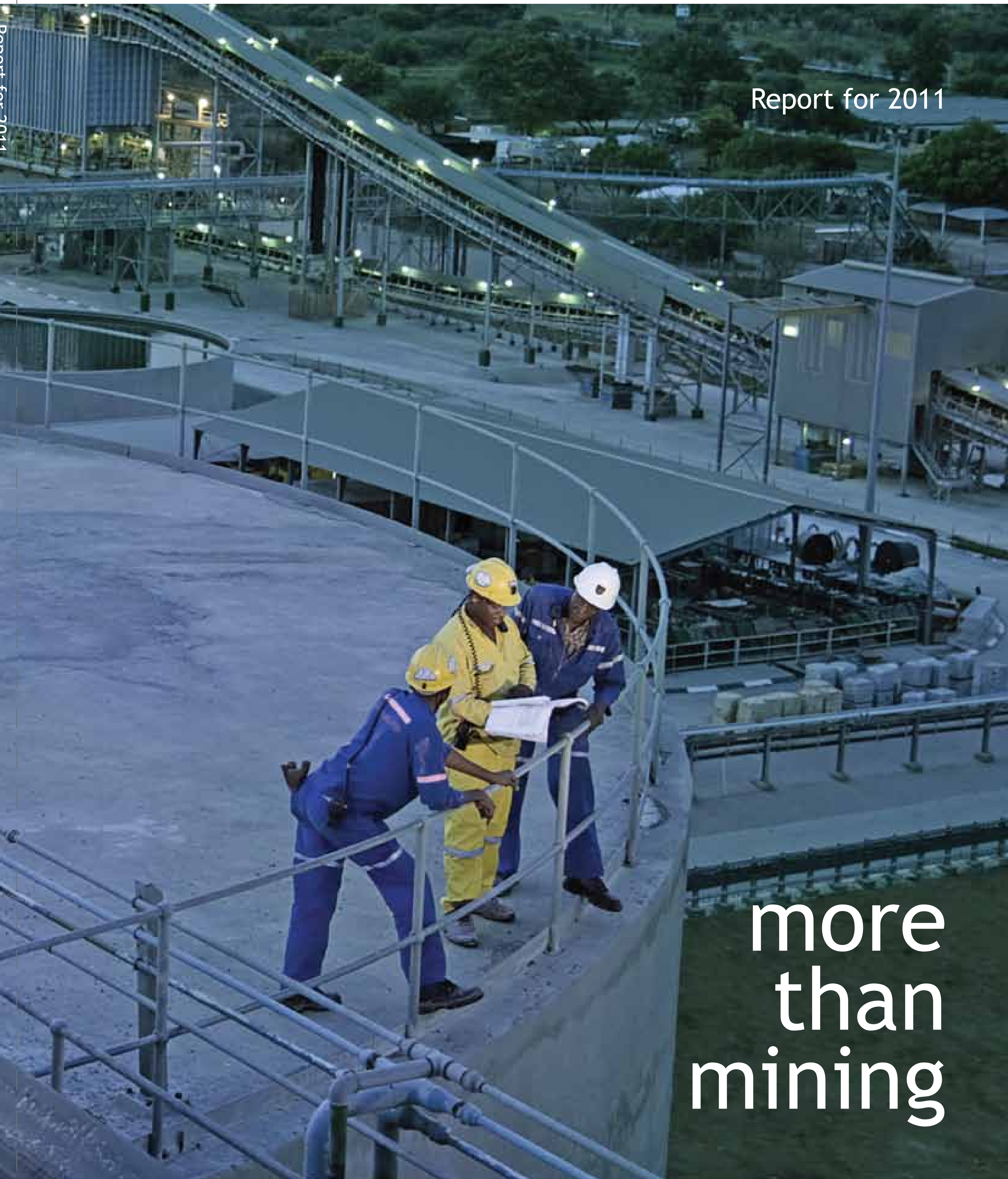
ROYAL BAFOKENG
PLATINUM
MORE THAN MINING



Royal Bafokeng Platinum Report for 2011

Contents

About this report

Royal Bafokeng Platinum (RBPlat) was an early adopter of the integrated approach to reporting when it published its first annual report after listing on the JSE Limited (JSE) in 2010. This year we have applied the reporting framework proposed by the International Integrated Reporting Committee (IIRC) to assist us in showing the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social, financial and economic issues. To ensure access to any additional information you may require, you will find references throughout this report that will connect you with further sources of information.

In addition to adopting an integrated approach to our reporting, we have applied King III, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the JSE Limited Listings Requirements and have been guided by the Global Reporting Initiatives's (GRI) G3 guidelines with the mining and metals sector supplement in terms of measuring our progress towards sustainability. This report meets application level B+ of the GRI G3 guidelines.

Our annual financial statements, which are compliant with International Financial Reporting Standards (IFRS) start on page 95. The annual financial statements are audited by PricewaterhouseCoopers Inc (PwC) and their unqualified audit report appears on page 95. In order to ensure that our stakeholders are provided with reliable information on our sustainability performance, we also engaged PwC to supply independent third party assurance over selected sustainability information included in this report. This Independent assurance report is to be found on page 90.

The process we adopted to determine the issues material to our business and our stakeholders is aligned with our organisational decision-making processes and our strategies. By applying the principle of materiality we determined which issues could influence the decisions, actions and performance of our organisation and its stakeholders. We refer you to the Operating context on page 6 of this report in which we describe the circumstances in which we operate, the key resources and relationships on which we depend, the key risks and opportunities we face and how material issues can affect our ability to create and sustain value over time.

Data is measured at source (e.g. flow meters are used to measure water consumption, pump meters to measure diesel fuel, etc). Indicator-specific descriptions of data measurement occur throughout the report. Safety, health and environmental data is checked internally and signed off by the Safety Manager, the occupational medical practitioner (doctor) and the Safety, Health, Environment and Risk (SHER) Manager. Sample external verification of data was undertaken by PwC as part of the assurance processs. Where we believe that a GRI G3 indicator is not applicable we have stated this in the GRI G3 Content Index table on page 157 to 165. Where possible, we have defined data measurement by means of units of measure. The Group's interest in joint ventures is accounted for by proportionate consolidation (see Note 22 on page 112 for more information).

We would welcome your feedback on our reporting for 2011 and any suggestions you have in terms of what you would like to see incorporated in our report for 2012. To do so please contact Lindiwe Montshiwagae at lindiwe@bafokengplatinum.co.za.

www

These icons appear in this report to indicate to readers where further information is available, please refer to the relevant page in this report or log on to www.bafokengplatinum.co.za

See assurance statement on page 90
See page 145 for disclaimer

Chairman's report

This has been a busy year at RBPlat during which we devoted time to establishing an RBPlat approach, based on responsible business practices in terms of community engagement, labour relations, corporate governance and social responsibility (both in terms of community investment and supply chain accountability), that will allow us to achieve our aspiration of *More than mining*

Advocate Kgomotso Moroka SC
Independent Chairman

I am delighted to introduce our annual report for the financial year ended 31 December 2011. Our reporting covers the activities of Royal Bafokeng Platinum (RBPlat), a producer of platinum group metals (PGMs) listed on the JSE Limited, which operates the Bafokeng Rasimone Platinum Mine (BRPM) and is constructing the Styldrift I Project, both of which are located in the North West province of South Africa.

Performance against strategy

In 2011 we did not allow ourselves to be distracted by the global and local uncertainties that were a feature of the year. Instead we remained focused on achieving our strategic objectives of moving towards operational excellence, building flexibility, growing organically and pursuing value enhancing opportunities.

Zero harm is one of the key goals of our strategic objective of achieving operational excellence and keeping our people safe is the most important part of zero harm. My congratulations to the teams at BRPM and the Styldrift I Project on a fatality-free year during which we reduced our lost time injury frequency rate (LTIFR) by over 10.4% and we had one month during which no one was injured at our operations.

Sadly, our hopes of achieving another fatality-free year in 2012 were dashed when Miner Assistant Mr Castigo Mario Ndeve was fatally injured at BRPM's North shaft on 6 February. The Board would like to extend its condolences to his family and friends for their loss.

We have made progress towards containing costs through efficiencies and increasing productivity, but a number of factors beyond our control hindered our efforts. We expect to make greater progress in these key areas in 2012.

One of our landmark achievements this year was the signing of a three-year wage agreement with the National Union of Mineworkers (NUM), which sets the average annual increase in our fulltime labour costs for the next three years and includes production efficiency targets and incentives. This agreement will assist us in managing costs for the next three years.

We have built some flexibility into our business by increasing our production of UG2 ore. We aim to increase BRPM's immediately available reserves to the point where we achieve and maintain 50% spare capacity in immediately stopable reserves (IMS).

At present the main focus of our strategic objective of growing organically is the Styldrift I Project, which is proceeding well. We are achieving our objective of using cashflows from existing operations to fund growth, to date we have achieved substantial savings against budget and are addressing Styldrift's future skills requirements as part of our operational readiness preparations.

We signed two agreements with Impala Platinum Limited (Implats), in terms of which they are to mine areas of our ore body which are close to their 6, 8 and 20 shafts where we have no infrastructure. In terms of these agreements RBPlat earns a royalty.

Stakeholder engagement

Building and maintaining strong relationships with key stakeholders is critical to achieving our strategy and most importantly our relationships with government and the communities in which we operate. We have developed a comprehensive stakeholder engagement framework and engagement plans, to manage our sometimes extremely complex community issues. Our Board plays an important role in RBPlat's engagement with its stakeholders and considers the short- and long-term impact of our strategy on our internal and external stakeholders before making strategic decisions. Our employees have an opportunity to make recommendations to the Board through our Chief Executive Officer (CEO) during meetings and the quarterly sessions he holds with the mining teams.

The Board

Quality leadership is vital to the success of a business and it is particularly important in the boardroom. Our Board takes ownership of the Company's strategy and debates and stress-tests it. It is also the forum that sets the Company's values and empowers our management team to execute our strategy and be accountable for delivering against it. I wish to acknowledge and thank our Board members for their significant contribution to our Board debates and the Board's committees.

At RBPlat we are committed to having a quality Board that promotes a culture of transparency and internal debate. We carefully seek out the skills and experience that would add value to our debates when we recruit our non-executive directors.

Board plans for 2012

We will continue to monitor safety performance, the progress preparations for operational readiness at Styldrift I, delivery against the Project Kgolo objectives and assessing their relevance in 2012. We will also be monitoring delivery against the productivity targets of our three-year wage agreement.

The Board had two training sessions in 2011, one being a one-day session facilitated by KPMG that familiarised our directors with the new Companies Act and a further one day of training in health and safety strategy and methods for improving safety standards. I would refer you to the Governance section of this report for more information on the Board and its activities.

We will, of course, continue to explore opportunities to enhance value for our stakeholders.

In conclusion

On behalf of the Board I thank our Chief Executive Officer, our executive and management teams and all our employees and contractors at BRPM and Styldrift I, for their commitment throughout the year to achieving our objectives.

Kgomotso Moroka
Independent Chairman

Styldrift I Project under construction

Organisational overview

RBPlat is a JSE-listed, black-owned and controlled, mid-tier PGMs producer with a 67% interest in the Bafokeng Rasimone Platinum Mine (BRPM), an unincorporated joint venture (JV) with Rustenburg Platinum Mines Limited, a wholly-owned subsidiary of Anglo American Platinum

RBPlat, which assumed operational and management control of BRPM in January 2010, operates BRPM, which consists of twin decline shaft complexes from surface down to 500 metres and a concentrator plant with the capacity to process 2.4 million tonnes per annum (mtpa) and produce about 290 000 4E platinum group metal (PGM) ounces per annum. Deepening projects are under way to ensure the timely replacement of mineable reserves at BRPM's North and South shafts. The deepening of North shaft from level 6 to 10 (Phase II) was completed in August 2011 and completion of the South shaft's deepening from level 6 to 10 (Phase II) is expected in September 2012. A further deepening of the North shaft from level 11 to 15 (Phase III) began in 2010 and should be completed by 2017. The BRPM JV has a total resource base of 73.5 million PGM ounces (4E). Historically, the operation has focused exclusively on the mining of the Merensky Reef, but currently access development is also focusing on the opening up of UG2 reserves. RBPlat is also bringing the Styldrift I Project into production to provide future growth. The platinum concentrate produced by BRPM is sold to Anglo American Platinum for beneficiation in its refineries. There have not been any significant changes in the size, structure or ownership of RBPlat or the BRPM JV during the year.

Strategy

The strategy driving our business has four pillars: *Towards operational excellence*, *Build flexibility*, *Grow organically* and *Pursue value enhancing opportunities*, which are underpinned by the aspiration of *More than mining*. Our Chief Executive Officer discusses our performance against these strategies on pages 14 to 19.

Our vision

To seek and deliver the good from mining

Our mission

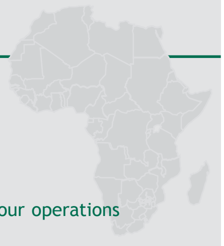
Through sustained stakeholder beneficiation, thereby leaving a lasting legacy

Our stakeholders

Our stakeholders include our shareholders, the majority of whom are members of the Royal Bafokeng Nation (RBN) which, through its investment arm, Royal Bafokeng Holdings (RBH), owns 57% of RBPlat, the communities in which we operate from whom we earn our licence to operate, our employees, organised labour, government, our business partners and providers of debt.

Our attitude to risk

At RBPlat we understand that risk is an intrinsic aspect of our business which is inseparable from opportunity. Our approach to risk management and our risks, the mitigation of these risks and the opportunities they present, are discussed in terms of our operating context on pages 8 to 11 of this report.



Read more about our operations on pages 4 to 6

For more information on our organisational structure visit our website www.bafokengplatinum.co.za

Performance and environment

The BRPM JV operations are located 120 kilometres from Johannesburg, 30 kilometres from the city of Rustenburg and 17 kilometres from Phokeng, the capital of the RBN

Achievements

- Fatality-free year
- 1.8 million fatality-free shifts for RBPlat by year-end
- Landmark three-year wage agreement
- Ungeared balance sheet
- Styldrift I declared R323 million savings to date
- Immediately stopable reserves (IMS) improved from 4.9 months to 5.5 months
- R273.7 million headline earnings (relatively flat)
- R326 million cash inflow from settlement of RPM balances
- Accelerated BRPM JV capex of R1 164 million (2010: R967 million)

Disappointments

- Intermittent safety stoppages
- Strike by JIC contract workers

Improvements

- Headgrade up from 4.31 to 4.35 g/t (4E)
- BRPM concentrator recoveries at 87.83% (a 1.5% improvement)
- R1 364 million healthy cash and near cash position

Challenges

- 4.2% decrease in tonnes milled
- 2.2% decrease in 4E ounces
- 10.7% increase in cash operating cost per tonne milled to R782/tonne
- 8.7% increase in cash operating cost per platinum ounce to R9 863/Pt oz
- Reduction in headline earnings per share to R1.67 (2010: R1.91)

The immediate surroundings of our operations are rural in nature and both BRPM and Styldrift I are located on land owned by the RBN and state-allocated land.

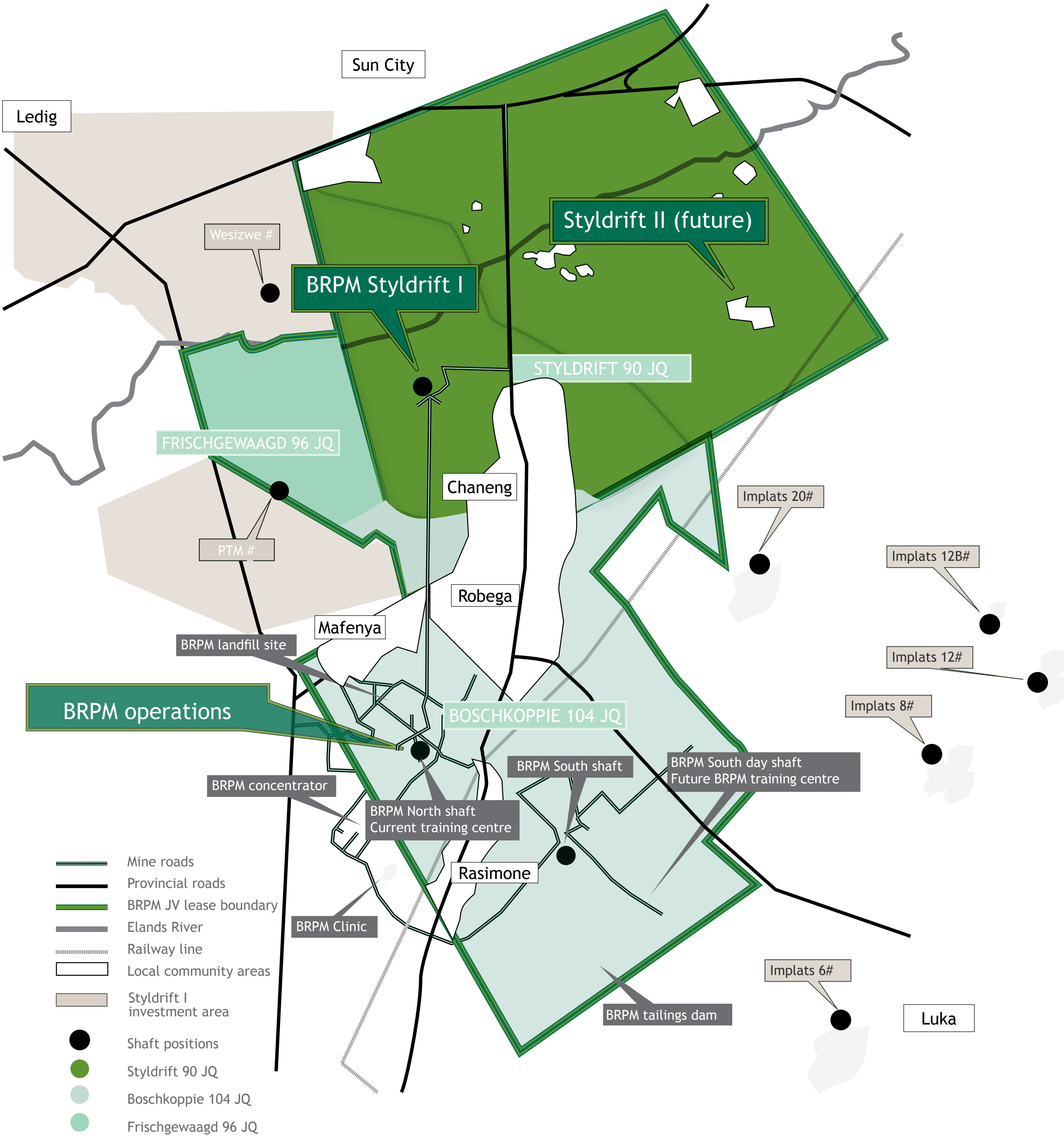
Our operations are surrounded by four villages: Mafenya, Chaneng, Robega and Rasimone, informally referred to as MACHARORA. One clinic, which is open 24 hours a day, serves these villages.

The RBN owns 1 000 km^2 of land, which is part of the Rustenburg Local Municipality. The area of the North West province is 106 512 km^2, which is 8.7% of the total area of South Africa.

The mainstay of the economy of the North West province is mining, which generates approximately 24% of the province's gross domestic product and provides jobs to 17% of its workforce.

The BRPM concentrator

Refer to pages 12 to 13 for performance statistics



Demographics of the North West province

	North West province
Capital/main town	Mahikeng
Population	±3.5 million
Employed	±680 000
Employed in mining sector	±114 000
Education levels	Only 5% of the adult population (20 years and older) have received higher education and the literacy rate is approximately 57%
Unemployment	±28.6%
Share of SA population	±6.43%
Share of total SA GDP	±6.50% (approximately R170 million)
Contribution to provincial GDP from mining	±23.9%
HIV prevalence rate	±30%

Source: StatsSA

Operating context

While RBPlat operates in South Africa the price for the PGMs we produce is influenced by global market conditions

The global environment

Current global economic uncertainty has resulted in lower PGM prices and there is likely to be a delay in their recovery in 2012. However, supply constraints and growing deficits should see a recovery in industrial demand from 2013. While the global economy faces the risk of a double dip recession, a slowdown in China and the risk to the platinum industry is the possible substitution of PGMs, our opportunities include a tighter market and higher prices, the possible release of pent-up demand in the automotive industry and a positive stationary fuel cell and non-road market.

The South African environment

In South Africa the mining industry faces regulatory challenges which include numerous pieces of legislation relating to health and safety, environmental management, the revised Mining Charter and other licences and permits with which we strive to comply. Our internal audit programmes, Board and executive governance processes monitor our compliance.

As a JSE-listed company we comply with the JSE Listings Requirements and make every effort to apply the King Code of Governance Principles.

Uncertainty around the debate regarding nationalisation of the South African mining industry has discouraged investment in the mining industry.

RBPlat's operating environment

Operating costs are escalating as a result of above inflation increases in labour, electricity and materials costs. However, we have taken action to contain costs through the introduction of efficiencies which are discussed in our Chief Executive's Review of performance against strategy on pages 14 to 19.

While there is a shortage of adequate and appropriate skills in South Africa, RBPlat has taken steps to address our requirements — see the Training and development section of this report on pages 66 to 67.

Currently, our electricity supply is sufficient for our needs and we have secured an adequate supply for our Styldrift I growth project.

