



ACHIEVEMENTS

- > Healthy labour relations maintained
- > Successful commissioning of Styldrift I Main shaft



IMPROVEMENTS

- > Lost time injury frequency rate improved by 25.0% to 0.51 per 200,000 hours worked
- > Serious injury frequency rate improved by 58.8% to 0.14 per 200,000 hours worked



CHALLENGES

- > Depressed PGM market conditions
- > Cash operating cost per platinum ounce up 21.2% to R15 615



DISAPPOINTMENTS

- > Two fatal accidents at our operations
- > Platinum production down 8.8% to 78.8koz
- > US\$ PGM price performance

Overview

The first six months of 2015 have proved to be the most challenging since RBPlat took operational control of the BRPM joint venture in January 2010. Our safety and operational performances, which were below expectations, contributed to lower production volumes and ounce output, against the backdrop of significant softening in commodity prices.

RBPlat made a basic and headline loss of 60.4 cents per share for the six months ended 30 June 2015 compared to the basic and headline earnings of 116 cents per share for the six months ended 30 June 2014. 66% of this movement was attributable to the reduced average rand basket price (including revaluation of the pipeline) of R18 062/Pt oz from R21 148/Pt oz in the comparative period in 2014.

Tragically we suffered two fatal accidents during the reporting period, one at BRPM North shaft and one at our Styldrift I project. Subsequent to the reporting period we also had a fatal accident at our BRPM South shaft. On 6 July 2015 Mr Kayaletu Sidumo, working for RMS as a Winch Operator was fatally injured when he was struck by a scraper rope during scraping operations. Our deepest condolences go to the families, friends and colleagues of Mr Paquete, Mr Muchanga and Mr Sidumo. Detailed investigations into the fatal incidents have been undertaken and remedial action taken to prevent similar repeat incidents. These incidents occurred despite achieving a significant improvement in our lost time injury frequency rate and recording the lowest serious injury frequency rate since the inception of the BRPM joint venture.

Delivered tonnes for the reporting period ended 1.6% higher compared to the first half of 2014. Platinum and 4E ounce production was however, negatively impacted by a 5.2% reduction in the built-up head grade and a 3% reduction in tonnes milled due to two mill-related failures during the second quarter. Platinum and 4E ounce production amounted to 78.8koz and 122koz respectively, representing a 9% reduction. The reduction in tonnes milled combined with a 10.7% increase in total cash operating costs resulted in the cost per tonne milled increasing by 13.8% year-on-year.

Execution of the Styldrift I project progressed through a period during which the principal shaft and sinking contractor on the project (Shaft Sinkers) was unable to perform the work required as a result of its financial constraints. As a result, we gave notice of termination in January 2015 to Shaft Sinkers and in order to limit the impact of the termination and ensure as smooth a transition as possible we simultaneously engaged Aveng Mining (Aveng). Aveng took over the balance of the Shaft Sinkers scope of work as of mid-March 2015.

The RBPlat Board of directors (the Board) believes that it is imperative during a sustained depressed phase of a market cycle, as is currently being experienced, to maintain a strong and healthy balance sheet and to prepare the organization to maximize the uplift in the cycle that will inevitably follow.

Given the backdrop of this sustained depression in the PGM market which is expected to remain depressed in the medium term, the Board has made a strategic decision to materially reduce construction related activities and related

capital expenditure at the Styldrift I project. It is not deemed appropriate to ramp up these high quality Merensky ounces into a currently depressed market at prevailing market prices, and neither is it deemed prudent to burden the balance sheet by raising further funding with its related excessively restrictive and/or dilutive terms and conditions that would apply in the current environment. The intent is to reduce the level of activities at Styldrift I to such an extent that expenditure could be serviced from excess cash flows generated from operations at RBPlat's existing BRPM operations as well as from revenue generated from on-reef development at Styldrift I. The Board will continuously monitor the situation and necessary adaptive decisions will be taken as market conditions change or improve.

At BRPM our Merensky Phase III replacement project remains ahead of schedule and below budget.

A settlement in respect of a taxation dispute between our wholly-owned subsidiary, Royal Bafokeng Resources (Pty) Ltd (RBR) and the South African Revenue Services (SARS) relating to the tax assessments for the 2008, 2009 and 2010 tax years, was reached.

