	0.518	(11.6)	1.269	1.212	4.7
BRPM							
Total 6E	koz	78.4	69.2	13.3	209.6	180.1	16.4
Total 4E	koz	69.5	62.6	11.0	185.7	162.3	14.4
Platinum	koz	44.3	40.3	9.9	118.0	104.5	12.9
Palladium	koz	18.7	16.8	11.3	50.0	43.3	15.5
Rhodium	koz	5.0	3.9	28.2	13.6	10.4	30.8
Gold	koz	1.5	1.6	(6.3)	4.1	4.1	0.0
Iridium	koz	1.5	1.0	50.0	4.0	2.8	42.9
Ruthenium	koz	7.4	5.6	32.1	19.9	15.0	32.7
Nickel	kt	0.293	0.357	(17.9)	0.804	0.887	(9.4)
Copper	kt	0.182	0.225	(19.1)	0.500	0.555	(9.9)

Description	Unit	Unaudited quarter ended 30 September 2021	Unaudited quarter ended 30 September 2020	Quarter 3 2021 vs. Quarter 3 2020 % Change	Unaudited YTD 30 September 2021	Unaudited YTD 30 September 2020	YTD Sept 2021 vs. YTD Sept 2020 % Change
Styl drift							
Total 6E	koz	64.1	68.6	(6.6)	174.9	151.3	15.6
Total 4E	koz	57.6	61.8	(6.8)	157.2	135.6	15.9
Platinum	koz	37.7	40.3	(6.5)	102.8	88.8	15.8
Palladium	koz	15.3	16.5	(7.3)	41.8	36.0	16.1
Rhodium	koz	2.6	2.8	(7.1)	7.1	6.0	18.3
Gold	koz	2.0	2.2	(9.1)	5.5	4.8	14.6
Iridium	koz	1.1	1.1	0.0	3.0	2.6	15.4
Ruthenium	koz	5.4	5.7	(5.3)	14.7	13.0	13.1
Nickel	kt	0.450	0.491	(8.4)	1.256	1.099	14.3
Copper	kt	0.276	0.294	(6.1)	0.769	0.657	17.0
Cash operating costs							
Cash operating cost	R'm	2 143	1 861	(15.2)	5 735	4 757	(20.6)
BRPM	R'm	1 052	875	(20.2)	2 847	2 320	(22.7)
Styl drift	R'm	1 091	986	(10.6)	2 888	2 437	(18.5)
Cash operating cost / tonne milled	R/t	1 717	1 607	(6.8)	1 683	1 710	1.6
BRPM	R/t	1 556	1 535	(1.4)	1 541	1 563	1.4
Styl drift	R/t	1 907	1 677	(13.7)	1 851	1 878	1.4
Cash operating cost / 4E ounce	R/oz	16 874	14 948	(12.9)	16 730	15 963	(4.8)
BRPM	R/oz	15 137	13 978	(8.3)	15 331	14 295	(7.2)
Styl drift	R/oz	18 941	15 955	(18.7)	18 372	17 972	(2.2)
Capital expenditure							
Total capital	R'm	421.0	456.7	7.8	1 250.5	1 236.2	(1.2)
Expansion	R'm	103.2	274.9	62.5	451.7	829.5	45.5
Replacement	R'm	178.1	74.8	(138.1)	485.7	187.2	(159.5)
Stay-in-business (SIB)	R'm	139.7	107.0	(30.6)	313.1	219.5	(42.6)
BRPM	R'm	29.3	17.0	(72.4)	66.6	56.5	(17.9)
Styl drift	R'm	87.4	24.1	(262.7)	217.3	72.9	(198.1)
Maseve	R'm	0.8	1.7	52.9	1.3	11.0	88.2
Concentrators	R'm	22.2	64.2	65.4	27.8	79.1	64.9
BRPM SIB as a % of operating cost	%	2.8	1.9	(47.4)	2.3	2.4	4.2
Styl drift SIB as a % of operating cost	%	8.0	2.4	(233.3)	7.5	3.0	(150.0)

* 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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