While limited resources in the form of water and electricity could be challenges in the future, we have adequate supply of both for our short- to medium-term needs.

One of the challenges to the sustainability of our business is our relationship with the communities in which we operate, which are key stakeholders of our organisation, and ensuring that we retain our licence to operate. The demands of communities on mining companies are increasing as they become frustrated by the levels of unemployment, particularly among the youth, and a lack of service delivery.

Building mutually beneficial relationships with the communities in which we operate, while challenging, can result in benefits for both parties when it is successful. For further information on our community relationships see the Community section on pages 70 to 71.

Concentrator employees in front of the wet screening section of the BRPM concentrator plant

In the table in this section we have also identified our key stakeholders, their interests and expectations and where these represent an opportunity or a risk for our business. For a detailed history of the venture, please visit our website at www.bafokengplatinum.co.za

For more information on our 2011 operational performance, see pages 33 to 39

For more information on the risk matrix, turn to page 9

For more information on safety turn to page 60

For further information on funding for Styldrift I, see the CEO's Review of performance against strategy on page 18

For more information on human resources see page 64

For further information on fuel energy see the environmental section on page 55

For more information on the RBN Masterplan go to www.bafokeng.com

Material issues

We determined our current and future material issues by consulting with our internal and external stakeholders (we refer you to the table in this section), identifying the issues that could influence the decisions, actions and performance of our Company or our stakeholders and determining the relevance and significance of these issues in the short, medium and long term.

We have also identified our operational, financial, socio-political and legal compliance risks and rated them in terms of being high, significant, medium or low risks.

This table sets out our most material issues, our stakeholders who are affected by these issues, the risks they pose to ourselves and our stakeholders, the opportunities they present and our responses to them.

Material business issue	Stakeholders affected by the issue	Risks to the business arising from the issue	Opportunities identified from the issue for the business and our response
Safety performance at both BRPM and Styldrift	• Employees/unions • Board/ management • Department of Mineral Resources (DMR) • Shareholders • Community	• Potential for loss of employees' lives and injury to employees due to unsafe working conditions leading to poor morale • Loss of production because of safety-related stoppages by both our management and the DMR, resulting in a loss of revenue and cash flow earnings (loss of value) to shareholders and a lower tax contribution to the fiscus • Reluctance from local community members to assume employment at mining operations due to (perceived) unsafe (and hostile) working conditions • Potential unsafe working practices from employees attempting to achieve production targets	• We developed, implemented and monitored our own safety strategy, which assisted us in achieving a consistently good safety performance during 2011 • A safety culture where everybody takes responsibility for safety can lead to safer working with fewer injuries, a stable working environment and consistent production levels
Limited face length at BRPM	• Shareholders • Employees/unions • Management • DMR • Community	• Curtailed life of mine resulting in loss of revenue and earnings • Erratic production levels resulting in poor employee productivity • Limited flexibility of operations resulting in an inability to adapt to changing economic environment • Negative impact on funding for Styldrift I and II development • Loss of production due to lack of flexibility for stoping crews	• Expedite UG2 development and mining • Co-extraction of Merensky and UG2 reefs, potentially maximising our value creation
Development and implementation of the social and labour plan (SLP)	• DMR • Board/ management • Employees/unions • Community • Shareholders • Local municipalities	• Inadequate implementation of our SLP will result in: – disgruntled employees and community members leading to protest action and violence against our operations – withdrawal of our mining rights by the regulator (DMR) leading to cessation (and potential loss) of mining investment and development opportunity	• Improve alignment between SLP objectives and integrated development plans (IDPs) and other regional development programmes, e.g. the RBN Masterplan • Improve engagement between our communities, our employees and our operations in order to manage expectations and understand changing needs • Embark on development opportunities that will empower our employees and the community beyond the life of the mine and fulfil the social component of our Mine Closure Plan • Demonstrate the social relevance of RBPlat through innovative and effective social and specific community development projects
Availability of adequate and appropriate skills	• Shareholders • Employees/unions • Community	• Not meeting production targets due to the relevant skills not being available at various levels of the organisation	• Early identification and development of the required skills for current and future operations • Engage local community members for available employment opportunities • Collaborate with educational institutions to meet future skills requirements, support the objectives of the Mining Charter and our SLP commitments
Global economic and market conditions	• Shareholders • Board/ management • Employees • Community • Government (SARS)	• Lower PGM demand in major markets due to global debt crisis • PGM price volatility together with the potential strengthening of the rand against the US dollar, resulting in volatile or reduced earnings	• Implement effective and sustaining cost efficiency and productivity improvement programmes, including our three-year wage agreement with the unions
Limited resources	• Employees/unions • Board/ management • Government and regulators • Shareholders • Community	• Our operations are located in a water-scarce region of South Africa. The increasing demand for fresh water can lead to a shortage of water which presents a significant challenge for RBPlat and the communities in which we operate • A delay in Eskom's build programme could result in production being interrupted at BRPM and production at Styldrift I being delayed	• BRPM plans to install a water treatment plant and treat the water from the mine which historically has been stored on site so this water can be used in the process plant at BRPM and reduce our requirement of fresh water from Magalies Water • We have found opportunities to make our operations more energy efficient and continue to identify further opportunities to do so • We have secured an adequate power supply for Styldrift I which could be delayed if Eskom's build programme falls behind
Escalating operating costs	• Employees/unions • Board/ management • Government and regulators • Shareholders • Community	• Above inflation increases in labour costs, electricity costs and materials costs may negatively impact our earnings	• The three-year wage agreement we have concluded with our own employees has fixed our wage costs for the next three years and also includes an incentive to improve productivity levels • Our installation of a water treatment plant will reduce the costs we incur for potable water • We are continually looking for ways to improve our energy efficiency – both our use of electricity and fuel and our consumption of raw materials

Risk management

Risk is an intrinsic aspect of business and is inseparable from opportunity. During 2011 RBPlat developed and began implementing its risk management policy and an enterprise risk management framework

The objective of our risk management policy is to promote a culture of continual improvement in risk management, align and embed risk management with key organisational processes and functions, enhance value through effectively leveraging opportunities and better managing uncertainties, ensure an environment where we can confidently grow shareholder value and pursue business opportunities, while developing and protecting our people, our assets, our environment and our reputation.

Risk management philosophy

RBPlat applies the precautionary principle in its approach to actively managing identified risks and in particular environmental risks, without necessarily requiring a scientific consensus regarding the potential for risk to occur before action is taken.

The Board of directors of RBPlat has committed the Group to a process of risk management aligned to the principles of King III. This includes developing and embedding sound and effective systems of internal control and enterprise risk management which are consistently reviewed at all levels within RBPlat. The purpose of this commitment is to:

- create and maintain a safe working environment and protect and promote the health, safety and wellbeing of our people and the communities in which we operate
- preserve and enhance our assets and earnings potential
- anticipate and rapidly respond to changes in our business environment
- engage with all our stakeholders and develop mutually beneficial relationships that allow us to respond appropriately to social and environmental needs and concerns.

To implement our philosophy we:

- identify, evaluate and regularly review the risks facing RBPlat
- develop and maintain appropriate actions and controls, including contingency plans, to manage risks through a formal enterprise risk management framework
- safeguard and optimise the Group's assets
- consistently work to protect the health, safety and wellbeing of all people affected by our operations.

Enterprise risk management framework

Our enterprise risk management framework is based on sound risk management principles and guidelines.

RBPlat Board of directors

The Audit and Risk Committee reports into the Board of directors which is responsible for:

- approving the enterprise risk management framework and the policies for the management of risk
- reviewing and approving the Group's top risks
- reporting on risks to stakeholders.

Audit and Risk Committee

The committee:

- is responsible for the Risk Framework and Policy
- reviews the effectiveness of risk management systems
- is responsible for top risk confirmation
- reviews financial and operational risks
- periodically reviews policies, processes and significant issues reported to it by the RMC
- reviews financial and operational risks
- receives report back from internal audit on audits performed.

Safety, Health and Sustainable Development Committee

The committee:

- reviews the effectiveness of risk management in terms of safety, health and the environment
- ensures that appropriate systems are in place to minimise sustainable development risks and maximise opportunities
- ensures that RBPlat creates and maintains a safe working environment and protects and promotes the health, safety and wellbeing of our people and the communities in which we operate.

Risk Management Committee (RMC)

The primary role of our RMC, which in turn reports to the Board's Audit and Risk Committee, is to:

- champion and promote enterprise risk management and ensure the risk management process and culture are embedded throughout RBPlat
- review and prioritise the risks identified and assess the completeness of the risks identified
- monitor and track the progress of units that are accountable and identify risks and report on the status of significant risks and the overall monitoring of risk to the Audit and Risk Committee
- ensure risk strategies are adopted on the basis of a cost-benefit analysis and that they reflect RBPlat's tolerance for risk
- receive information on new enterprise-wide risks as they develop and prioritise them against existing risks
- report to the Audit and Risk Committee on risk management activities and the extent of any actions undertaken to improve the risk management process
- report to the Safety, Health and Sustainable Development Committee on the sustainability of the business.

Operational and corporate office functional unit heads

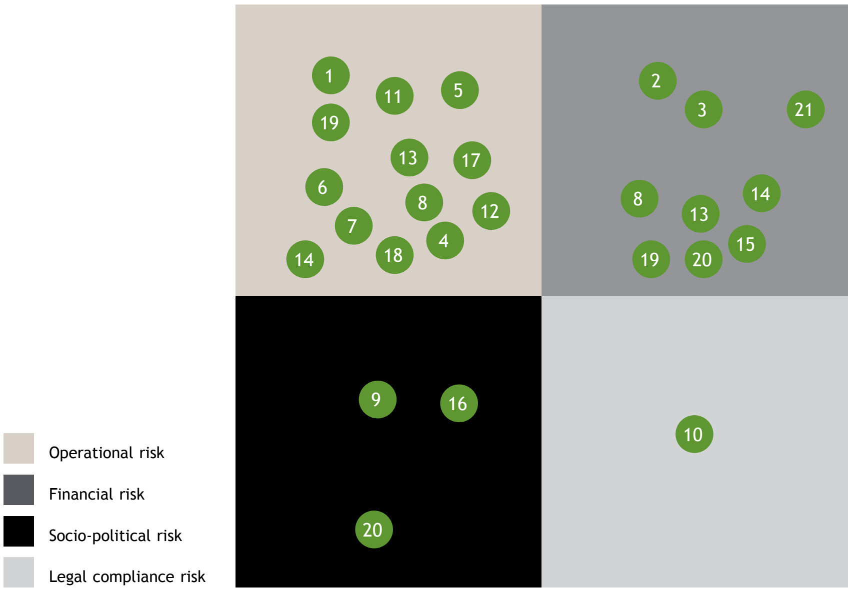
At RBPlat risk management starts with all operational and corporate office functional unit heads who are responsible for:

- implementing and monitoring the process of risk management and integrating it in day-to-day activities
- ensuring all employees and contractors are aware of the risks they may face daily and, where appropriate, providing the necessary education and training
- identifying, communicating and managing risks in their area of operations
- preparing quarterly risk analysis worksheets on risks concerning their area of operations
- reporting on risks identified and action plans in place to address the risks to the RMC
- identifying, communicating and managing risks that could affect the sustainability of the business.

Our most significant risks

We feature below the risks we have identified as being the most significant risks to our business. For details of all the risks we have identified, which include risks generic to the mining industry, please consult the table on our website: www.bafokengplatinum.co.za

This diagram provides a graphic representation of our risks in terms of operational, financial, socio-political and legal compliance risks. The numbers in the graphic indicate our most significant risks and that the majority of these risks are operational and financial.



1 Inadequate safety performance resulting in risk of injuries and DMR interventions/stoppages

Impact

Low morale and reduced employee productivity due to injury and sickness from unsafe working conditions will impact on the ability of our operations to achieve our business objectives.

Response

Our Company's first value is safety and people first. Employees continually receive training on how to monitor and implement safe and healthy working conditions. Our efforts to improve our safety performance continue to be successful. More information in this regard can be found in the Safety section of this report.

2 Financial exposure due to significant drop in PGM prices

Impact

Our revenue and earnings are dependent on the prevailing prices for PGMs and base metals, such as nickel, contained in the concentrate we produce. Each PGM and base metal is globally traded and consequently we are unable to directly control the prices we receive for them. Historically, PGM prices have fluctuated widely and they are affected by numerous external factors beyond our control.

The prices of PGMs and base metals are quoted in US dollars, while our operating costs are incurred in rands. As a result, fluctuations in the exchange rate can impact positively or negatively on our earnings. As we are unable to directly set the prices we receive for our PGMs, our competitiveness and long-term profitability depend, to a significant degree, on our ability to reduce costs and maintain low cost, efficient operations. Important costs include the extraction and processing costs of raw materials and consumables such as power, fuel, labour, transport and equipment, many of which are susceptible to inflationary and supply and demand pressures.

Response

The impact on our operating profit and our ability to fund project development are set out in the Economic capital section of this report. PGM price trends and a commentary on the outlook for 2012 is provided in the Future outlook section of this report.

3 Financial exposure due to significant strengthening of the rand

Impact

The prices of PGMs and base metals are quoted in US dollars, while our operating costs are incurred in rands. As a result, fluctuations in the exchange rate can impact positively or negatively on our earnings.

Response

The impact of currency exchange rate fluctuations on our operating profit, together with the average exchange rates prevailing in 2011, is set out in the Economic capital section.

4 Insufficient immediately stopable reserves

Impact

Inability to achieve ledging and equipping rates to make up the shortfall.

Response

Sound mine approved mining production planning programme is in place and we have an ongoing increased focus on ledging and equipping with the crews supported by a management and supervisory structure.

5 Operational exposures due to poor operational performance

Impact

Impacts on our operating environment may adversely affect operating performance, production levels, unit costs and operating profit.

Response

Our response to operational risk includes: mine planning and production monitoring and review, plant process control, fire detection and fire suppression systems to reduce the risk of fire, environmental management programmes, comprehensive project management control, assessment of project management processes, community and social and labour plan strategy and execution, having a supply agreement in place and maintaining relations with Eskom, using computer software modelling and implementing geotechnical support recommendations.

6 Delays in project completion

Impact

A number of factors, some of which are out of our control, can affect the development of our projects. These include technical uncertainties, availability of suitable financing, infrastructure constraints, cost overruns, insufficient skills or resources. External organisations can cause unexpected delays due to problems obtaining, renewing or extending relevant operating, social or environmental permits or other legislative requirements. Anti-mining sentiment by local communities can slow or halt project development and influence government processes. Our ability to develop our project pipeline will impact our future revenues, costs and management's reputation for successful project development.

Response

Cost control remains a key consideration of any project development and to date we have an excellent track record in this regard (See Project review page 40). We have rigorous planning and risk management processes in place both leading up to a project's approval and during its development. We have a thorough project approval process which governs our project management at every stage of a project's development.

We monitor our projects to ensure we identify and manage our social, environmental and ethical risks.

Detailed progress reports for all projects are provided to our Executive Committee and early warning systems are in place to keep projects on track.

7 Fire on conveyor systems

Impact

Loss of production due to fire or outages on conveyors and the risk of injury to persons (all underground conveyors).

Response

We have refuge bays, are introducing chair lifts and have installed and maintain belt fire detection, suppression and a monitoring system. We are also installing a mechanism for emergency isolation of the conveyor belt decline from the workings.

8 Financial and operational exposure due to reliance on Anglo American Platinum and future independent IT strategy and roll out

Impact

The impact of a failure of IT systems on our operational management would be major.

Response

We have embarked on an IT migration project and are in the process of establishing our own IT infrastructure, including policies and procedures, back-up protocols, disaster recovery protocols and performance monitoring.

Impact

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Response

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9 Breakdown in community relations resulting in production interruptions

Impact

Our operations and the development of projects can have an impact on local communities, which could involve resettlement of communities and the relocation of infrastructure. Communities may oppose our activities.
If we do not gain broad support for our activities from the communities in which we operate we could face project delays, impacts on our future profitability and development costs and reputational damage.

Response

We aim to avoid the need to resettle communities, but if the need should arise we would adhere to international standards on involuntary resettlement. We have increased our focus on engaging with communities, listening to them and keeping them informed of our activities and the employment and skills development opportunities we can offer. We have also increased our focus on ensuring the speedy delivery of our social and labour plan (SLP) commitments and our corporate social investment (CSI) projects, which are aimed at uplifting and empowering the communities in which we operate.

10 Non-compliance with key legislation

Impact

Legal, financial, reputational and operational exposure. Any breach of regulations or non-compliance may damage our reputation and our retention of our licence to operate.

Response

We comply in full with laws and regulations and with our policies, procedures and management systems. We monitor legislative requirements and engage with government and regulators regularly to ensure full compliance.

Our closure liabilities are assessed annually.

11 Slimes dam capacity constraints

Impact

Business continuity exposure.

Response

We have environmental management programmes in place and a project is under way to determine the strategic position of future slimes dams. We have negotiated surface rights to available land.

12 Negative impact on operations and efficiency in event of loss of key employees

Impact

Loss of key and skilled employees to the labour market could result in financial loss and reputational damage.

Response

Our policy is to invest in future key contributors and to implement adequate notice periods and lock-ins through deferred bonus payments and share incentives.

13 Delayed implementation of critical projects due to resource demands created by legislation, socio-economic development, corporate social development and other community responsibilities

Impact
Our ability to develop our project pipeline and replace older operations with new operations will impact future revenues, costs and our reputation for successful project development.

Response
We have comprehensive project management control programmes, project insurance and project and contractor staff retention strategies.

Impact
Our ability to develop our project pipeline and replace older operations with new operations will impact future revenues, costs and our reputation for successful project development.

Response
We have comprehensive project management control programmes, project insurance and project and contractor staff retention strategies.

14 Business interruption due to failure in respect of power supply

Impact
Financial and operational exposure due to power outages.

Response
We maintain relations with Eskom and have a supply agreement with Eskom.

Impact
Financial and operational exposure due to power outages.

Response
We maintain relations with Eskom and have a supply agreement with Eskom.

15 Higher than planned operational cost escalations

Impact
Reduction in earnings impacting on the Group's ability to fund projects from operational cash flows.

Response
We have enhanced our activity-based costing, which is monitored daily by the Shaft Accountant in consultation with the Shaft heads of department. Project Kgolo's objectives of improving productivity and reducing cost wastage are aimed at reducing cost escalations. We also plan to increase volumes with the aim of reducing our cost per tonne.

16 Labour unrest/industrial action

Impact
Potential breakdown in stakeholder relationships leading to industrial action.

Response
We have established a negotiations committee and have successfully negotiated a three-year wage agreement that indicates we currently have cordial relationships with labour and reduces the risk of industrial action for the next three years. Senior management including our Chief Executive Officer regularly interact with employees. We engage with our major contractors who have concluded a two-year wage agreement.

17 Geological structure complexity for large infrastructure siting

Impact
Major catastrophic event due to geological structure complexity resulting in the failure of large excavations.

Response
A shaft bottom study has been carried out at Styldrift and we have sited excavations at our North and South shafts in line with rock engineering recommendations.

18 Employee skills

Impact
Quality of key operational and support staff due to a lack of sufficient on-the-job training.

Response
The human resource development team has put in place structured training and development programmes with a focus on up-skilling our employees. On the job training in the form of mentoring is provided. We have staff retention strategies in place and provide a positive work environment.

19 Inadequate power supply for expansion projects

Impact
Inadequate confirmed power supply for expansion projects.

Response
Our project team has secured power supply for Styldrift I and the existing Boschkoppie main substation is adequate to cater for BRPM's future requirements.

Impact
Inadequate confirmed power supply for expansion projects.

Response
Our project team has secured power supply for Styldrift I and the existing Boschkoppie main substation is adequate to cater for BRPM's future requirements.

20 Local procurement

Impact
Financial, legal and reputational exposure due to community preference procurement expectations.

Response
RBPlat is in the process of establishing its own supply chain processes independence from Anglo American Platinum's supply chain. In 2011, we exceeded the Mining Charter targets for local procurement and we also exceeded all our social and labour plan (SLP) targets for 2014.

Impact
Financial, legal and reputational exposure due to community preference procurement expectations.

Response
RBPlat is in the process of establishing its own supply chain processes independence from Anglo American Platinum's supply chain. In 2011, we exceeded the Mining Charter targets for local procurement and we also exceeded all our social and labour plan (SLP) targets for 2014.

21 Inadequate stay-in-business (SIB) capital resulting in SIB project being delayed

Impact
Non-mitigation of business risk due to lack of SIB capital and certain SIB projects are delayed due to SIB reduction.

Response
RBPlat prioritises SIB and currently adequate funds are allocated to cater for current operational needs.