Financial capital

RBPlat made a basic and headline loss of 60.4 cents per share for the six months ended 30 June 2015 compared to the basic and headline earnings of 116 cents per share for the six months ended 30 June 2014. The main reasons explaining this negative movement of 176.4 cents per share are:

- A lower realised average rand basket price for the six months ended 30 June 2015. The impact of the reduced rand basket price is a loss of 74 cents per share
- The impact of a once-off current income tax (R50 million) and deferred tax (R60 million) expense for the settlement of a tax dispute with SARS relating to the RBR tax assessments for the 2008, 2009 and 2010 tax years. The impact of the once off tax adjustment is a loss of 57.5 cents per share
- Revenue for the six months ended 30 June 2014 included a positive revaluation of the pipeline of R98.7 million whilst the revaluation of the pipeline for the six months ended 30 June 2015 was a negative R12.8 million resulting in a total negative movement of R111.5 million. The impact of the revaluation of the pipeline is a loss of 42 cents per share.

Net revenue decreased by 22.1% from R1 826.5 million in the first half of 2014 to R1 422.6 million for the first half of 2015 due to a 14.6% decrease in the average rand basket price to R18 062 per platinum ounce in the first half of 2015 compared to R21 148 in 2014 and an 8.8% decrease in platinum ounces produced due to intermittent stoppages at the mining and processing operations.

BRPM's average cash operating cost per platinum ounce increased by 21.2% from R12 881 to R15 615 due to an 8.8% decrease in platinum ounce production, the front-end loading of the wage increases in terms of the five-year wage agreement and above inflation utility increases.

Our gross profit margin reduced by 97.8% from 26.8% to 0.6% for the period ended 30 June 2015. This was due to the 22.1% decrease in net revenue and a 5.7% increase in total cost of sales for the six months ended 30 June 2015.

Earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue decreased from 34.0% to 11.1% in the first half of 2015 as a result of the decrease in the rand basket price as well as an increase in cash operating costs and administration costs.

The income tax charge increased to R67.0 million mainly due to the inclusion of a R50 million once-off charge relating to the 2008, 2009 and 2010 tax settlement as well as an increase in income tax due to increased interest income and increased non-mining income mainly as a result of the increased Impala royalty income. Deferred tax decreased by R76.8 million from R128.4 million for the six months ended 30 June 2014 to R51.6 million in 2015 due to reduced mining income.

During the six months ended 30 June 2015 the Group decreased its cash and cash equivalents by R552 million as the capital expenditure on the Styldrift I project increased in line with the previously planned increase in construction activities.

At 30 June 2015 the RBPlat Group had cash and near cash investments of R1 312.2 million of which R42.4 million is ring-fenced for the RBPlat housing project. The Group has a R458 million working capital facility of which R152.5 million has been utilised for guarantees at 30 June 2015.

No dividends have been declared or proposed in the current period (2014: nil).

Outlook

We are focused on achieving operational excellence in our core business of mining at BRPM, with an increased focus on improving safety, increasing our Merensky contribution, productivity improvements, grade control and strict cost management. Given the challenges we experienced in the first six months of the year, our guidance is towards the bottom range of the previously communicated guidance of 2.4 – 2.5Mt. Our grade is guided to be around 4.15g/t, yielding 275 – 285koz (4E).

Demand growth for platinum this year is anticipated to be 4%, with increases seen in autocatalyst and industrial uses. However, the platinum price, together with the prices for the other platinum group metals, is expected to remain depressed for the remainder of the year and into the foreseeable future.

As a result of prevailing weak market conditions, the Board has taken a decision to materially reduce construction activities and related capital expenditure at Styldrift I. The prevailing and forecast market conditions will require close monitoring of business expenditure and expenditure patterns in order to maintain a healthy balance sheet and to preserve cash in the business through an even more enhanced focus throughout the RBPlat Group on:

- Operational cost savings
- Capital deferment
- Improving efficiencies and productivity
- Reviewing our Merensky and UG2 mix
- Rescheduling and restructuring of mining operations.

Further information

This short form announcement is the responsibility of the board of directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement published on SENS on Tuesday, 4 August 2015, and also available on Royal Bafokeng Platinum's website at www.bafokengplatinum.co.za. The full announcement is also available for inspection at the registered office of RBPlat and the offices of the Sponsor, during office hours from Monday to Friday between 9am – 4pm, at no charge.