Two-year history

	2011	2010 Restated
Financial statistics		
Gross profit margin (%)	19.0	23.7
EBITDA (R million)	1 035.5	815.3*
EBITDA margin (%)	34.8	38.7
Market capitalisation at year-end (R million)	9 082	10 953
NAV per share (R/share)	68.9	66.9
Average Pt basket price (R/Pt oz)	16 282	15 555
Cash operating cost (R/tonne milled)	782.0	706.6
Cash operating cost (R/Pt oz)	9 863.1	9 075.5
Capital expenditure (R million) (BRPM JV)	1 163.6	967.1
– SIB	146.1	97.8
– Project (Styldrift I)	638.5	489.5
– Replacement	379.0	379.8
Operational statistics		
4E metals in concentrate (koz)	281 598	288 136
Production per metal from BRPM concentrator		
Platinum (oz)	174 560	187 360
Palladium (oz)	71 235	76 937
Gold (oz)	9 636	10 416
Rhodium (oz)	12 938	13 423
Iridium (oz)	4 297	4 486
Ruthenium (oz)	22 395	23 225
Nickel (tonnes)	2 055	2 251
Copper (tonnes)	1 286	1 425
Production per metal – UG2 toll treatment		
Platinum (oz)	8 152	–
Palladium (oz)	3 585	–
Gold (oz)	170	–
Rhodium (oz)	1 322	–
Iridium (oz)	465	–
Ruthenium (oz)	2 080	–
Nickel (tonnes)	16	–
Copper (tonnes)	16	–
BRPM concentrator recovery (%)	87.83	86.49

* *Excludes profit on remeasurement of previously held interest in BRPM*

The BRPM concentrator's flotation section

	2011	2010
Headgrade 4E (g/t)	4.35	4.31
Employee information		
Number of own employees (includes corporate office employees, BRPM bursars, graduates and learners)	3 028	3 207
Number of contractors	5 247	4 463
Employee turnover, excluding contractors (%)	9.5	5.5
Investment in employee and contractor training and development		
– Total expenditure (R million)	38.4	26.8
– % of payroll	6	3
Employment equity** (%)		
– Top management	60	44
– Senior management	50	60
– Professionally qualified/middle management	54	43
– Technically qualified/junior management	81	76
– Core skills	99	75
– Women in mining (percentage of own employees)	12	10
Safety		
Fatalities	–	3
Lost time injury frequency rate (LTIFR/200 000 hours worked)	0.897	1.001
Serious injury frequency rate	0.467	0.531
Environmental information		
Total water use for primary activities (Ml)	2 078.7	1 977.9
Total water use for non-primary activities (Ml)	106.2	113.6
Total recycled water use (Ml)	2 204.1	2 992.4
Energy usage		
– Electricity (MWh) including Styldrift	295 095	292 552
– Diesel (kl)	429.485	511.172
– Petrol (kl)	22.327	31.742
Total energy use in GJ excluding Styldrift	1 051 692	1 074 025
Total energy use in GJ including Styldrift	1 093 890	1 074 025
Corporate social investment (BRPM)		
HRD (R million)	25.3	11.1
CED (R million)	10.5	–
Other (R million)	0.1	0.7
Total community upliftment and social investment (R million)	35.9	11.8

*** Historically disadvantaged South Africans as a percentage of the workforce at different levels*

Shaft sinking crew on Styldrift I Project

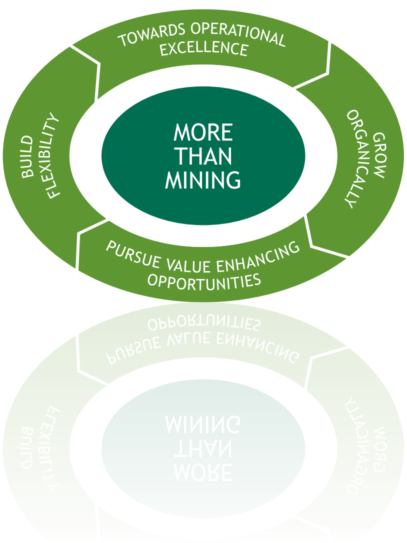
Chief Executive Officer's review of performance against strategy

I am pleased to report that, overall, RBPlat made good progress against its strategies, despite a challenging year in which internationally, continuing global economic uncertainty had a negative impact on market conditions. Locally, extensive safety stoppages in the first and fourth quarters made it difficult for the platinum industry to achieve production targets

Steve Phiri
CEO and executive director

Our strategy has four pillars to it:

- Towards operational excellence
- Build flexibility
- Grow organically
- Pursue value enhancing opportunities



When I review our performance against strategy in 2011 the one thing that really stands out for me is our outstanding safety performance for the year. We had no fatal injuries, our lost time injury frequency rate (LTIFR) improved 10.1% and we achieved a 12% improvement in our serious injury frequency rate (SIFR) year-on-year. We also had an injury-free month in August and in September achieved one million fall of ground fatality-free shifts. By year-end we had also achieved 1.8 million fatality-free shifts at all of our operations.

After we had been so successful at keeping our people safe in 2011, I was very disappointed when our failure to keep everyone safe resulted in Mr Castigo Mario Ndeve being fatally injured by a fall of ground incident on 6 February 2012. He and his team leader, who received minor injuries, were installing supports on 6 level at BRPM's North shaft when the incident occurred. My deepest sympathies go to his family, friends and colleagues for their loss. We suspended operations in our North shaft while the incident was thoroughly investigated. The team at BRPM will be using the lessons learnt from this investigation to make our mine safer.

2011 was a year of two quite different halves for PGM prices. Early in 2011 there was the devastating earthquake and tsunami in Japan. During this period, platinum prices traded relatively high at up to US$1 850/oz. This encouraged the recycling of around 300 000 ounces of platinum jewellery, which capped any further price appreciation.

In the second half of the year the intensification of the euro crisis disrupted the recovery of the platinum market from a forecast deficit to a narrow surplus, as motor vehicle sales weakened. Europe accounts for approximately 50% of automotive platinum demand and as a result their fortunes are inextricably linked. As the region once again entered recession the platinum price, which had temporarily lifted to almost US$1 900/oz at the end of August, settled at just below US$1 400/oz by year-end. Throughout 2011 palladium prices, which largely followed in the wake of platinum prices, were trading below US$650/oz by year-end. Rhodium underperformed the major PGMs in 2011, and declined 40% from over US$2 400/oz at the beginning of the year to US$1 400/oz by year-end.

I am pleased to report that, overall, RBPlat made good progress against its strategies in a challenging year in which internationally, continuing global economic uncertainty had a negative impact on market conditions. Locally, extensive safety stoppages in the first and fourth quarters made it difficult for the platinum industry to achieve production targets. These stoppages were despite the significant improvement in our safety record.

Our strategy has four pillars to it: *Towards operational excellence, Build flexibility, Grow organically* and *Pursue value enhancing opportunities*.

Central to our strategy is the aspiration – *More than mining* – which not only represents our journey towards achieving our vision of seeking and delivering the good from mining and our mission of leaving a lasting legacy of sustainable benefits for our stakeholders but also underpins our four strategic pillars.

It reminds us that our business exists within a greater societal context and that while our business is the mining of PGMs, our objective is to achieve sustainable financial returns through the safe, profitable production of PGMs by maximising the development of our manufactured and human capital.

More than mining also encompasses being a responsible corporate citizen, maintaining the highest standards of corporate governance, reinforcing and expanding the positive social and environmental impacts of our operations and mitigating unavoidable negative impacts.

By achieving our objective we will create exceptional value for all our stakeholders and we will fulfil our vision of delivering the good from mining.

Steve Phiri
Chief Executive Officer

Towards operational excellence

We identified the following key issues that we currently need to address in our quest to achieve operational excellence:

- Achieve zero harm
- Reduce costs through efficiencies
- Productivity
- Effective employee engagement

Towards achieving zero harm

While we have not yet achieved zero harm, as I have said previously we are very pleased with the progress we have made with our safety performance.

Reducing costs and increasing productivity

When RBPlat took over the management and control of BRPM we needed a new approach that would allow us to achieve operational excellence as a stand-alone business. We needed to establish a permanent and sustainable footprint of doing the right things for the right reasons. We hired change management specialists, Alexander Proudfoot, who have extensive experience in the mining industry, to undertake a business review of BRPM. Based on this review we implemented Project Kgolo to reduce costs by 7.5% and increase production by 7.5%. BRPM's Management Committee and RBPlat's Executive Committee approved Project Kgolo in July 2010. Four main work streams were identified for the project: mining, engineering, central stores and the concentrator. BRPM selected a dynamic team of experienced specialists from BRPM to work with the Alexander Proudfoot team and develop the skills necessary to continue with the project once the Alexander Proudfoot team completed its commitment at BRPM. The project began with a quick win cost reduction exercise.

Removing blockages in the system

Project Kgolo reviewed existing standards and procedures with a view to achieving cost efficiencies and removing blockages in the mining process that were interrupting the smooth flow of ore from the mine.

Areas identified as causing blockages were the availability of winches and rolling stock and the cleaning capacity of scrapers.

Effective employee engagement

Project Kgolo identified the need to improve employee engagement. In particular, it identified the need to reduce the gap between senior management and lower level miners and to ensure all employees understood the goals and objectives of the project by improving communication.

Training was provided to equip all levels of management with communication skills. In addition, supporting communication material in the form of regular newsletters, posters, messages on notice boards, a mine mascot that delivered key production and safety messages was available and a sports day was held to gain support from BRPM employees for Project Kgolo.

More information on our safety performance is available on page 60

For further information on reducing costs, turn to page 16

Charging up in a ledging section at BRPM

Strategy in action — a case study

Winches

- Before Project Kgolo the repair of the mine's winches was outsourced. Lengthy turnaround times impacted on winch availability and control of the quality and cost of repairs was poor. A winch repair workshop was established at BRPM, as was a quality control check of each winch before its return to the mine.

  Improvement achieved: A saving of approximately R3 900 a winch repair (approximately R110 500 a month) and improved turnaround time on repairs and the quality of repair work.

- The Kgolo team established that some winch installations were incorrect, causing premature gearing failures and damage to the drum flanges.

  Improvement achieved: Upgrading of winch installations reduced the winch failure rate and consequently reduced costs.

- The improved availability of winches highlighted a hold up caused by a shortage of winch motors.

  Improvement achieved: Having established through research of industry benchmarks that, on average, only one third of winch motors are available for use in a mine at any one time, we increased our number of winch motors to allow for this. New winch motors purchased have improved energy efficiency as we purchased the most energy efficient motors available.

Scrapers

- The Project Kgolo team established that the mine was using an array of different scrapers, many of which were not cleaning efficiently.

  Improvement achieved: We standardised on three different types of scrapers, selected because they were best suited to cleaning in particular situations in the mine. Mining procedures now specify which type of scraper is to be employed in a particular situation, resulting in faster, more efficient cleaning.

Rolling stock

- Having increased the speed at which we were cleaning we then discovered that in some areas of the mine a lack of locomotive batteries and hoppers was delaying the removal of ore from the mine. Also, sometimes there was too little capacity in one area of the mine while rolling stock lay idle in another.

  Improvement achieved: We installed a Smart rail system which manages the rolling stock and ensures that it is available when and where it is needed. We also reconfigured the rail switches and installed additional ones to improve the turnaround time of material cars and purchased additional locomotive batteries to reduce the downtime of locomotives.

Utilisation of artisans

- Project Kgolo identified that artisans were not always fully utilised at BRPM.

  Improvement achieved: We have increased our utilisation of artisans from 58% to 86%, which has improved equipment availability.

The disappointments

Our target was to achieve a 7.5% reduction in costs through central service productivity and organisation design and a 7.5% increase in production during the 12 months of the project. Instead we realised a 4% reduction in tonnes milled and an increase of 10.7% in cash operating cost per tonne milled.

We believe we would have achieved our targets had it not been for a number of factors that prevented us doing so. The main hindrance was the safety stoppages we had in the first and fourth quarters, through which we lost production shifts, the ten days of production we lost when the North shaft conveyor belt snapped (since this incident we have reviewed our conveyor belt schedule) and an estimated 34 350 tonnes of production we lost (resulting in a loss of 3 920 4E ounces) when contract workers went on strike for higher wages.

An instructor trains a new winchdriver in the operation of a scraper winch installation

Build flexibility

We believe that building flexibility into our business will increase its sustainability. We have identified three key issues that will provide this flexibility in the short, medium and long term. They are:

- Increasing the production of UG2 ore
- Replenishing our ore stockpile to ensure uninterrupted concentrator operation
- Accelerated ore reserve development

Increasing the production of UG2 ore

To achieve our long-term strategy and ensure we can achieve sustainable production from BRPM in the long term we need to make the best possible use of both our Merensky and UG2 resources. Historically, BRPM has been a Merensky operation with some exploratory mining of UG2 taking place on a small scale. Now UG2 ore is to play a strategic role in BRPM's current life of mine (LOM) schedules.

Not only does early access of the UG2 ore present us with an opportunity to increase production, it also allows us to improve our overall operational flexibility, while maintaining our historic Merensky bias. To achieve this we focused on accessing and further developing BRPM's, as yet, largely untapped UG2 resources during 2011. We plan to progressively increase UG2 production at BRPM in the medium term to supplement our current Merensky production.

Result:

During 2011 BRPM's UG2 run of mine (ROM) production increased by 232% with 258 kilotonnes (kt) being hoisted, compared with the 78 kt hoisted in 2010. The UG2 ore reserve-related development increased commensurately.

Replenishing our stockpile

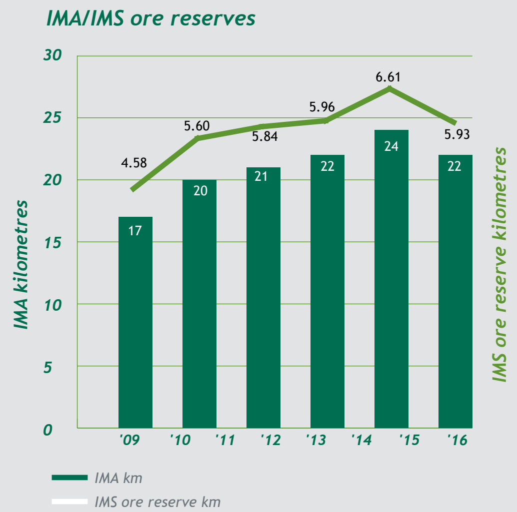
To improve flexibility at BRPM and ensure the concentrator does not stand idle because of insufficient ore to process as the result of a mining event, RBPlat has decided to build up a meaningful amount of ore in stockpiles over time.

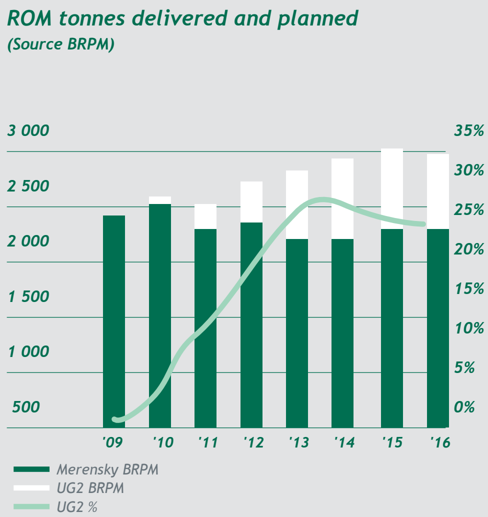
To build future flexibility we plan to expand the capacity of the BRPM concentrator to a 230 ktpm dual processing plant, which will allow it to process up to 30% UG2 ore in its total concentrator feed. Currently the concentrator can process up to 10% UG2 in its total concentrator feed.

Accelerated ore reserve development

We aim to increase BRPM's immediately available ore reserves (IMA) to the point where we achieve and maintain 50% spare capacity in immediately stopable reserves (IMS), which will equate to three panels for every two crews. In order to do this we need to:

- increase our primary and secondary development metres by assigning additional primary development resources
- focus on achieving an increase in the rate at which we convert our developed ore reserves (DOR) to IMS, which will require increasing the number of ledging and equipping crews and putting in place a management structure dedicated to this process.





See the website for further information on the BRPM concentrator (www.bafokengplatinum.co.za)

Grow organically

We believe that by growing organically and using cashflows from existing operations to fund growth, we will be able to exploit our existing resources to the benefit of all our stakeholders.

We have identified three current and future issues that could affect the delivery of the Styldrift I Project. They are:

- Funding
- Community engagement
- Operational readiness including adequate power supply

The Styldrift I Project, a twin vertical shaft complex employing mechanised mining, will allow us to double our production capacity from within the boundaries of the Styldrift and Frischgewaagd farms, which neighbour BRPM.

Pre-sink activities, which began on the main and service shafts during the last quarter of 2010, were completed down to a depth of just over 60 metres by April 2011 and conversion from pre-sink to full shaft sinking was completed at the end of June with the full sink beginning in July 2011. The main shaft is 10.5 metres in diameter and will reach a depth of 740 metres. The service shaft is 6.5 metres in diameter and scheduled to go down 705 metres. Production ramp up will commence in the second quarter of 2015 and ramp up to full production of 230 000 tonnes of Merensky ore per month in the second quarter of 2017. A study is presently being conducted to evaluate the co-extraction of UG2 ore. This will be hoisted over and above the 230 000 tonnes of Merensky ore by making use of the excess hoisting capacity in the shaft system.

Funding

Our strategy is to fund 50% of the Styldrift I Project from our existing operations. As a result, cashflows from BRPM are very important to the Styldrift project. If BRPM does not deliver on its cashflow forecast then we will need to raise additional funding to complete the project. As at 31 December the project, which is on schedule, showed savings of R323 million.

Community engagement

While the Styldrift mine is being developed, the work being undertaken is specialised and employment opportunities for members of the local communities are limited. Approximately 16% of the employees currently on site are from the surrounding communities and we continue to look for opportunities to increase this percentage. Once the mine is in full production it will employ approximately 2 500 people. The Styldrift project has established a stakeholder engagement programme to avoid misunderstandings and ensure community members are kept informed of progress on Styldrift and employment opportunities as they arise.

Ensuring operational readiness

In preparation for operational readiness the additional power supply requirements for Styldrift I have been secured. However, their availability depends on Eskom meeting its delivery dates for establishing new electricity generation capacity.

Preparations for operational readiness have already begun at Styldrift I, which include deciding how many people will be required to manage and operate the mine, production ramp up, employee housing requirements, recruitment, training and IT infrastructure.

In this regard, we have appointed a General Manager for the Styldrift I Project who joined us on 1 February 2012.

See Natural capital in the Performance section of this report on pages 53 to 57 and Future outlook on pages 82 to 83

Pursuing value enhancing opportunities

The aim of the fourth pillar of our strategy is to:

- Seek out possible synergies with our neighbours and other potential partners in the platinum industry, including sharing infrastructure development and cooperation on facilities
- Pursue value enhancing mining partnerships, consider possible mergers and acquisitions and other potential partnerships in the platinum industry

Our fourth strategic pillar has allowed us to extract value from the BRPM ore body through our royalty agreement with Impala Platinum Limited (Implats). The ore body at the extremities of our existing shaft infrastructure will not be mined until much later in the life of BRPM. These areas are close to the 6, 8 and 20 shafts of our neighbour, Implats, which is in a position to mine this ore body immediately.

The BRPM ore body that Implats is and will mine would be expensive for BRPM to mine because it is situated at the extremities of BRPM in an area where we have no infrastructure.

In order to evaluate how BRPM could extract the best possible value from these portions of our ore body we undertook trade-off exercises which looked at the feasibility of BRPM accessing the areas by investing in additional infrastructure to bring ounces forward. Significant capital investment would be required to develop the underground infrastructure. A comparison of these business cases with the Implats proposal and the existing life of mine plans showed that the value of BRPM would be further enhanced by entering into agreements with Implats.

We have two agreements in place with Implats. Through the first agreement, implemented prior to our listing on the JSE, Implats is already using its 6 and 8 shafts to mine a portion of our UG2 ore body. In terms of this agreement RBPlat earns a royalty based on 15% of Implats' revenue from the mining of the BRPM UG2 ore body (approximately 780 koz of 4E PGMs). Implats bears all the mining costs and because RBPlat was granted a Section 79 exemption by the DMR, in connection with this agreement, we have no safety, health or environmental responsibilities in connection with these mining activities as they have been assumed by Implats, to whom they were legally transferred.

The second agreement allows Implats to mine a portion of the BRPM Merensky and UG2 resources (approximately 2.2 Moz of 4E resource PGMs) via its 20 shaft, which is in the far northern section of the Boschkoppie property in an area known as the 'Boot area'. Mining via Implats' 20 shaft is expected to commence in mid-2012. In terms of this agreement RBPlat will receive a royalty from Implats of 17.5% of revenue. As with the previous agreement, Implats bears all mining costs and safety, health and environmental responsibilities.

The impact

The income RBPlat accrued from the 6 and 8 shafts royalty agreement with Implats in 2011 was R24.9 million. We anticipate earning income from the shaft 6 and 8 agreement for approximately seven years and from the 20 shaft agreement for approximately 30 years.

Underground mining at BRPM

Governance

Introduction to governance

Good governance, which is essentially about effective leadership, is at the heart of RBPlat's Board and committee structure. Our objective as a board is to provide responsible leadership by directing the Group's strategies and operations in a manner that will allow it to achieve sustainable economic, social and environmental performance. We are also committed to being responsible, accountable and fair in all that we do.

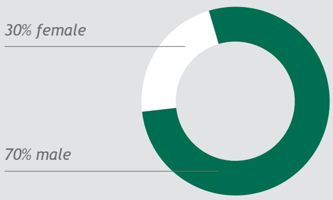
By appointing strong independent directors we benefit from their expertise and perspective and the introduction of different thinking to our deliberations. I also believe that by practising good corporate governance in the appointment of our directors and in the separation and clear definition of the roles and responsibilities of the Chairman and Chief Executive Officer we have equipped our Board not only to make decisions in the right way, but to make better decisions.

Corporate governance means much more than a set of rules and processes governing the running of a company. As Chairman of RBPlat I aim to ensure not only that RBPlat complies with all the relevant codes and regulations, but that we instil in our entire management team a commitment to achieving the best results in the most responsible way.

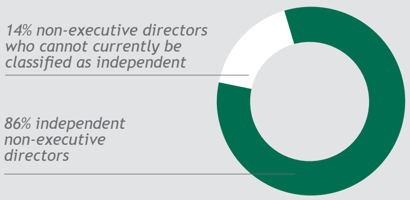
During the year the Board was involved in the development of new strategies, new projects were presented to us for consideration, the assessment of the Group's internal and external audit processes, which included a written report assessing the effectiveness of the Group's internal controls. We also developed terms of reference for the Social and Ethics Committee, which will replace the Safety, Health and Sustainable Development Committee in 2012 and the Board's first self-evaluation. RBPlat established numerous new policies, procedures and frameworks during the year which were presented to the Board for our consideration.

RBPlat wishes to enhance shareholder value in such a way that we make a real and permanent contribution to the wellbeing of the people and the development of South Africa. In my role as Chairman I shall do my best to ensure that RBPlat adheres to the highest possible standards of corporate governance.

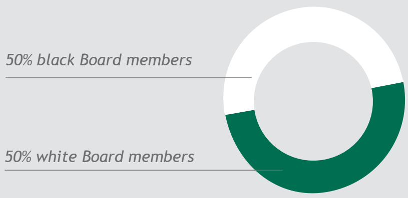
Advocate Kgomotso Moroka
Independent Chairman



Composition of RBPlat's Board

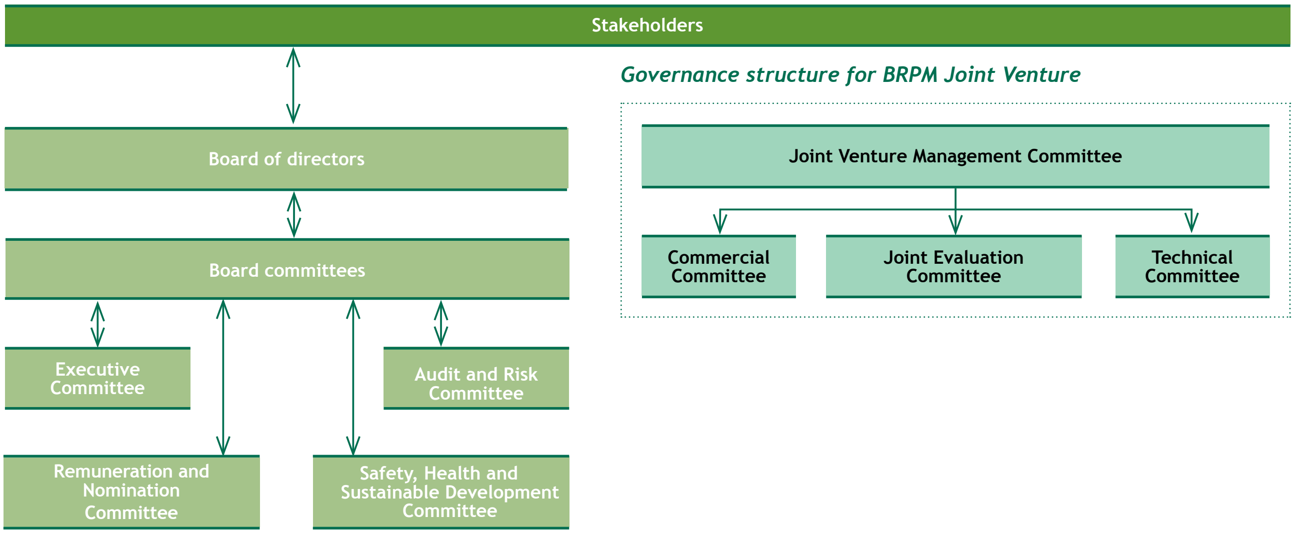


Percentage of non-executive directors that are independent



Racial composition

Governance structure for RBPlat



Our compliance with the Companies Act No 71 of 2008 (new Companies Act) which came into effect in May 2011

The gap analysis RBPlat undertook of its compliance with the new Companies Act identified certain areas where transition to the new Act will be required. We have established an implementation plan, which has been endorsed by our Board, that will ensure that we comply with the new Companies Act before the expiry of the transitional period allowed. We are reviewing the Company's Memorandum of Incorporation and shareholder agreements, to ensure they are aligned with the new Act. We have outlined certain approvals that will be required from shareholders at our Annual General Meeting on 3 April 2012 in the Notice to shareholders on page 146. These include the approvals required for intergroup financial assistance and non-executive directors' fees.

Progress with regard to the application of King III in 2011

RBPlat applies the principles of King III. In 2011 we have made progress with the significant areas of partial compliance with King III reported in our 2010 annual report. These include:

Areas addressed in 2011

Code of Ethics

We now have a Code of Ethics in place which has been endorsed by the Board, which will be implemented during 2012. A formal ethics hotline, administered by KPMG, has also been established.

Governing stakeholder relationships and corporate citizenship

A stakeholder engagement framework has been adopted by the Board and is being implemented.

Legal compliance policy and framework

A legal compliance policy and framework were endorsed by the Board in 2011 and are being implemented alongside the risk management process.

Remuneration philosophy

Our remuneration philosophy has been endorsed by the Board and is included in this report.

Board evaluation

A board evaluation process was conducted which assessed the Board, its committees, retiring directors and Chairman in terms of its economic, environmental and social performance. A formal development and corrective plan will follow in 2012.

Review of internal audit

As internal audit is outsourced to KPMG, an independent review has not been performed. However, an internal quality review was conducted and the audit processes and plan have been considered by the Audit and Risk Committee.

Written assessment of the effectiveness of the Group's internal controls

A written assessment of the effectiveness of the Group's internal controls has been finalised by the internal auditors and was considered by the Audit and Risk Committee and the Board. No material matters were raised.

Risk management framework

The Audit and Risk Committee and the Board have endorsed a risk management policy and framework which is now being implemented.

Some remaining significant areas of partial application

Alternative dispute resolution

A framework and policy are still to be developed. We expect to address this during 2012.

Governance of IT

The IT strategy and governance framework is still under review and will form a holistic ICT migration project, which is under way and due to be finalised in 2012.

Adoption of a succession plan of the Chairman, CEO and senior management

Succession planning is still under consideration by the Board and will be finalised in the third quarter of 2012.

Board of directors

From left to right

Non-executive directors

Advocate Kgomotso Moroka SC

BProc, LLB

57, joined the Board as Chairman and independent non-executive director on 1 June 2010. Advocate Moroka is Chairman of the Nomination Committee.

She is a practising advocate, who was admitted to the Johannesburg Bar in 1989, and a businesswoman. She serves on a number of boards, chairs Gobodo Forensic and Investigative Accounting (Proprietary) Limited and chaired the M-Net Phuthuma Share Scheme. The boards on which she serves include Network Healthcare Holdings Limited (Netcare), Standard Bank Group Limited and South African Breweries Limited. She is also a trustee of the Nelson Mandela Children's Fund, Project Literacy and the Tshwaranang Legal Advocacy Centre.

Professor Linda de Beer

CA(SA), MCom (Tax)

42, joined the Board as an independent non-executive director on 1 June 2010 and is Chairman of the Audit and Risk Committee. She is an independent reporting and governance advisor and visiting professor at the University of the Witwatersrand. She is a member of the King Committee on Corporate Governance in South Africa, the Issuers' Services Advisory Committee of the JSE Limited, the Financial Reporting Standards Council in terms of the new Companies Act and the Committee for Auditing Standards of the Independent Regulatory Board for Auditors in South Africa. She chairs the Consultative Advisory Group of the International Auditing and Assurance Standards Board (IAASB).

Robin Mills

BSc (Eng) (Rand) Mining, CEng, FIMM, FSAIMMM

65, joined the Board as an independent non-executive director on 20 September 2010 and is a member of the Audit and Risk Committee and the Safety, Health and Sustainable Development Committee. He currently consults to the mining industry.

During his career with the Anglo American group, which commenced in 1965, Robin Mills served as the Group Deputy Technical Director of Mining for the Anglo American Corporation of SA and served with AngloGold in an international executive capacity from 1998 before moving to the Konkola Copper Mines in Zambia in 2000, initially as Chief Operating Officer and then as Chief Executive. His final position in Anglo American was as Anglo American Platinum's Executive Director of Mining. Between 2007 and 2010 he served as Group Technical Director for the De Beers Group, Chairman of their Group Services Unit and a director of the Group's subsidiary and associate mining companies in southern Africa and Canada.

He is a UK Chartered Engineer and a Fellow of the UK Institute of Materials, Metallurgy and Mining and the Southern African Institute of Mining and Metallurgy.

David Noko

Dip Mech Eng, Postgraduate diploma in Company Direction, MBA (Edinburgh)

54, joined the Board as an independent non-executive director on 1 June 2010 and is Chairman of the Remuneration Committee, a member of the Audit and Risk Committee, the Safety, Health and Sustainable Development Committee and the combined Remuneration and Nomination Committee. He is currently the Managing Director of Celacorp, which provides corporate and executive advisory services, and has been a non-executive director of Astrapak since September 2007.

David Noko joined the De Beers Group in 2002 and was appointed Managing Director in 2006, which position he held until March 2010. Prior to joining the De Beers Group he worked for South African Breweries from 1987 to 1991, where he reached senior management level, before joining Pepsi Cola International as Operations Manager in 1994. He joined Air Chefs (Proprietary) Limited in 1997 and was appointed as its CEO in 1999.

Professor Francis Petersen

BEng (Chem), MEng (Metal), PhD (Eng), MNACI, PrEng, FSAIMMM, FSAAE

47, was appointed to the Board as an independent non-executive director on 1 June 2010, and is a member of the Audit and Risk and the Safety, Health and Sustainable Development Committee and a member of the boards of the South African Diamond and Precious Metals Regulator and Pragma Africa.

Before his move to academia Professor Petersen was Executive Vice-President of Research and Development at Mintek (Proprietary) Limited from January 2002 to April 2005, Head of Strategy at Anglo American Platinum from May 2005 to March 2008 and a member of the company's Executive Committee. He has been the Dean of the Faculty of Engineering and Built Environment at the University of Cape Town since April 2008 and is also an extraordinary professor in the Department of Chemical Engineering at the University of Stellenbosch, a member of the National Advisory Council on Innovation (NACI) and Chairman of the Council for Scientific and Industrial Research (CSIR). He is a registered Professional Engineer with the Engineering Council of South Africa (ECSA) and is a Fellow of both the South African Institute of Mining and Metallurgy and the South African Academy of Engineers.

Mike Rogers

BSc (Eng) (Rand) Mining, PrEng, FSAIMMM

67, was appointed to the Board as non-executive director on 7 December 2009 and is Chairman of the Safety, Health and Sustainable Development Committee and a member of the Remuneration and Nomination Committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum Mike Rogers gained an in depth understanding of RBPlat's operations.

Mike Rogers joined Anglo American Platinum in 2002 as a senior mining engineer heading up first the company's Mine Technical Services and subsequently Joint Ventures. Before joining Anglo American Platinum he was Deputy Managing Director and Technical Director of Duiker Mining. He started his career in the mining industry with Johannesburg Consolidated Investments Limited (JCI) in 1968 and by 1994 he was CEO of JCI's Coal and Base Metal Division, having previously worked in the company's gold, coal, platinum, base metal and antimony mines.

He is a registered Professional Engineer and is an Honorary Life Fellow of the Southern African Institute of Mining and Metallurgy.

Matsotso Vuso

BCom (Hons), CA(SA)

38, appointed to the Board as an independent non-executive director on 11 April 2011, she is a member of the Audit and Risk Committee. Matsotso Vuso is a non-executive director of South African Express Airways, Protech Khuthele and Cargo Carriers and the Managing Director of Nyamezela group of companies, which she founded in 2003.

She has extensive experience in audit (financial and IT), financial investments analysis and financial restructuring and has been responsible for major IT audit assignments in the aviation, manufacturing and motoring sectors. Matsotso is a member of the South African Institute of Chartered Accountants (SAICA) and the Independent Regulatory Board for Auditors.

Executive directors

Steve Phiri

BJuris, LLB, LLM, Dip Corp Law

55, was appointed to the Board and became Chief Executive Officer (CEO) on 1 April 2010 and is a member of the Safety, Health and Sustainable Development Committee and the Executive Committee.

Before his appointment to the Board of RBPlat he served as a non-executive director on the boards of Impala Platinum Limited and Zurich Insurance Company SA. He is an admitted attorney of the High Court of South Africa and South African Diamond and Precious Metals Regulator.

Experience and track record:

- Proven track record as CEO of Merafe Resources Limited (Merafe), a company listed on the JSE Limited, for six years. As CEO he led the negotiation that resulted in the Xstrata-Merafe pooling and sharing venture
- He demonstrated excellent negotiating skills as leader of the negotiating team that successfully resolved the dispute between the RBN and Impala Platinum Limited. In this role he also negotiated the RBN investment in Merafe and the nation's joint venture with Anglo American Platinum Limited (Anglo American Platinum).

Nico Muller

BSc (Mining Engineering)

45, was appointed Chief Operating Officer and an executive director on 2 March 2009. He is a member of the Safety, Health and Sustainable Development Committee and the Executive Committee.

Experience and track record:

- Proven track record of successful implementation of two major new underground mines from design stage through to full production
- He has extensive experience in underground diamond, gold and platinum mining while holding senior managerial positions at De Beers Consolidated Mines, Anglovaal Mining and African Rainbow Minerals.

Martin Prinsloo

BCom (Hons) Acc, CA (SA)

43, was appointed Chief Financial Officer (CFO), Public Officer and executive director on 2 March 2009. As CFO he attends all Audit and Risk Committee meetings as a permanent invitee and is a member of the Executive Committee.

Experience and track record:

- Experienced CFO, having acted as CFO at Anglo American Platinum and been a member of its Executive Committee before joining RBPlat
- Proven track record in structuring, negotiating and implementing significant transactions in the resource industry as Head Corporate Finance and Business Development at Anglo American Platinum and Director of Specialised Finance at BoE Merchant Bank.

Executive management

From left to right

Glenn Harris

NHD (Metals), MDP, Cert
Min Man

Glenn, who has been General Manager of BRPM since 2006, has 27 years' experience in mining, 17 of which were in platinum mining.

Performance:

- Fatality-free year
- New safety strategy implemented
- Improved concentrator recovery
- Fulltime crews increased stoping efficiencies
- Increased immediately available ore reserves (IMA).

Mzila Mthenjane

BSc (Eng) (Rand) Mining,
SMDP (GIMT)

Mzila's 18 years' work experience includes more than seven years in mining and six years in investment banking. Before joining RBPlat in 2009 he was a member of the management team at Royal Bafokeng Holdings for over three years.

Performance:

- Developed business sustainability framework and objectives with related performance indicators
- Developed the framework covering RBPlat's response to climate change
- Overseeing the implementation of the social and labour plans for the BRPM and Styldrift operations
- Stakeholder engagement in relation to government (DMR), RBN, local communities and industry associates
- Developing RBPlat's enterprise development framework
- Developing requirements for business sustainability reporting.

Vicky Tlhabanelo

MM (Masters in Management), BCom (Hon)
Dip (Management & Accounting)

Vicky, who has over 20 years' experience in Human Resources in the private and public sector, joined the Company in April 2010.

Performance:

- She was responsible for developing RBPlat's remuneration philosophy and its retention policy
- Development of human resource development and transformation strategies
- Conclusion of three-year wage agreement
- Development and implementation of various human resource policies.

Neil Carr

BSc (Mechanical Engineering), EDP

Neil, who has 29 years' experience in the platinum mining industry, joined RBPlat in December 2010. Prior to joining RBPlat he held senior management and leadership roles with Lonmin for 20 years and Impala Platinum for nine years.

Performance:

- Successfully completed Phase II replacement project at North shaft and progressed South shaft according to schedule
- Progressed Phase III project in line with schedule and budget
- Styldrift I Project progressed through pre-sink into main sink. The main sink has been challenging from a schedule perspective to date. Cost savings of R323 million have been realised on the project to date
- A Styldrift II desktop study was successfully concluded and the concept study well advanced
- 50 342 metres was drilled on the primary resource area of Styldrift II enhancing the concept and pre-feasibility work going forward.

Executive Committee members

Steve Phiri
Chief Executive Officer

Martin Prinsloo
Chief Financial Officer

Nico Muller
Chief Operating Officer

Vicky Tlhabanelo
Executive: Human Resources

Mzila Mthenjane
Executive: Business Sustainability

Invitees

Glenn Harris
General Manager: BRPM

Neil Carr
Head: Projects

Board and committee meetings — frequency and attendance

	Independent	Board (five meetings)	Audit and Risk (four meetings)	Remuneration and Nomination (four meetings)	Safety, Health and Sustainable Development (four meetings)
Directors					
Kgomotso Moroka**	Yes	4	All	All	
Steve Phiri****	No	All	All	All	3
Linda de Beer	Yes	All	All		
Robin Mills	Yes	All	3		3
Nico Muller	No	All			All
David Noko	Yes	All	All		All
Francis Petersen	Yes	All	All		All
Martin Prinsloo***	No	All	All		
Mike Rogers	No	All			All
Matsotso Vuso+	Yes	All+	All+		
Executive management					
Mzila Mthenjane	n/a				All
Vicky Tlhabanelo	n/a				
Glenn Harris					
Neil Carr					
Anglo American Platinum members of MANCO					
Jacques Engelbrecht[1]					
Gary Humphries					
Tony Murdoch-Eaton[2]					
Vinogaren Pillay attended all MANCO meetings since being appointed as Anglo representative					
Mike Rogers[3]					

1 Resigned from Anglo American Platinum MANCO at end of March 2011
2 Resigned from Anglo American Platinum and MANCO at end of September 2011
3 Retired from Anglo American Platinum and resigned from MANCO at end of January 2011
+ Attended all Board and Audit and Risk Committee meetings during the period she was a member of the Board
*** The Chairman attends all committee meetings as a permanent invitee other than the Remuneration and Nomination Committee as she is Chairman of the Nomination Committee*
**** The CFO attends the Audit and Risk Committee meetings as a permanent invitee*
***** The CEO attends all committee meetings as a permanent invitee except for the Safety, Health and Sustainable Development Committee, of which he is a member*

Our Board

RBPlat's Board is committed to providing the Group with effective leadership and seeks to apply the ethical values of responsibility, accountability, fairness and transparency in its leadership role and decision making. The Board also subscribes to the highest standards of corporate governance and our directors apply the King Code of Governance Principles of South Africa (the Code) to ensure that effective corporate governance is practised consistently throughout the Group

Our Board Charter sets out the roles, functions, responsibilities, obligations, rights and powers of directors.

Board roles and responsibilities

The Chairman of our Board is responsible for the overall effectiveness of the Board and its committees and for ensuring that the Board provides effective leadership, upholds ethical standards, is responsible, accountable, fair and transparent and develops and implements strategies aimed at achieving sustainable economic, social and environmental performance.

The Board is responsible for strategy and strategic decision making, the assessment of performance, engaging with stakeholders, corporate citizenship, safety, health, the environment, ethics and risk. It is also responsible for its own governance such as the rotation of directors, training of directors, conflicts of interest and nominations to the Board. It is responsible for the governance of the Group on behalf of its shareholders. It performs this duty within a framework of policies and controls which provide for effective risk assessment and management of our economic, environmental and social performance. It also has an important role to play in setting ethical standards of conduct.

RBPlat's Board is committed to providing the Group with effective leadership and seeks to apply the ethical values of responsibility, accountability, fairness and transparency in its leadership role and decision making.

There is a clear separation between the responsibilities of the Chairman and those of the Chief Executive Officer. This separation is documented in our Board Charter.

The executive directors, who are also members of the Group's Executive Committee, are responsible for implementing the decisions of the Board in accordance with the mandate provided to them by the Board.

More about ethics on page 27

Initial statement and further details of stakeholder engagement on page 84

Conflicts of interest

There are guidelines in place that assist directors in identifying situations that could present potential conflicts of interest and provide procedures to be followed in the case of a conflict of interest. The guidelines comply with the procedures prescribed in the Companies Act and the JSE Listings Requirements.

Information and professional development

All newly-appointed directors receive formal and informal training related to the Group and their duties as directors. Directors are provided with ongoing support and resources that allow them to extend and refresh their skills and knowledge of the business. The Board is also provided with information on any changes to legislation or regulations and is briefed on market developments. The Board received training in health and safety and the new Companies Act, which resulted in a gap analysis in terms of our compliance with the new Act and an implementation plan which will be addressed in 2012.

Rotation of directors

In terms of the Company's Memorandum of Incorporation, Article 57 1.2, one-third of our directors are required to retire from office at every annual general meeting. The selection of the directors to retire is based on the amount of time that has elapsed since their previous election to the Board.

The four directors who will retire and seek re-election to the Board at our annual general meeting on 3 April 2012 are Steve Phiri, Linda de Beer, Kgomotso Moroka and David Noko.

Board effectiveness

We held our first internal Board committee and individual director evaluation review this year, which included an assessment of our economic, environmental and social performance. The results were processed independently and their content was used to identify areas for improvement, any training required and to establish an action plan for 2012.

Engagement with stakeholders

Engaging with our stakeholders is one of the key material issues RBPlat has identified as being of particular relevance and significance to both our organisation and its stakeholders. The Board is responsible for effective communication with shareholders and has tasked the CEO, the CFO and the Investor Relations Manager with maintaining regular dialogue with our shareholders and potential shareholders. Since listing on 8 November 2010 we have engaged with our shareholders through face-to-face formal and informal meetings, conference calls, media and JSE announcements and the RBPlat website. Our CEO, CFO and COO make presentations on our results when we release annual and half-year results and these presentations are available on our website, as are our annual reports.

The Board committees and their roles and responsibilities

Subject to those matters reserved for its decision, the Board delegates certain responsibilities to three standing committees — the Audit and Risk Committee, the Remuneration and Nomination Committee and the Social and Ethics Committee, which will replace the Safety, Health and Sustainable Development Committee. The membership of these committees at 31 December 2011, are on page 28.

The RBPlat Board believes ethics are about an attitude towards doing business in the best possible way

Effectiveness of internal controls

To meet RBPlat's responsibility to provide reliable financial information, the Group maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the Group's assets are adequately protected against material losses, unauthorised acquisition, use or disposal and that transactions are properly authorised and recorded.

The systems in place include a documented organisational structure and division of responsibility, established policies and procedures, which are communicated throughout the Group, and the careful selection, training and development of people.

The Group monitors its internal control systems to determine if there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified.

While to date our business units have not been analysed for risks related to corruption, our risk managment framework and policy will be implemented in 2012 and analysis of all business units for risks related to corruption will be part of this process.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, any effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

Our operations continue to use Anglo American Platinum IT systems during the 2011 financial year until the third quarter of 2012 during which RBPlat's ICT migration project, which is currently underway, will be completed.

Internal audit

Anglo American Platinum's Business Assurance division (ABAS) previously provided internal audit services, which have always been an independent function. KPMG replaced ABAS as internal audit service providers from 1 January 2011.

Delegation of authority

The Board has adopted a revised delegation of authority that regulates the level of authority at which management can operate and run the business. Together with the Memorandum of Incorporation of the Company, it clearly defines what matters are reserved for the Board and shareholders.

Dealing in securities

In accordance with the JSE Listings Requirements the Company adopted a code of conduct for dealing in its securities. Directors and all employees are prohibited from dealing in the Company's securities during a closed period, as defined in the Company's Share Dealing Policy established in compliance with the JSE Listings Requirements.

Risk management

The Board level processes for overseeing, identifying and managing economic, legal, environmental and social risks and opportunities are described on pages 7 to 11 and RBPlat's approach to managing identified risks, its risk management strategy and a summary of its key risks and opportunities can be found on pages 8 to 11.

Company Secretary

The Company Secretary is responsible for ensuring that the proceedings and affairs of the directorate, the Company itself and, where appropriate, owners of securities in the Company are properly administered in accordance with the relevant laws.

All directors have access to the advice and services of the Company Secretary, who assists with advising directors on their responsibilities and the professional development of directors. Non-executive directors can, where necessary, obtain independent professional advice at the Company's expense.

Ethics and human rights

The RBPlat Board believes ethics are about an attitude towards doing business in the best possible way. We require the highest standards of ethical business from all our directors and employees, including contractors and consultants.

Training in human rights and ethics is part of the induction process at BRPM. The Board approved RBPlat's Code of Ethics and in line with international best practice the Group has introduced an Ethics Line to which suspicions or knowledge of irregularities can be reported in complete confidence. The Ethics Line is independently managed by KPMG, an external service provider with proven expertise in this area of operation.

One incident of racial discrimination was reported to the Group's Ethics Line. It was resolved amicably through internal labour relations processes.

RBPlat's Ethical Principles make it clear that we do not tolerate any incident of bribery or fraud committed by our employees, contractors, suppliers, joint venture partners and other business partners and take immediate action (including dismissal and legal action) against those who commit bribery or fraud. We have systems in place to prevent bribery and fraud.

We are committed to the maximum transparency commercially possible and regularly publish our financial, operational and sustainable development performance. We are also committed to fair trade and purchasing in an ethical manner

We respect the legislation of South Africa and comply with its human rights legislation, including the Constitution and the Bill of Rights, which safeguard the basic human rights of all South Africans.

Our Ethical Principles uphold the elimination of all forms of forced or compulsory labour and prohibit any form of child labour.

Where we employ security personnel (either directly or as contractors) we require that they receive appropriate human rights training and monitor compliance.

We have a zero tolerance approach to corrupt behaviour and any behaviour that may compromise human rights. The necessary grievance and corrective action procedures are in place to ensure that breaches are reported and dealt with accordingly.

RBPlat does not support any political parties or politicians with financial or in kind contributions.

No legal actions of any kind have been instituted against RBPlat and it has not received any significant fines.

For further information on the role the Audit and Risk Committee plays in overseeing the governance and effectiveness of internal controls and the financial reporting process, see pages 28 and 93

For risk in the operating context, see page 9

Ethics Line number: 0800 00 73 96

Our Board committees

Linda de Beer
Chairman (independent)

Audit and Risk Committee

Composition

Linda de Beer – Chairman (independent)
Robin Mills (independent)
David Noko (independent)
Francis Petersen (independent)
Matsotso Vuso (independent)

Roles and responsibilities

The committee, which is chaired by independent non-executive director, Linda de Beer and whose members are all independent non-executive directors, meets at least four times a year. Its members are appointed by the shareholders at the annual general meeting. Representatives of independent external auditors, PwC and KPMG, who have been appointed as the Group's internal audit service provider, attend committee meetings by invitation. The committee's terms of reference allow for it to hold closed sessions with the internal auditors, the external auditors and management. Both internal and external audit have direct access to the Chairman of the Audit and Risk Committee.

The Audit and Risk Committee meets its statutory requirement which is to ensure that the external audit function is independent from the Company and recommends the external auditor to the shareholders for reappointment. This includes approving the scope and fee of external audit and monitoring compliance with non-audit services in terms of our non-audit services policy.

In addition to overseeing the governance of the Group's accounting and reporting, internal controls audit function, it obtained assurance on the effectiveness of internal controls, the annual financial statements and also the sustainability information included in the integrated report. It also oversees the governance of risks the Group faces and satisfies itself as to the expertise and experience of the Chief Financial Officer and the finance function.

David Noko
Chairman Remuneration (independent)

Kgomotso Moroka
Chairman Nomination (independent)

Remuneration and Nomination Committee

Composition

David Noko – Chairman of Remuneration Committee (independent)
Kgomotso Moroka – Chairman of Nomination Committee (independent)
Mike Rogers (non-executive director)

Roles and responsibilities

The committee is chaired by independent non-executive director David Noko with regard to remuneration matters and Kgomotso Moroka with regard to nomination matters. It meets at least four times a year to consider the remuneration framework of all the Group's employees, including the exact remuneration for senior employees, with the assistance and guidance of independent experts.

The committee also considers the payment of bonuses, which are discretionary and based upon general economic variables, the performance of the Group and the individual's performance, share options and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any director without the prior approval of the members of the Remuneration and Nomination Committee. The committee ensures that the procedures for appointment to the Board of directors are formal and transparent. It makes recommendations to the Board on all new Board appointments in accordance with the Company's policy for Board appointments. It does so by regularly evaluating the Board's performance, undertaking performance appraisals of the Chairman and directors, evaluating the effectiveness of Board committees and making recommendations to the Board.

Mike Rogers
Chairman (non-executive director)

Safety, Health and Sustainable Development Committee

Composition

Mike Rogers – Chairman (non-executive director)
Robin Mills (independent)
David Noko (independent)
Francis Petersen (independent)
Steve Phiri (executive director)
Nico Muller (executive director)
Mzila Mthenjane (executive)

Roles and responsibilities

The committee's role includes ensuring that appropriate systems are in place to minimise sustainable development risks and maximise opportunities. It reviews the Group's performance against stated sustainable development objectives and targets. It receives and considers the sustainable development assurance audit and reviews and approves annual external reporting on sustainability within RBPlat's integrated annual report and the sustainability section of the RBPlat website.

The committee, which is chaired by non-executive director Mike Rogers, meets at least four times a year. Its objective is to assist the Group in the conduct of its operations in a responsible and ethical manner and to achieve a sustainable balance between economic, social and environmental development with due regard to the health and safety of its employees, the impact of its operations on the environment, climate change and the Group's stakeholder relationships. These include its relationship with the communities surrounding its operations.

Steve Phiri
Chairman

The Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture Management Committee

The BRPM Joint Venture Management Committee is responsible for the management of the BRPM Joint Venture. The Joint Venture partners are Royal Bafokeng Resources (RBR) (Pty) Limited (a wholly-owned subsidiary of RBPlat) and Rustenburg Platinum Mine Limited (RPM). Each joint venture partner whose participation interest is greater than 20% is entitled to appoint one committee member for each 10% of the participation interest it holds. The Chairman of the committee is appointed by RBR.

Composition

Steve Phiri – RBR (Chairman)
Martin Prinsloo – RBR
Mzila Mthenjane – RBR
Nico Muller – RBR
Vicky Tlhabanelo – RBR
Gary Humphries – RPM
Vinogaren Pillay – RPM
Tony Murdoch-Eaton (RPM) who resigned in September 2011

Roles and responsibilities

RBR controls the BRPM JV Management Committee with the majority members on the committee. The Management Committee has wide-ranging powers relating to the BRPM JV including the power to acquire and dispose of BRPM JV assets in the ordinary course of business, borrow money in the ordinary course of business, establish pension funds and other employee benefit schemes and institute legal proceedings. Committee decisions are generally taken by majority vote.

Some committee decisions require unanimous approval while the participation interest of either joint venture partner is greater than 20% or while RPM's participation interest is greater than 20% and RBR's participation interest is 50% or more.

Remuneration

The business adopted a consultative process in 2011 and finalised the remuneration policy and approach, the retention policy and adjustment to incentive schemes

Background

RBPlat adopted a consultative process regarding remuneration in 2011 and our remuneration policy and approach, retention policy, as well as an adjustment to our incentive schemes were finalised during the year. The overarching aim was to ensure that our policies are aligned with our business objectives. The Remuneration Committee approved the various policies after extensive engagement. Our shareholders will be asked to approve our new remuneration and retention policies at the Annual General Meeting in April 2012.

The philosophical foundation of our remuneration policy has been laid with due consideration to our peer market, business objectives, market best practice, risk management principles, the application of King III, our shared values and culture and the unique challenges our business faces.

Our approach to remunerating our employees is primarily one of a team environment. However, the unique skills and personal contributions of employees are also recognised. Our policies have been designed with the attraction and retention of employees as a key component. The motivation of our employees and the alignment of their behaviour with our shared values and the meeting of our business objectives are ultimately what we drive daily in our operations. As a result, our employee package is composed of a guaranteed component and a variable component.

Total guaranteed package

Our employee remuneration is calculated on a Total Guaranteed Package (TGP) basis. This delivers optimal value on our remuneration spend and maximises our return on investment:

- A remuneration philosophy is based on the employer paying for competency, grade and performance. Employees' lifestyle decisions are not factored into guaranteed earnings
- We have revised our employee benefit service offering to provide more benefits for less cost. We have introduced flexibility to align remuneration with personal financial requirements, through adjustments to pension, group life and income disability. Travel allowances for training has been provided which allows optimal selection and tax efficiency
- Tools have been designed and implemented which allow employees to make personal decisions on remuneration, within a set framework, which optimises personal value. Employee remuneration is personalised and the benchmarked cost is therefore delivered optimally for the individual.

Retention policy

The strategic intent of the retention policy is to attract and retain employees. It is aligned with our remuneration policy and complies with the principles contained in King III and the relating practice notes.

The purpose of the policy is to put in place mechanisms that allow us to identify the type of potential employees we need to attract in terms of the skills we require and the type of employees we need to retain. The policy will also assist us to proactively identify retention risks and make informed decisions in this regard.

We undertook a detailed exercise to determine a Total Reward Statement for all employees at supervisory level and above. This was done to allow management to determine the true value of current and expected future earnings, per employee. This approach allows us to determine where risks may exist, as well as to ensure that critical resources have a target future earnings value, subject to Group and personal performance.

The business has also started looking at the remuneration mix of employees and tangible non-financial rewards. This will be expanded on in the coming year.

Annual incentive scheme

A review of the existing short-term incentive scheme for D2 employees and above, and extensive consultation with mine management, executive and external consultants, revealed that in its existing form, the scheme created targets which did not assist the mine in meeting its business objectives and it was not aligned with our business strategy.

Using invaluable input from mine management, industry experience from Remuneration Committee members and extensive financial modelling, we have designed a new scheme for 2012 which is a) easy to understand (b) easy to measure (c) self-funding (d) fully aligned to business targets and (e) is expected to provide a true motivation for employees to achieve and exceed targets, while providing shareholders with the ultimate upside where such measures are met or exceeded.

The remuneration RBPlat's executives and senior managers can receive from the Company's new incentive scheme is linked to a number of criteria including their performance in terms of sustainable development, occupational health and safety, environmental performance and community engagement. Where safety has not been achieved, penalties will also be imposed for any fatalities.

The role of the Remuneration and Nomination Committee in the remuneration of all RBPlat's employees is described on page 28. The committee brings independent scrutiny to the development and review of RBPlat's remuneration framework.

Bonus share plan

A Bonus Share Plan (BSP) was established in 2010 for executive directors and senior managers. The BSP is aimed at aligning the interests of executive directors and management with those of our shareholders by investing a significant portion of their remuneration in the Company. The BSP is not pensionable and bonus shares are awarded annually, following the payment of performance-based variable pay. The bonus shares are a conditional award, normally equal to the value of the performance-related cash payment. The Remuneration Committee is responsible for the governance, allocation and approval of the BSP.

Following the announcement of the Group's annual results, employees participating in the BSP will be awarded a performance-based bonus based on economic conditions, the Group's performance, their individual performance and job category. Subsequent to the award, an escrow agent holds the shares on the employee's behalf for a period of three years. During the three years, the employee is entitled to all rights attached to the shares. If an employee leaves the employment of the Group within this three-year period the employee will forfeit his or her bonus shares along with any dividends that might have accrued. After the three-year period the shares will be released to the employee. The scheme has been approved by the JSE and our shareholders.

Share option plan

Executive directors and senior managers of the Group are granted options to acquire RBPlat shares when they join the Company. All the executive directors and a majority of the senior managers joined the Company before it listed on the JSE, hence movement in our share price was determined by using the J153 Platinum Index as a proxy. On the listing date, the movement in option value was used to calculate the option strike price and the share options were linked to the RBPlat shares. The share options vest in three equal tranches on the third, fourth and fifth anniversary of allocation. The RBPlat share option scheme has been approved by the JSE and shareholders.

Mahube Trust employee share ownership scheme

The Mahube Trust employee share ownership scheme (ESOP) (Mahube) represents a unique opportunity for employees to participate in the ownership and success of RBPlat. Upon listing on the JSE in November 2010, employees who were participants in Anglo's Kotula ESOP were terminated from Kotula and in turn were allocated equivalent value in Mahube. The Mahube Trust is designed to replicate, as much as is possible, the terms and structure of Kotula.

The Mahube Trust is funded by BRPM in an amount equivalent to the value under Kotula. Mahube Trust holds 563 914 RBPlat ordinary shares and 845 871 RBPlat "A" ordinary shares (representing 0.85% of the issued share capital of RBPlat). Furthermore, RBPlat provides funding for the administration of Mahube Trust.

Under the Mahube scheme, qualifying beneficiaries are entitled to new allocations in March of 2011, 2012, 2013 and 2014. In March 2011 1 000 000 units were allocated to beneficiaries. Capital distribution will be in three tranches in 2013, 2014 and 2015. Mahube paid a dividend to beneficiaries in November 2011 and will pay further dividends in 2012 and 2013. No shares were exercised, cancelled or repurchased in terms of the Scheme rules. This share scheme was approved by the JSE and shareholders.

Primary ball mill undergoing routine maintenance

PERFORMANCE

In the PERFORMANCE section of this report information on our past and current financial performance is integrated with information on our performance in terms of the manufactured, natural and social capitals and is also linked to the future outlook for our business

MANUFACTURED CAPITAL

in the mining context relates to the mining process and how it is conducted and the assets which are being mined and beneficiated

OBJECTIVE

To develop, seek and implement relevant and appropriate PGM production innovations with the aim of enhancing our safety and productivity performance

The Manufactured capital section of this report provides you with information on our performance against strategy, mining and concentrator production, costs, the efficiencies we achieved, the grades we achieved, the challenges we experienced during the year and how we addressed them.

Manufactured capital

Nico Muller
Chief Operating Officer

A feature of the past year was the industry imperative to eliminate fatal injuries and improve overall safety performance. Combined with other operational issues it contributed to a year characterised by challenges, frustrations and successes. RBPlat was particularly pleased to record zero fatal injuries during the year and 1.8 million fatality-free shifts by year-end. Our new safety strategy aimed at reducing exposure in high risk areas has proved to be effective.

Safety stoppages imposed by management and the Department of Mineral Resources (DMR), combined with a nine-day contractor strike in the fourth quarter, resulted in a 3.5% year-on-year reduction in the overall tonnes delivered to our concentrator. This was partially offset by an improvement in Merensky grade and concentrator recoveries resulting in a 2.2% reduction in 4E ounce output. We are confident that the emphasis we have placed on expanding the UG2 platform, together with the strategies we implemented to increase the immediately stopable reserve face length for stoping, will have a beneficial impact on operational flexibility, and hence output, during 2012.

Lower volumes and rising net costs contributed to an 8.4% increase in cash costs per 4E ounce. Although a number of significant improvements were achieved through our business optimisation project, we did not achieve the bottom line impact expected. In line with our operational strategy, cost reduction will be a key objective during 2012.

We made good progress with the Phase II and Phase III replacement projects at BRPM with both projects being on schedule and below budget. The Styldrift I Project remains on course to save R1 billion on completion. Lower than planned initial deep sinking rates have however, impacted on shaft sinking progress. It is anticipated that the next major sinking milestone, the 594 Merensky level, will now be reached by September 2012.

While 2011 was characterised by challenging operating conditions, we are confident that our long-term strategies are effective and that they will result in improved operational performance during the coming year.

Safety

As challenging as the safety stoppages imposed by the DMR have been, we recognise that the department's uncompromising approach has elevated the health and safety focus to shareholder level, thereby raising investor expectations of management with regard to safety performance. Our safety goals are fully aligned with those of the DMR and we are committed to support their efforts to improve the safety performance in South Africa's mines. In this regard we introduced a new safety strategy (explained in the Safety section of this report on pages 60 to 61) aimed at reducing exposure in high risk areas, which has proved most effective. We achieved a 12% year-on-year improvement in the serious injury frequency rate (SIFR) and a 10.4% improvement in the lost time injury frequency rate (LTIFR).

Operating statistics

Description	Unit	% Change	2011	2010	2009
Safety					
Fatal injuries	number	100	**0**	3	1
LTIFR	/200 000	10	**0.897**	1.001	1.182
SIFR	/200 000	12	**0.467**	0.531	0.394
Mining production					
Total tonnes delivered	kt	(3.5)	**2 284**	2 366	2 177
Merensky	kt	(11)	**2 026**	2 288	2 158
UG2	kt	232	**258**	78	19
Development	km	(10)	**30.2**	33.4	26.0
Stoping to development rate (replacement rate)	m^2/m	8	**32.2**	35.0	31.8
Immediately stopable reserves	months	11	**5.5**	4.9	6.5
Immediately stopable reserves	km	–	**4.58**	4.57	6.01
Concentrator production					
Total tonnes milled	kt	(4)	**2 305**	2 407	2 154
Merensky	kt	(12)	**2 047**	2 329	2 135
UG2	kt	232	**258**	78	19
UG2	%	246	**11**	3	1
Headgrade (4E)	g/t	1	**4.35**	4.31	4.52
Merensky grade (4E)	g/t	3	**4.44**	4.32	4.52
UG2 grade (4E)	g/t	(6)	**3.60**	3.83	4.61
Recovery (4E) total concentrate	%	(1)	**87.47**	86.43	86.29
Recovery BRPM concentrate	%	2	**87.83**	86.49	86.29
4E metals in concentrate	koz	(2)	**282**	288	270
Pt metal in concentrate	koz	(2)	**183**	187	176
Labour*					
Total labour	number	(4)	**7 942**	7 670	7 497
Working cost labour	number	4	**6 553**	6 793	6 605
Capital labour	number	(58)	**1 389**	877	892
Operating costs					
Cash operating cost	R (million)	(6)	**1 802**	1 700	1 516
Cash unit cost	R/t	(11)	**782**	707	704
Cash unit cost	R/4E oz	(8)	**6 399**	5 901	5 616
Cash unit cost	R/Pt oz	(9)	**9 863**	9 076	8 629
Capital expenditure					
Total capex	R (million)	20	**1 163.6**	967.1	754.2
SIB	R (million)	49	**146.1**	97.8	107.3
Replacement	R (million)	–	**379.0**	379.8	366.3
Expansion	R (million)	30	**638.5**	489.5	280.6

**These numbers account for operating, capital labour and contractors*

Mining

In addition to the safety stoppages and strike already mentioned, failure of our North shaft Phase II decline conveyor belt in quarter three and mining labour turnover as a result of a neighbouring mine's recruitment drive, following a mass dismissal of its own employees, also contributed to the reduction in tonnes delivered to our concentrator.

Despite this reduction in mining volumes we are encouraged by the progress achieved with a number of our core operating strategies. Our key focus has been the restoration of operational flexibility. The immediately available ore reserve was impacted adversely by the depletion of South D shaft in 2009, the loss of reserves in the north western portion of North shaft, as a result of iron rich ultramafic pegmatoid replacement, and historical delays on the Phase II replacement project, which resulted in new mining levels not being brought on line on schedule.

Other key operational objectives we achieved were: an improvement in the recovery levels of our concentrator; improved efficiencies in our fulltime employee stoping teams; an increase in our Merensky grade; increases in immediately available ore reserves; and improved operational flexibility through the development of our UG2 reserves to achieve co-extraction and meeting planned construction schedules in our two main replacement projects.

On transfer of operational control our previously unexploited and shallow UG2 ore was identified as a key opportunity to improve operational flexibility. We are at an early stage of development of the UG2 mining platform and were encouraged by the mitigation it provided against the challenging operating environment in 2011. UG2 production increased from 78kt in 2010 to 258kt in 2011 and is scheduled to increase further in 2012.

RBPlat also identified the development replacement rate as a key driver of available mining reserve and long-term sustainable production. A strategy to increase operating cost development in relation to stoping was adopted in 2010 and we are very pleased with the 30% improvement achieved over a two-year period.

To complement this strategy, our mining teams have been restructured to facilitate rapid conversion of pre-developed reserves to mineable reserves. Responsibility for ledging and equipping was separated from stoping sections and was assigned to separate teams headed by mine overseers dedicated to converting developed raise lines to mineable stopes. Notwithstanding the mine's efficient equipment recovery and reclamation programme, the mine's winch and winch motor stocks were also increased to eliminate equipment constraints. Although the full benefit of these initiatives is only expected towards the end of 2012, the immediately available mineable reserve (months) increased by 11% in 2011.

The timeous execution of the Phase II and Phase III mine deepening projects remain important for the replacement of the mining levels being depleted in Phase I. To this end we are satisfied that these projects progressed to schedule and below cost during 2011.

The North shaft Phase II conveyor belt provides ore hoisting capacity to both North shaft production and the shaft deepening project. Following the belt failure in 2011 the conveyor belt infrastructure was upgraded to prevent future failures.

The BRPM operating strategy is aimed at increasing mining output to a margin above the concentrator plant's designed rating. This will provide the opportunity to continue to produce metal output in the event of a disruption to mining activities.

Mining crew efficiency

Labour productivity is integral to maximising output and reducing costs and we have made good progress in this area during the past year. The three-year wage agreement we concluded created stability and, importantly, included stoping team efficiency commitments from both management and the union. As part of the agreement BRPM undertook to convert outsourced mining operations to owner operations if the productivity of owner teams improved. During the year encouraging improvements were achieved with owner teams improving output from 278 to 310 m^2/crew/month or 11.6%. Regrettably, contractor team performance suffered from the nine-day strike and declined by 13.9% to 320 m^2/crew/month.

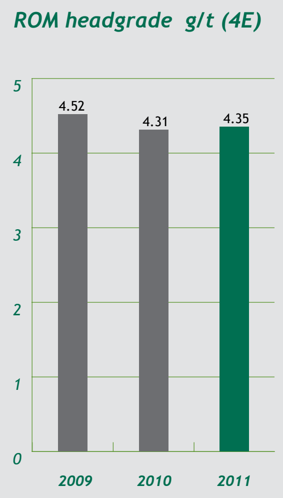
Grades

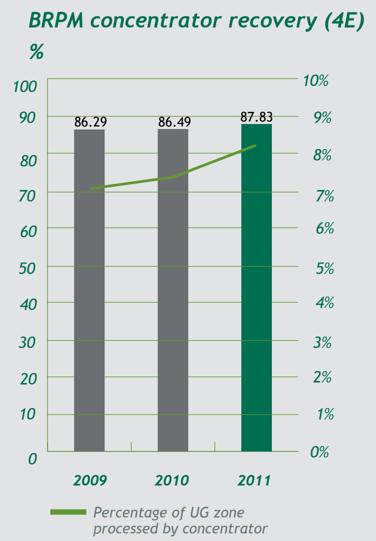
Headgrade improved from 4.31 g/t (4E) to 4.35 gt (4E). We are pleased with the increase in Merensky grade from 4.32 g/t (4E) to 4.44 g/t (4E) and do not expect a significant variation in the coming year. Variances in the UG2 grade are due to additional dilution from on reef development as the UG2 mining platform is expanded. Long-term UG2 grades are expected to stabilise at around 3.80 g/t (4E). In 2012 excess UG2 ore, which cannot be treated in the BRPM concentrator plant, will be treated through our ore offtake agreement with Anglo American Platinum's Waterval concentrator.

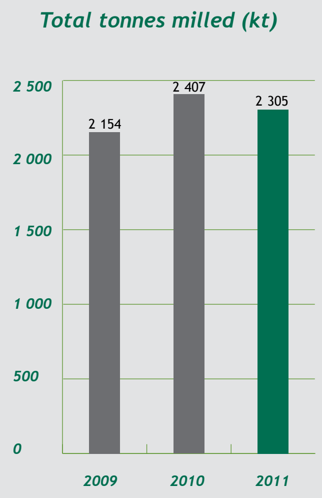
Concentrator plant

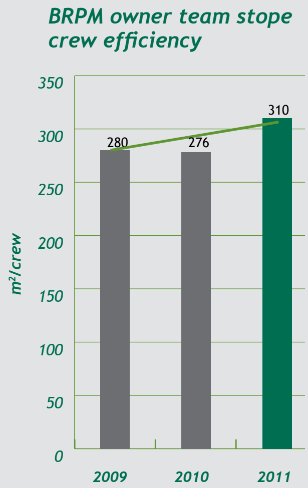
Overall concentrator recovery improved by 1.2% to 87.47%. The performance of the BRPM concentrator plant during 2011 was pleasing, with recoveries improving by 1.5% to 87.83%, despite an increase in UG2. This was as a result of improved plant efficiencies and a 4% increase in mass pull. The BRPM tailings grade reduced to a record low of 0.54 g/t (4E). A total of 2,162 kt of ore, including 115.7 kt or 5.35% UG2, was milled through the BRPM concentrator. An additional 142 kt of UG2 ore was treated at the Waterval concentrator at a recovery of 81.37%. This resulted in a weighted average recovery of 87.47%. The increase in headgrade and recovery partially offset the reduction in throughput and yielded 184 koz of 4E metals in concentrate, which is 2.2% down from 2010.

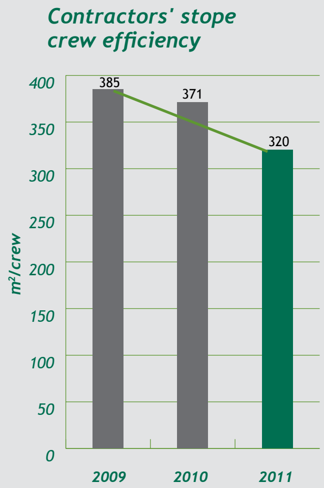
During 2011 the BRPM concentrator treated all the Merensky ore delivered from our underground operations as well as 5.35% UG2 ore with relative ease. Our objective for 2012 is to raise concentrator plant output by increasing ore delivered from underground.











Labour

Although operating labour at 6 553 is 4% down from 2010, we believe further optimisation is achievable. Shared services with Styldrift present a significant opportunity to realise this goal, as does process re-engineering and an increase in productivity through improved operational flexibility. During 2011, an additional 150 employees were employed to improve immediately available mining reserve and will remain during 2012. In 2012 additional staff will be employed for the IT and procurement services being migrated from Anglo American Platinum to RBPlat, but the cost will be more than offset by the termination of existing service level agreements.

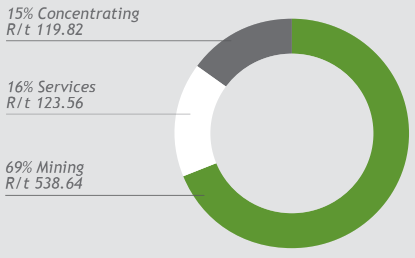
The increase in capital labour follows the increase in capital construction activities associated with chairlift, Phase III and Styldrift projects.

Operating costs

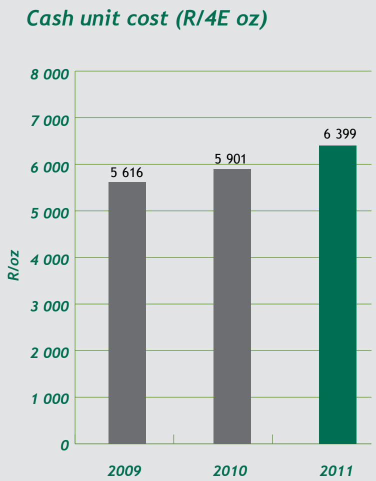
Lower volumes and rising net costs contributed to an 8.4% increase in the cash operating cost per 4E ounce. While a number of significant improvements were achieved through our business optimisation project, Project Kgolo, we did not achieve the bottom line impact expected. In line with our operational strategy, cost reduction will be a key objective in 2012.

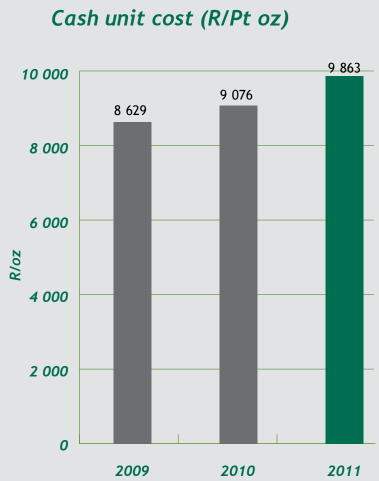
No material changes have been effected in the overall cost structure with labour remaining the single most significant contributor. We anticipate a migration of costs from contractors to labour as contract mining teams are converted to BRPM teams. Mining contributes 69% of the overall costs with processing and services contributing 15% and 16% respectively.

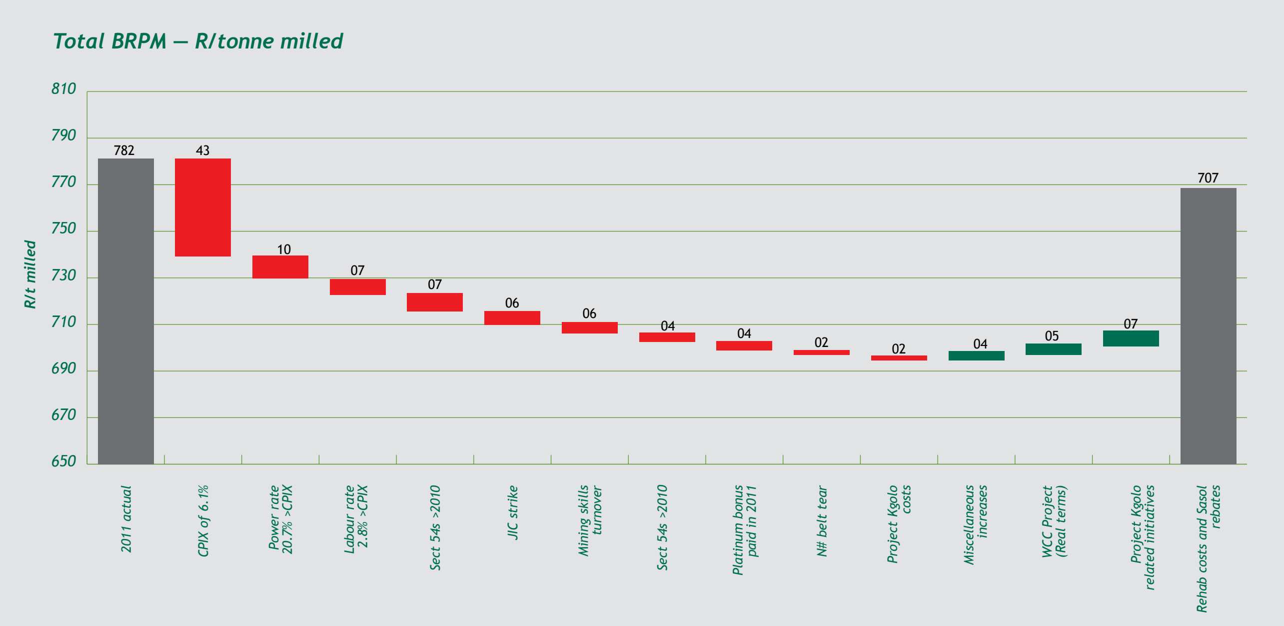
Unit operating cash cost increased by R75.46/t or 10.7% resulting in the cash unit costs increasing from R707/t in 2010 to R782/t in 2011. CPIX at 6.1% and increases in power and labour rates of 20.7% and 2.8% above CPIX respectively, were the key contributors at R60.10/t. The reduction in mining volumes due to the JIC strike, mining skills turnover, Section 54 stoppages and the North shaft belt failure contributed R23.50/t with Project Kgolo costs and other miscellaneous increases contributing a further R8.20/t to the overall increase. The overall increase was offset by savings of R16.30, accrued from the Kgolo-related initiatives, the World Class Concentrator Project (WCC), revision of rehabilitation costs and explosive rebates.



2011 cash unit cost by process







Capital

Progress on capital projects at BRPM was a highlight of the past year. As detailed in the Project review section on page 40, our key projects advanced on schedule and below cost. Stay-in-business capital was 6% of operating costs, well within our 6 to 8% target range. The purpose of stay-in-business and replacement capital projects is to assure long-term infrastructure and business sustainability, and we are confident that these objectives were met during the past year.

We are satisfied with the improved ownership and control achieved through the project team established at the mine. Where necessary the project team is supported by our Head of Projects at the corporate office or specialised services from Engineering and Procurement Management (EPCM) contractors.

In conclusion

We are pleased about the improved health and safety performance at our operations and are confident that our operational strategies will lead to sustainable success. Reducing operating costs remains an important hurdle in our journey towards operational excellence and it will constitute a core focus in 2012. We remain similarly confident about our Styldrift project with our focus remaining on further improving shaft sinking rates and developing our operational readiness.

Nico Muller
Chief Operating Officer

Safety representative inspecting secondary mill cyclone cluster

Operational performance

Challenges

- *Improving mining volumes*
- *Limited face length at BRPM*
- *Building flexibility*
- *Containing costs*
- *Improving operational efficiencies*
- *Optimising our assets*
- *Re-establishing a stockpile*
- *Completion of Phases II and III replacement projects at BRPM*
- *Upgrading of BRPM concentrator plant*
- *Addressing community grievances*

Successes

- *South shaft worked 53 consecutive injury-free days, for five months without a serious injury and for four months without a lost time injury*
- *Improved concentrator recovery*
- *Our fulltime employee crews increased their stoping efficiencies*
- *Increase in Merensky grade*
- *Increased the immediately available ore reserves (IMA)*
- *Built flexibility by expediting the co-extraction of UG2*

Focus for 2012

- *Keep the focus on zero harm*
- *Fully implement new safety strategy*
- *Ensure compliance to limit safety stoppages*
- *Increase the immediately stopable reserves (IMS)*
- *Achieve our production targets*
- *Deliver our social and labour plan projects on time*

We were delighted to end the year fatality-free and disappointed not to achieve our production targets this year. An increase in stoppages resulted in our production volumes being marginally down. Our 4E ounces in concentrate decreased by 2.2% from 288 138 ounces in 2010 to 281 598 ounces in 2011. Initiatives undertaken during the year to reduce our operating costs and improve our safety and operational performance have already had a positive impact on our performance and will continue to do so in 2012.

During the year our focus on the Merensky mining quality resulted in BRPM achieving an increase in the Merensky run-of-mine (ROM) grade to our concentrator from 4.32 grams per tonne (g/t) (4E) to 4.44 g/t (4E), which allowed us to increase our 4E built-up headgrade from 4.31 to 4.35 g/t. This was encouraging bearing in mind that we increased our UG2 feed to the concentrator by 8%. We will continue with our efforts to optimise our Merensky grade in 2012. The number of levels available increases in 2012 easing some of the pressure on our ability to provide sufficient immediately stopable reserves (IMS) for safe sustainable mining which was a challenge in 2011.

During 2012 we will be using additional ledging and equipping crews to assist with the conversion of our available developed ore reserves (DOR) to IMS. These teams will be supported by a management and supervisory structure dedicated to this process.

During 2011 our co-extraction of UG2 gained momentum with 258 kt of ROM ore being delivered to the BRPM and Waterval concentrators. We completed 8.5 km of development as part of our UG2 ore reserve development programme.

The BRPM concentrator

Through the World Class Concentrator programme process that we embarked on during the second half of 2010, we identified certain operational constraints. By addressing these we achieved throughput and recovery benefits. Our recovery improved from 86.43% in 2010 to 87.47% this year, but we were unable to take full advantage of the recovery benefits as the regulatory-related safety stoppages at the mine left us short of feedstock.

We completed a pre-feasibility and feasibility study into the upgrading of the BRPM concentrator in 2011 and we await Board approval of the plant's upgrade.

Upgrading the BRPM concentrator to a 230 ktpm dual processing plant will allow us to increase our production of concentrate. This will in turn require increased production from the mine.

Labour

A continued improvement in labour efficiencies and the minimising of regulatory stoppages will go a long way to achieving the increase in production we require.

In 2012 we will continue to focus on reducing our operating costs by improving production volumes and containing cash costs, building further operational flexibility, continuing to improve labour efficiencies and with our preparations for upgrading the BRPM concentrator.

Glenn Harris
General Manager: BRPM

For more information on the work we have done on improving engagement between management and the workforce, see page 84

Project review

Challenges

- *Deliver Stydrift I Project on time and on budget*
- *Employment opportunities for community members*

Successes

- *Strong safety performance and heightened awareness*
- *Made good progress on our expansion and replacement projects*
- *Achieved R323 million saving on capex for Styldrift I*

Focus for 2012

- *Drive for zero harm*
- *Deliver on our capital projects*
- *Reach our milestone at Styldrift of 594 metres below surface by September 2012*
- *Styldrift I operational readiness planning*
- *Continue to move Styldrift II along its project lifecycle*

BRPM Phases II & III replacement projects

We began work on the Phase II replacement project on North shaft which entailed the extension of the decline system and associated infrastructure from level 6 down to level 10, in 2005. This project was successfully completed in September 2011. The South shaft Phase II replacement project, which is of a similar scope, is on schedule for completion in September 2012.

Work on the Phase III replacement project, which entails the extension of the North shaft access infrastructure from level 10 to the boundary of the mine (level 15) and associated reef infrastructure, commenced in 2010 and remains within budget and on schedule for completion in 2017.

Styldrift I

We started the pre-sinking process of the main and service shafts at Styldrift towards the end of 2010. This was completed in April 2011 with the shafts just over 60 metres in depth and two months ahead of schedule. During this pre-sink activity the main and service shaft headgears were successfully erected. Changeover to the main sink of the shafts was completed by mid-July and included winder commissioning and roping up, headgear, changeover, batch plant construction, bank steel and stage construction among others. Progress on the initial main sink was slower than we planned, but towards the end of the year we achieved the anticipated shaft advance rates and by year-end the main shaft had reached a depth of 219 metres and the service shaft 152 metres.
Our next major milestone will be the Merensky level at a depth of 594 metres below surface, which we plan to reach by September 2012.

To date, we have managed to achieve declared savings of R323 million on the capital expenditure for Styldrift I.

The DMR, during their regular visits to the site, issued two Section 55 notices, which we were able to effectively rectify. Overall, our team has created an excellent, clean, safe, well laid out working environment.

Work has also begun on the operational readiness phase of the project. This is a continuous and forward looking process, which prepares the operational unit for safe and optimal production output and allows it to benefit fully from the asset being delivered by the project.

Styldrift II

We concluded a desktop study for Styldrift II during 2011, which concluded that we have a positive business case for mining the Merensky and UG2 ore bodies. This allowed us to proceed with a concept study which will conclude during the first quarter of 2012. A total of 50 342 metres was drilled on the primary resource target situated on Styldrift 90 JQ (Styldrift II), comprising 42 drill holes. Each drill hole intersected the Merensky, UG2 and UG1 reefs.

This additional drilling has resulted in an increase in confidence levels in the geological model used and will support the pre-feasibility study going forward.

Community engagement

The communities in the vicinity of Styldrift engaged in protests fuelled by unemployment and poor service delivery in the area. This highlighted that we needed to increase and improve our engagement with the communities to keep them informed of progress at Styldrift, when there will be employment opportunities and what training programmes we will offer to upskill community members to help them qualify for employment at Styldrift.

Neil Carr
Head: Projects

For more information on the Styldrift shaft structure see www.bafokengplatinum.co.za

Mineral Resources and Reserves

Introduction

Mineral Resources and Mineral Reserves of RBPlat are classified, verified, and reported in accordance with JSE Limited and industry/professional guidelines. The classifications are based on the SAMREC Code 2007 edition (amended July 2009), prepared by the South African Mineral Resource Committee Working Group (SAMREC). The Mineral Resources and Mineral Reserves in this statement, report RBPlat's attributable interest (67%) underlying the farms of Boschkoppie 104 JQ, Styldrift 90 JQ and portions 10, 14 and 17 of Frischgewaagd 96 JQ.

Mineral Resources and Mineral Reserves summary

Only scheduled Mineral Resources were converted to Mineral Reserves. The annual decrease is in line with depletion and changes in scheduled areas. The Merensky Mineral Reserve tonnage decreased by 6% from 52.36 Mt to 48.7 Mt (3.66 Mt). The Merensky Mineral Reserve ounces decreased by 6.6% from 7.2 Moz to 6.73 Moz (0.48 Moz). The UG2 Mineral Reserve tonnage decreased by 5% from 38.92 Mt to 36.93 Mt (1.99 Mt). The UG2 Mineral Reserve ounces decreased by 6.2% from 4.91 Moz to 4.60 Moz (0.31 Moz).

The Merensky Mineral Resource tonnage decreased by 3% from 121.72 Mt to 117.63 Mt, but due to a 3% increase in the 4E grade, the 4E ounce content decreased by 1% from 26.65 Moz to 26.48 Moz. For the UG2 Mineral Resource, both the tonnage and the ounces decreased by 4% from 138.74 Mt to 133.19 Mt and 23.60 Moz to 22.76 Moz, respectively.

Regulatory compliance

Reporting of RBPlat Mineral Resources and Mineral Reserves is undertaken by qualified professionals. The Competent Persons for Mineral Resources are geologists, registered as professional natural scientists (PrSciNat) with the South African Council for Natural Scientific Professions (SACNASP), which is governed by the Natural Scientific Professions Act No 27 of 2003. The Competent Persons for Mineral Reserves are mining engineers, registered as Professional Engineers with the Engineering Council of South Africa (ECSA), which is a statutory body established in terms of the Engineering Professions Act No 46 of 2000. The SAMREC Code sets out the minimum standards, recommendations and guidelines for reporting. The JSE Listings Requirements include compliance with the SAMREC Code since March 2000. One of the requirements of the SAMREC Code is that reporting must be prepared and signed off by a Competent Person registered with several bodies including SACNASP and ECSA. By the SAMREC Code's definition, a Competent Person must have a minimum of five years' experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he or she is undertaking. If the Competent Person is estimating or supervising the estimation, assessment and evaluation of Mineral Resources, their relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating or supervising the estimation of Mineral Reserves, their relevant experience must be in the estimation, assessment and evaluation of the economic extraction of Mineral Reserves. RBPlat's experience with the various ore bodies with which it is engaged in evaluating and mining, spans decades, resulting in a thorough understanding of the factors important to the assessment of their economic potential.

The RBPlat Competent Persons and Lead Technical Specialists for Mineral Resources and Mineral Reserves are as follows:

Mineral Resources:

GJ Vermeulen
BSc Hons (Geology)
Chief Geologist
RBPlat

GP du Plessis PrSciNat (400050/50)
BSc Hons MSc (Geology)
Project Geologist
Prysm Resources

K Mohanlal PrSciNat (400003/05)
BSc Hons (Geology)
Resource Geologist
Anglo American Platinum

Mineral Reserves:

C Ackhurst PrEng, ECSA (20090200)
BSc Eng
Mineral Resource Manager
RBPlat

G van Greunen PrEng, ECSA (20110356)
BSc Eng
Chief Mine Planner
RBPlat

Definitions of terminology used in terms of Resources and Reserves can be found in the glossary on pages 153 to 156

Stockpile surveying at BRPM

Status of mineral rights

Mining rights

Information on the status of the mining rights and conversions to mining rights over the farms of Styldrift and Boschkoppie, are indicated in Table 1 and Figure 1.

Rustenburg Platinum Mines Limited (RPM) is the holder of the mining right on the farm of Boschkoppie. The new order mining right was registered in the Mineral and Petroleum Titles Registrations Office (MPTRO) on 19 January 2011. With the conversion a 67% interest in the right was transferred to and registered in the name of Royal Bafokeng Resources (RBR). Approval in terms of Section 11 of the Mineral and Petroleum Resources Development Act (MPRDA) has been obtained for this transfer.

Furthermore, an agreement was reached between the BRPM JV and Implats whereby a section proximate and down-dip to the defunct South D shaft will be mined by Implats' 6 and 8 shafts for UG2 ore, respectively. A similar agreement has been reached with Implats whereby the Boot area of North shaft will be mined by Implats' 20 shaft for Merensky and UG2 ore. A royalty will be paid by Implats equivalent to approximately 15% for 6 and 8 shafts and 17.5% for the Boot area of gross PGE, Ni and Cu revenue.

RBR holds a new order mining right on the farm of Styldrift. The mining right was registered on 1 February 2011 in the Mineral and Petroleum Titles Registrations Office (MPTRO). An undivided 33% interest in the right has been transferred to and registered in the name of RPM.

Prospecting rights

Two new order prospecting rights are held fully (100%) over portions of the farm of Frischgewaagd 96 JQ in the name of RPM. These rights are as follows:

- Full share remaining extent Portion 10 and full share of Portion 14
- Full share of Portion 17 (a portion of Portion 10)

Both these prospecting rights were notarially executed on 4 July 2007 and are valid for five years. Both rights lapse on 3 July 2012. Approval in terms of Section 11 of the MPRDA was obtained to transfer the respective participation interests, 33% to RPM and 67% RBR based on the announcement to restructure the BRPM JV on 23 October 2008. Ministerial consent was granted and registered in the Mining and Titles Registration Office (MTRO) on:

- 27 January 2010 under registration no: 28/2010 (PRC) – Portions 10 and 14
- 23 February 2010 under registration no: 54/2010 (PRC) – Portion 17 of 10.

RPM and RBR will jointly lodge an application under Section 18 of the MPRDA to renew both the prospecting rights for three years.

Table 1: Mineral rights pertaining to Boschkoppie and Styldrift

Holder	Property	DMR reference	Mineral	Expiry date
67% RBR 33% RPM	Ptn1, Ptn of Ptn2, Ptn of Rem. Ext of Farm Boschkoppie 104 JQ	ML 2/1998	Pt, PGE and associated metals	09 September 2040
67% RBR 33% RPM	Farm Styldrift 90 JQ	NW 30/5/1/2/2/312	PGE, Au, Ag, Ni, Co, Cu, Cr	10 March 2038

Figure 1: Mineral rights and surface rights

Geological setting

Royal Bafokeng Platinum mining operations and projects are located on the farms of Boschkoppie 104 JQ (Boschkoppie), Styldrift 90 JQ (Styldrift) and portions of Frischgewaagd 96 JQ (Frischgewaagd), situated approximately 25 km north-west of the town of Rustenburg in the North West province. The Bushveld Complex is a large layered intrusion roughly 65 000 km² in extent, spanning four provinces across South Africa, namely North West, Gauteng, Mpumalanga and Limpopo. The Bushveld Complex hosts several mineral commodities including chrome, tin, iron, vanadium and the platinum group metals (PGMs).

The Transvaal Supergroup rocks constitute the floor to the layered Bushveld Complex. The Bushveld Complex's ultrabasic and basic rocks host the PGMs and other mineralisation, as well as the roof rocks and various intrusive rocks related to the magmatism. RBPlat's operations and projects are located on the Western Limb of the Bushveld Complex and are underlain by the Upper Critical Zone and Main Zone of the Complex (Figure 2). The main economic horizons in this part of the Complex are the platiniferous chromitite layers of the Upper Group number two seam (UG2 Reef) and the Merensky Reef. The north-eastern boundary of Styldrift lies within the periphery of the Pilanesberg Complex which is ~25 km in diameter (Figure 3).

The Merensky and UG2 reefs dip between 5° and 12° in a north-easterly direction, steepening on the north-eastern side of Styldrift. The two reefs sub-outcrop within the property on the farm Boschkoppie and occur at a depth of ~1 400 m on the north-easternmost boundary of Styldrift. The maximum strike distances of the Merensky and UG2 are 6.5 km and 6.8 km across the farms of Boschkoppie and Styldrift, respectively.

The BRPM JV lease area is transected by structural disturbances, such as faults (up to 100 m throw), dykes (dolerite, syenite and lamprophyre), reef rolls, potholes and transgressive sills (dolerite sills dipping at 10°— 25°).

Figure 2: Simplified geological map of the Bushveld Complex

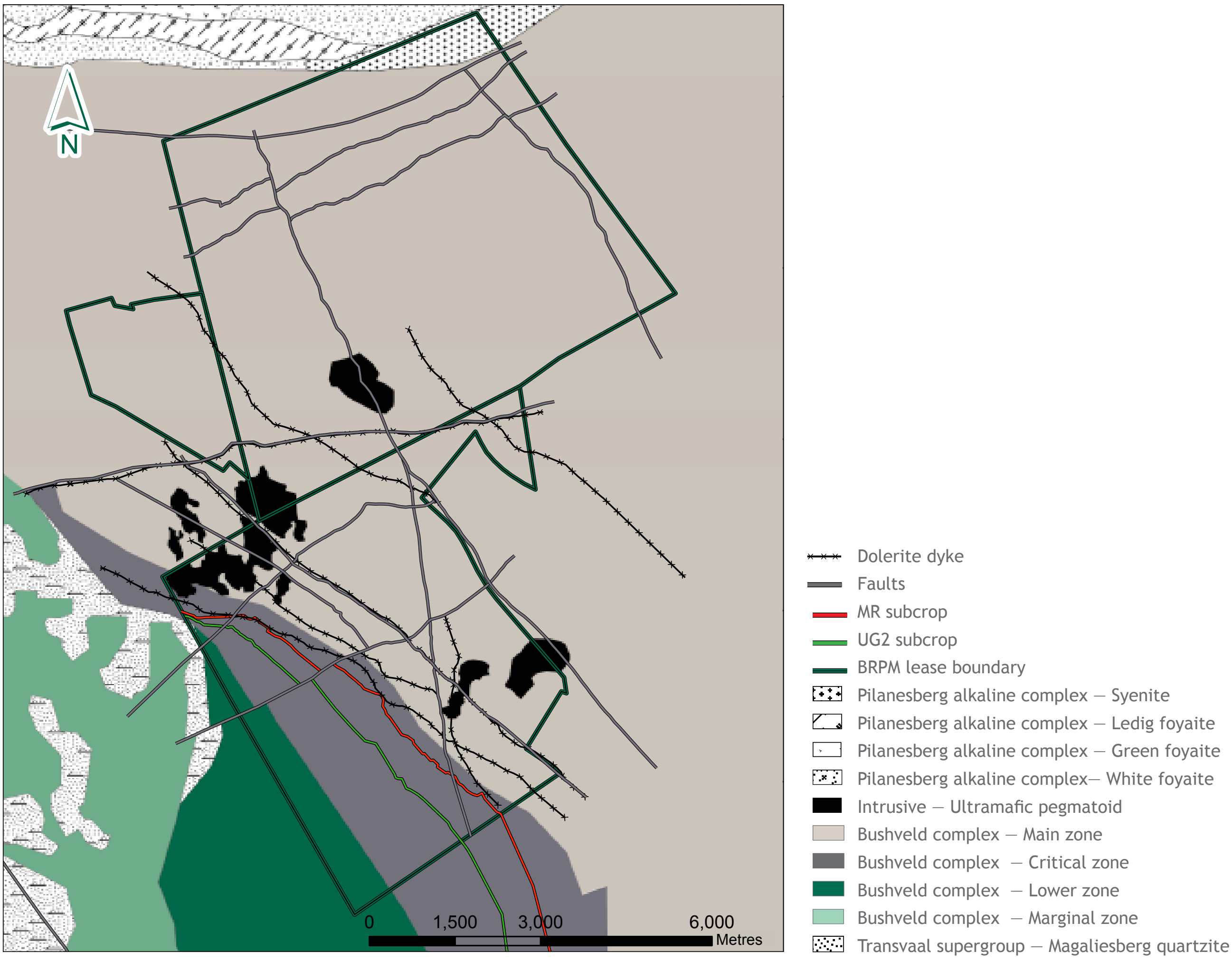


Figure 3: Structural geology map

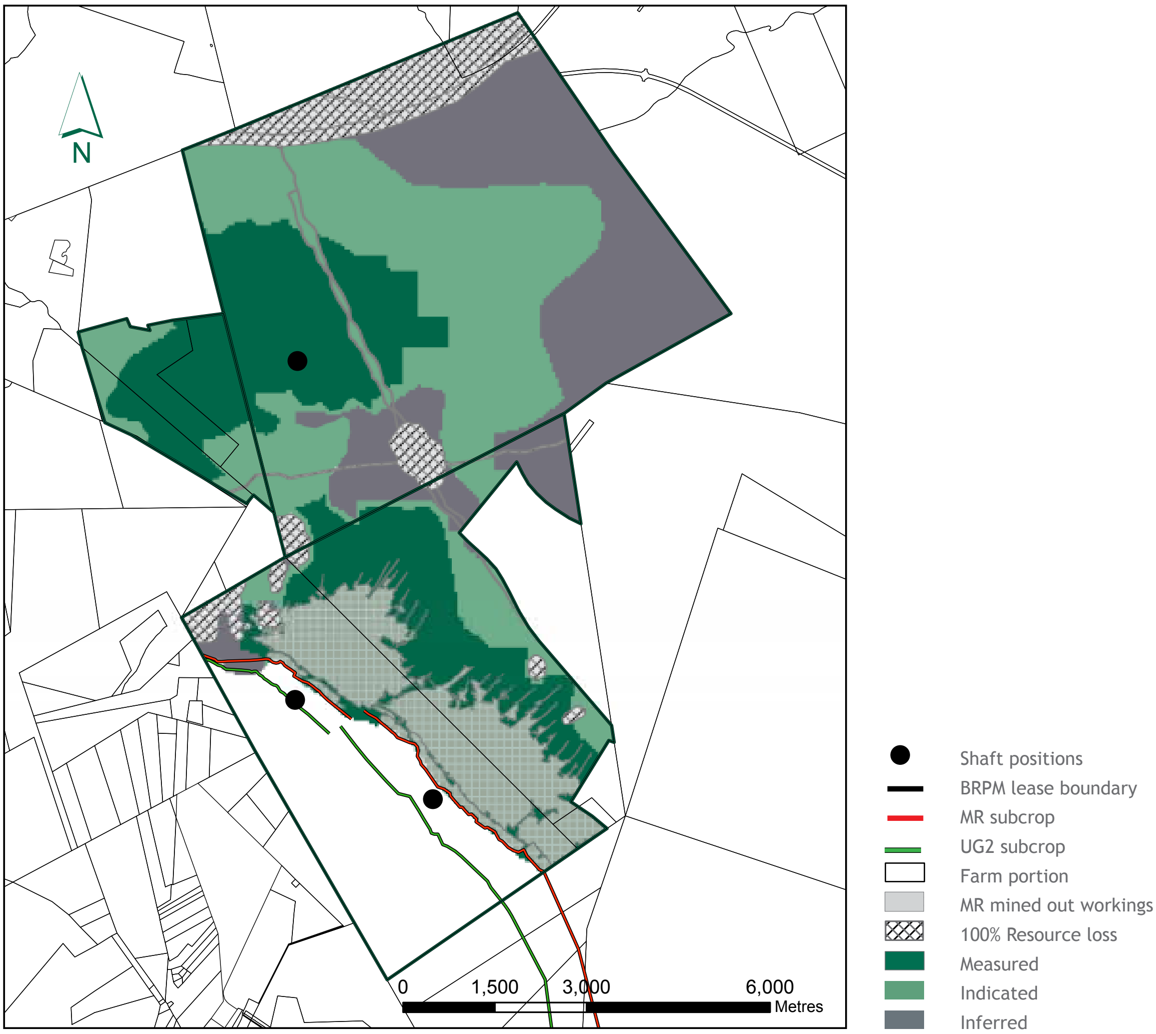


Figure 4: Merensky Reef Resource Classification 2011

Mineral Resources

All mineral resources are stated as a calculated four element (4E) value, which comprises concentrations of platinum (Pt), palladium (Pd), rhodium (Rh) and gold (Au). Final Resource Classification is assessed and signed off by a Competent Persons team taking cognisance of both statistical and non-statistical parameters to derive the respective confidence levels. The 2011 Resource Classifications are illustrated in Figures 4 and 5.

A total of 4 198 underground sample sections and 2 884 surface and underground drillhole intersections (including deflections) were used for the Merensky Reef resource modelling update. An additional 317 drillhole intersections (219 mother holes) were used, resulting in a 12% increase in comparison to the 2010 model. An additional 526 underground intersections with prill and density data were available for the update to the model. The increase equates to 14% of underground intersections compared with the 2010 resource model.

Thirteen additional underground sampling intersections from the BRPM operations were added to the 2011 UG2 resource estimation sample database. A total of 962 (Impala and BRPM operations) underground sample sections and 1 533 surface and underground drillhole intersections (including deflections) were used for the UG2 resource modelling update. An additional 102 drillhole intersections (surface and underground) were used for the 2011 model as compared to the previous model in 2010.

Salient points regarding the Mineral Resources

- Mineral Resources are reported as *in situ* tonnes and grades. The *in situ* tonnes are discounted by known and unknown geological losses such as faults, dykes, potholes and iron replaced ultra mafic pegmatoids
- Mineral Resources of 2011 are reported at a minimum resource cut of 0.90 m
- RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No Mineral Resources are excluded from the 2011 declaration relative to 2010 as a result of the cut-off grade consideration
- Rounding off of figures may result in minor computational discrepancies
- Mineral Resources are quoted as both Inclusive and Exclusive of Mineral Reserves
- Mineral Resources are quoted 67% attributable to RBPlat

Figure 5: UG2 Reef Resource Classification 2011

Mineral Resource summary and explanation

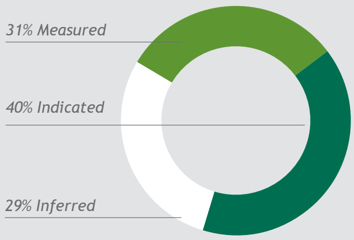
The Inclusive Merensky Mineral Resource tonnage decreased by 3% from 121.72 Mt to 117.63 Mt, but due to a 3% increase in the 4E grade, the 4E ounce content decreased by only 1% from 26.65 Moz to 26.48 Moz (Table 2). These variances in the resources are mainly attributed to the following:

- Resource cut: Decreased by 3.1% from 1.28 m to 1.24 m due to additional drillhole information and a better defined resource envelope
- Geological loss: Increased by 1%, which is mainly attributed to the South shaft unknown geological loss increase year-on-year of 5%. The increase is due to the increasing frequency of small scale faulting, iron replacement and pothole intersections in the South shaft second phase mining area
- Depletion: 1% ounces of total Mineral Resource. Mined out from BRPM North and South shaft

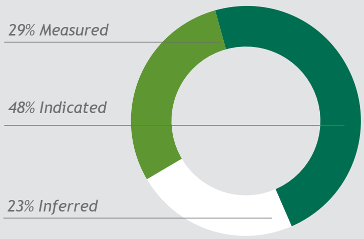
The inclusive UG2 Mineral Resource tonnage decreased by 4% from 138.74 Mt to 133.19 Mt with a resultant 4% decrease in the ounces from 23.60 Moz to 22.76 Moz in 2011 (Table 2). These variances in the resources are mainly attributed to the following:

- Resource cut: Decreased by 3.2% from 1.14 metre to 1.10 metre, which is mainly due to refined facies domains within the UG2 model
- Density: Decreased by 1.1% from 3.99 to 3.94 due to the additional data in 2011
- Geological loss: Increased by 1.7% from 33.49% to 35.21%
- Depletion: 0.2% ounces of the total mineral resource mined out from BRPM North and South shaft

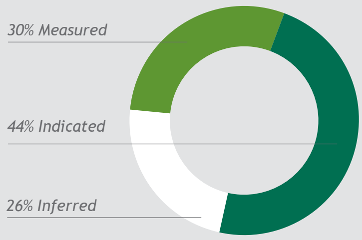
Inclusive Resources



Merensky Reef
Inclusive Resources (4E Moz)



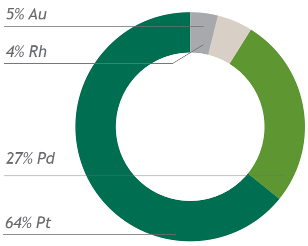
UG2 Reef
Inclusive Resources (4E Moz)



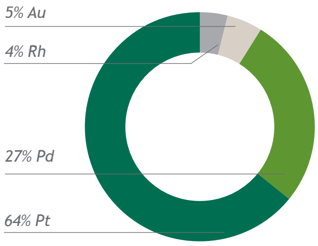
RBPlat total
Inclusive Resources (4E Moz)

Table 2: Inclusive and Exclusive Mineral Resources, 67% attributable to RBPlat

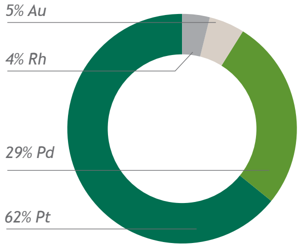
Reef	Resource classification	Tonnes (million tonnes)		4E grade (g/t)		Contained 4E (million ounces)	
		2011	2010	2011	2010	2011	2010
Inclusive							
Merensky	Measured	36.09	36.80	7.17	6.89	8.32	8.15
	Indicated	48.96	44.73	6.72	6.55	10.57	9.43
	Inferred	32.59	40.19	7.24	7.02	7.59	9.07
	Total	117.63	121.72	7.00	6.81	26.48	26.65
UG2	Measured	38.22	33.86	5.35	5.30	6.57	5.77
	Indicated	65.18	72.45	5.21	5.25	10.92	12.23
	Inferred	29.79	32.43	5.50	5.37	5.27	5.60
	Total	133.19	138.74	5.31	5.29	22.76	23.60
Exclusive							
Merensky	Measured	9.95	9.51	7.30	6.90	2.33	2.11
	Indicated	35.36	29.95	6.72	6.45	7.65	6.21
	Inferred	32.59	40.19	7.24	7.02	7.59	9.07
	Total	77.91	79.65	7.01	6.79	17.57	17.39
UG2	Measured	12.96	14.73	5.22	5.27	2.18	2.50
	Indicated	55.39	53.86	5.24	5.24	9.33	9.08
	Inferred	29.79	32.43	5.50	5.37	5.27	5.60
	Total	98.15	101.03	5.32	5.29	16.77	17.17



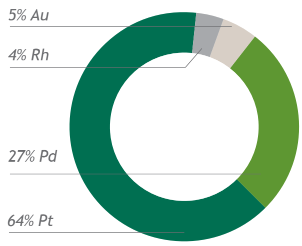
Merensky Reef
Boschkoppie 104 JQ 4E Prill %



Merensky Reef
Styldrift 90 JQ 4E Prill %

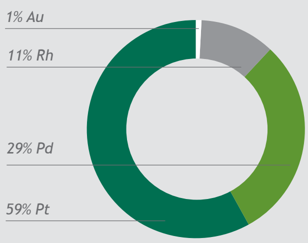


Merensky Reef
Frischgewaagd 96 JQ
4E Prill %

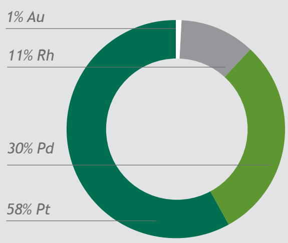


Merensky Reef RBPlat
4E Prill %

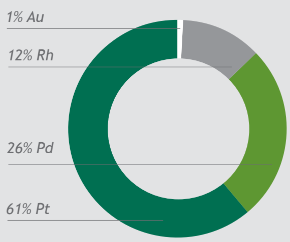
Prill splits



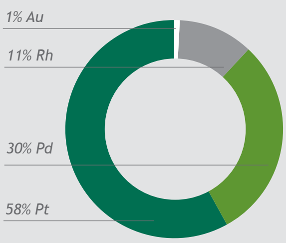
UG2 Reef Boschkoppie 104 JQ 4E Prill %



UG2 Reef Styldrift 90 JQ 4E Prill %



UG2 Reef Frischgewaagd 96 JQ 4E Prill %



UG2 Reef RBPlat 4E Prill %

Mineral Reserves

The Mineral Reserve interest expressed here is the 67% attributable to RBPlat of the Ore Reserves portions of Boschkoppie 104 JQ and Styldrift 90 JQ. The process to determine the Mineral Reserves has moved towards the use of Cadsmine in line with industry best practice. The Resource to Reserve conversion was carried out by applying signed off modifying factors to the scheduled areas in Cadsmine converting the Resource to a Reserve.

After depletion and the downgrade of previously unscheduled Reserves back to Resources Merensky Mineral Reserve tonnage decreased by only 7% from 52.36 Mt to 48.7 Mt (3.67 Mt). In line with this and at a slightly improved 4E grade 4.28g/t to 4.30g/t Merensky Mineral Reserve 4E ounces decreased by 6.6% from 7.2 Moz to 6.73 Moz (0.48 Moz).

- Production depletion: 1.37 Mt equating to 0.19 Moz
- Mine design and boundary changes including unscheduled areas moved to Resource: 2.29 Mt equating to 0.29 Moz

The UG2 Mineral Reserve tonnage decreased by 5% from 38.91 Mt to 36.92 Mt (1.99 Mt). The UG2 Mineral Reserve ounces decreased by 6.2% from 4.91 Moz to 4.60 Moz (0.31 Moz) primarily owing to the following:

- Reduction in Mineral Resource converted associated with an increase in the area discounted for unknown geological loss and a reduction in density from 0.59 Mt to 0.31 Moz
- Mine design and boundary changes: from 1.4 Mt to 0.18 Moz.

The procedure followed for the conversion of Mineral Resources to Reserves was done in accordance with the procedures approved by RBPlat and Anglo American Platinum. It comprises:

- Updated Cadsmine designs and layouts which are applied to the resource areas as dictated by current and planned mining methods to derive a mineable resource
- Modifying factors (technical, mining, geotechnical, concentrating, financial, legal, market and social/government factors) for the conversion of Mineral Resources to Mineral Reserves are applied using a consistent approach based on historical performance or benchmarked for new areas
- The mineable resource is then scheduled for extraction and this extraction schedule forms the input into conversion of the mineable reserves
- Both modifying factors and forecast economic parameters are then applied in the conversion of Mineral Resources to Mineral Reserves
- The mineable resource extraction schedule forms the input into the Company's new business plan
- Mineral Reserves are peer-reviewed and signed off by the Competent Person(s). In accordance with the JSE Listings Requirements, RBPlat converted the Mineral Reserves with reference to SAMREC 2007 guidelines and definitions. A Competent Person has been appointed to assume responsibility for Reserve statements for the BRPM operation and Styldrift I.

Table 3: Mineral Reserves as at 31 December 2011, 67% attributable to RBPlat

Reef	Reserve classification	Tonnes (million tonnes)		4E grade (g/t)		Contained 4E (million ounces)	
		2011	2010	2011	2010	2011	2010
Merensky	Proven	30.68	32.91	4.52	4.43	4.46	4.69
	Probable	18.01	19.46	3.92	4.02	2.27	2.51
	Total	48.70	52.36	4.30	4.28	6.73	7.20
UG2	Proven	26.51	19.67	3.93	3.97	3.35	2.51
	Probable	10.41	19.25	3.74	3.88	1.25	2.40
	Total	36.93	38.92	3.88	3.93	4.60	4.91
Total	Proven	57.20	52.58	4.25	4.26	7.81	7.20
	Probable	28.42	38.70	3.86	3.95	3.52	4.91
	Total	85.62	91.28	4.12	4.13	11.33	12.11

Mineral Reserves summary and explanation

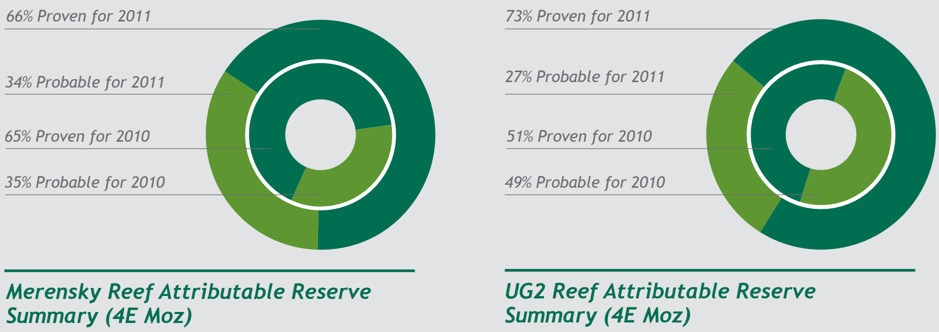


Figure 6: Merensky Reef Reserve Classification 2011

Salient points regarding Reserves

- Merensky Reserves at Styldrift I remain relatively unchanged, with a slight decrease in resource area converted 2% and an increase in Proven Mineral Reserve grade; the project is in execution with the shaft in the main sinking stage (Figure 6)
- Only scheduled Resources have been converted to Mineral Reserves with no Inferred Resources converted
- Scheduled Resources for Frischgewaagd were not converted because only prospecting rights are in place. An application to convert to a mining right will be made in 2012 and this will increase Merensky Reserves
- Styldrift II shaft area will be the subject of a pre-feasibility study in 2012 and has not been converted to a Reserve
- UG2 Boschkoppie Reserves were scheduled in computer assisted designs (CADs) in 2011 as an expansion and replacement of current Merensky for both BRPM North and South shafts (Figure 7)
- The UG2 areas known as A, B and C, the subject of an agreement with Impala, were converted to Reserves and included in the tabulations

Scheduled resources for Frischgewaagd were not converted because only prospecting rights are in place. An application to convert to a mining right will be made in 2012 and this will increase Merensky Reserves.

Styldrift II shaft area will be the subject of a pre-feasibility study in 2012 and has not been converted to a reserve

Figure 7: UG2 Reef Reserve Classification 2011

- Rounding off of figures may result in minor computational discrepancies
- 4E grade reported represents the sum of platinum, palladium, rhodium and gold grades
- Mineral Reserves are quoted as the 67% attributable interest of RBPlat

RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No Mineral Reserves are required to be excluded from the 2011 declaration relative to 2010 as a result of the cut-off grade consideration.

Surface exploration overview

Surface exploration activities have been conducted on the property over a period of more than 30 years. The farms of Boschkoppie, Styldrift II and portions of the farm Frischgewaagd have been explored using a combination of surface and underground drilling, geophysical surveys, trenching and geological mapping. All current exploration activities are brownfields exploration.

In 2011, a large surface drilling programme of infill drilling was carried out on the farms of Styldrift and Frischgewaagd (Figure 8) with the primary objective of developing confidence in the Resource Classification of both Merensky and the UG2 Reefs. A total of 50 342 metres was drilled on the primary resource target, situated in the deeper north-eastern portions of Styldrift (Styldrift II investment area), comprising 42 drillholes with the remaining metres being drilled on Frischgewaagd, comprising 23 drillholes.

In total, 65 drillholes were collared with each drillhole intersecting the intended reefs, namely the Merensky, UG2 and

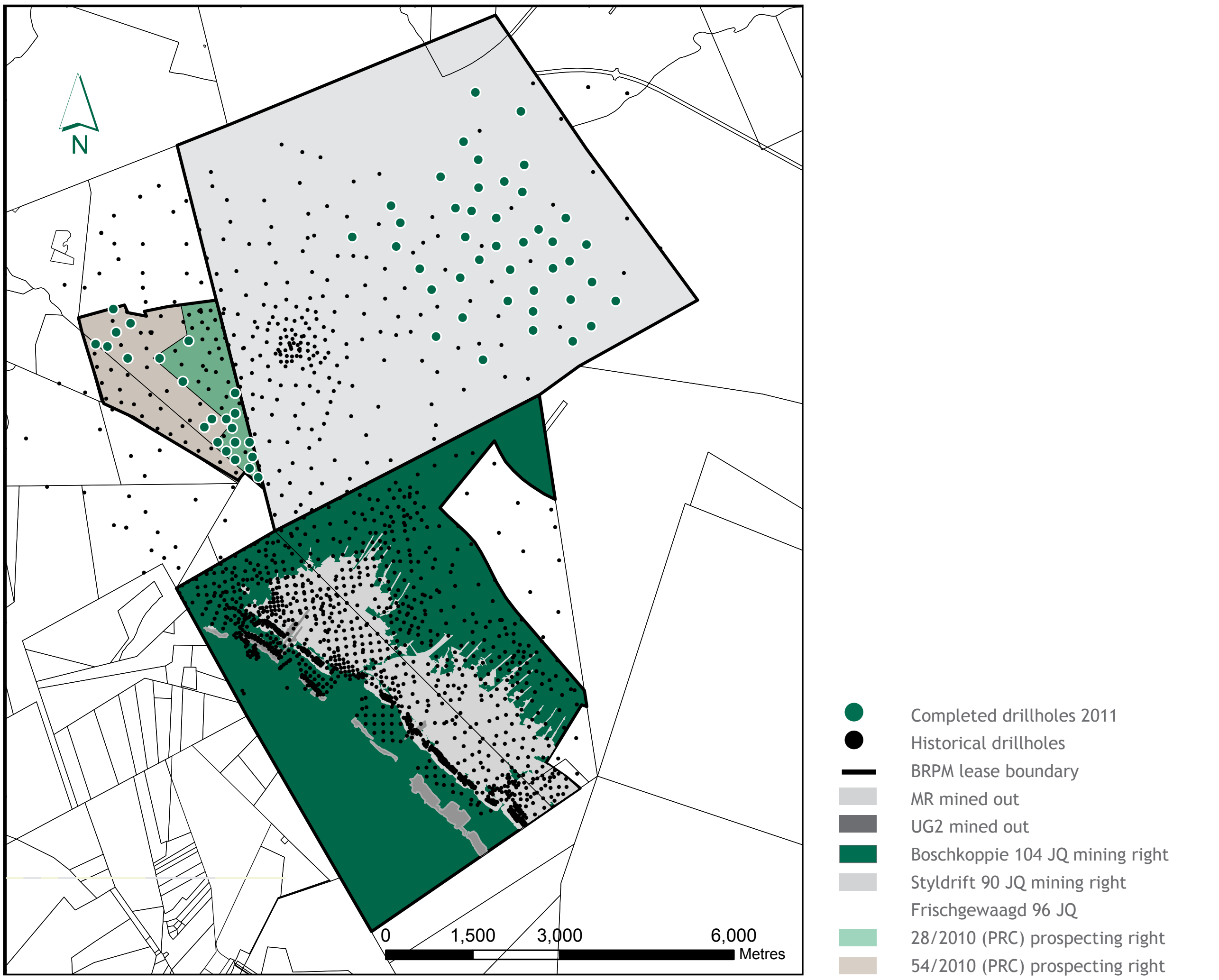


Figure 8: 2011 Infill drilling

UG1 reefs. The outcome of the overall progress and planning of the programme was that the 2011 Exploration Infill drilling programme achieved its intended objective. A total of 13 365 samples were submitted for 4E analysis with the necessary quality checks in place. Down-hole surveys were conducted on each mother-hole and its deflections to verify the depths, reef width and the drillhole azimuth. This enhances the confidence of the reef intersections that are used in structural and resource evaluation.

In 2010 the merging and re-processing of the five 3D seismic surveys over a total of 100 km^2 was concluded. The drilling in 2011 confirmed the seismic interpretation and further increased the confidence of the structural model generated by the 3D seismic survey. Planning of the 2011 drilling programme was based on the depths predicted from the seismic survey, which resulted in a 0.32% difference in correlation between the planned versus the actual depths.

The 2012 exploration drilling programme will similarly be focused on the north-eastern and deeper part of the farm Styldrift, to support the Styldrift II pre-feasibility study work that is planned to commence in 2012 (Figure 9). Further drilling will take place on the northern side near the Elands River to verify structural domains in that area. In all, 50 000 metres are planned to be drilled on Styldrift, which equates to 48 drillholes. Drilling on Boschkoppie will focus on a structural block situated between the South shaft shear and the Boundary fault zones. This additional drilling information will assist in developing the understanding of this structural area which will be mined in the near future from BRPM North shaft Phase III. The total planned metres for Boschkoppie is 7 500 metres, comprising 10 drillholes.

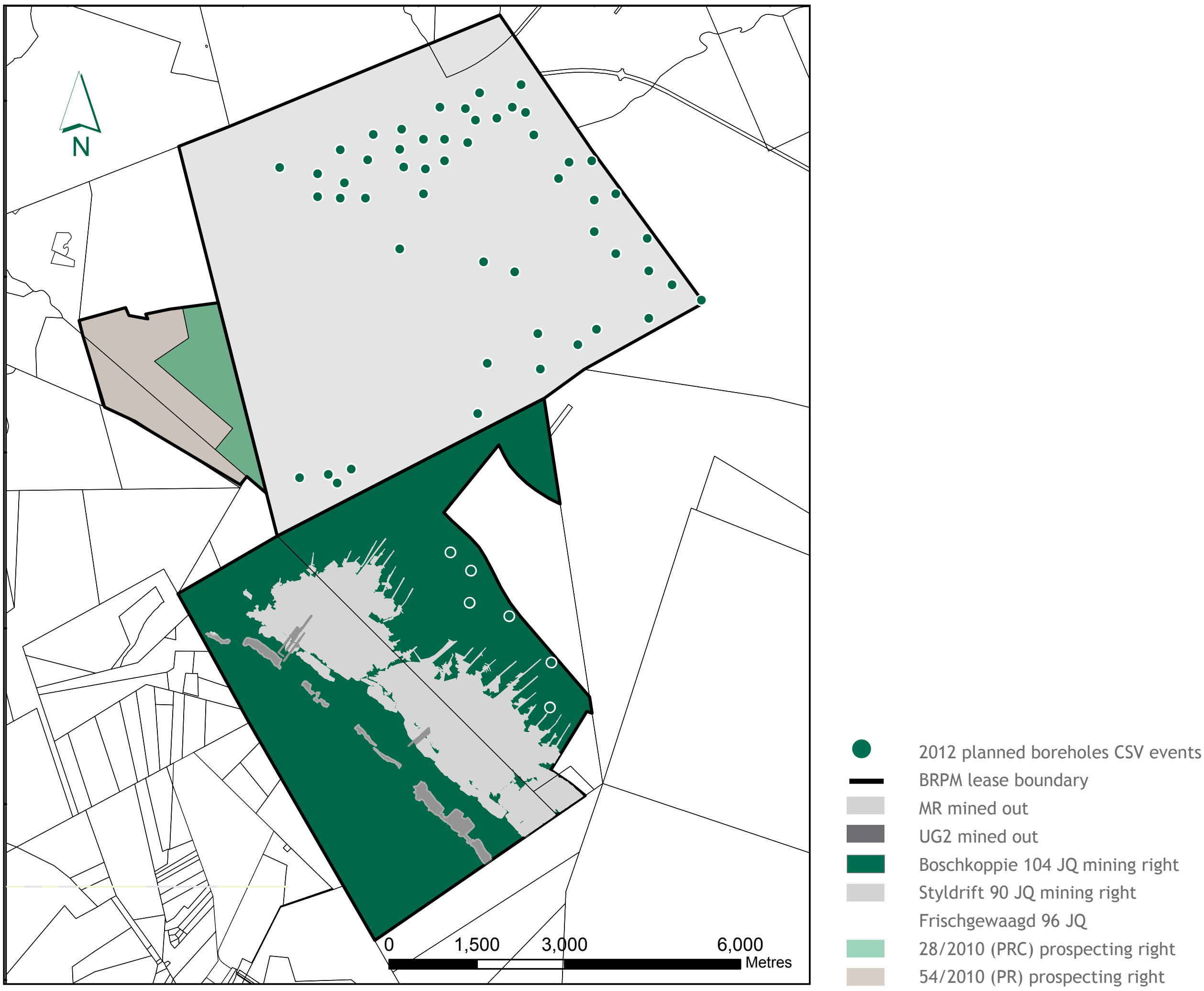


Figure 9: 2012 Planned infill drilling

NATURAL CAPITAL

is about the flow of energy and material within the environment that produces goods and services. It includes renewable and non-renewable resources, emissions, climate change, the neutralising or recycling of waste, etc

OBJECTIVE

To employ mine development and extraction methods that minimise damage and disturbance to the natural environment and ecosystems

The management of BRPM provides the Board and its Safety, Health and Sustainable Development Committee with regular reports on our performance in terms of our environmental management and any mitigating actions required to minimise our impact.

I am pleased that we were able to make our first submission to the Carbon Disclosure Project (CDP) which has provided us with a basis from which to manage our carbon footprint.

Steve Phiri
Chief Executive Officer

Challenges

- *Climate change*
- *Resource management – particularly water and energy*
- *Waste management*
- *Legal compliance*

Successes

- *Carbon footprint baseline established*
- *No fines or non-monetary sanctions were received for non-compliance with environmental laws and regulations*

Focus for 2012

- *Finalising our environmental strategy*
- *Energy efficiencies*
- *Water and waste management*

Management approach

By their very nature, mining activities have a major impact on the natural environment. There is a great deal we can do to mitigate these impacts to ensure they are not long-term. Central to RBPlat's approach to environmental management is the preservation and restoration of the natural environment throughout the lifecycle of our mining activities, based on international best practice, legal compliance and maintaining our environmental and social licence to operate.

Accountability for environmental management and climate change resides with our Board of directors and our Chief Executive Officer who are assisted by the Board Safety, Health and Sustainable Development Committee. This committee provides overall direction on sustainable development. While the revision of our environmental strategy is under development we continue to employ the Anglo American Platinum environmental strategy and policies, processes and procedures that were in place when RBPlat took over management and control of BRPM. The Environmental department ensures that there is alignment between the Company policy and legal and other requirements and that there is adherence to at least minimum requirements at operational level. It is also responsible for the auditing of the implementation of policy, standards and guidelines. Line management is accountable for the effective implementation using the environmental management systems in place for this purpose.

We review our environmental risks and opportunities as part of our business strategy and planning process. They are captured in our risk register at operational and corporate office level and verified by the Board Audit and Risk Committee. This approach involves the whole management team and the Board in the analysis and treatment of environmental risks and performance. Our employees are trained in risk management and environmental awareness.

Minimising impacts

We are committed to minimising our environmental impacts throughout the life of our operations. We rehabilitate land once our operations have ceased. We continuously identify and mitigate the negative environmental impacts of our activities. All our operations have closure plans in place.

Managing resources and emissions

The most significant emissions to air are Scope 2 emissions from the generation of the electricity we use in our operations. We are researching and finding ways to further reduce our energy use per tonne of product. Our emissions of ozone depleting substances, such as NO_x and SO_x are minimal.

Climate change

Climate change remains an important longer-term risk for our business. The potential risks we face from climate change are both physical and financial. The risks posed by climate change are complex as they include operational risks such as business continuity, health and safety, environmental aspects and regulatory aspects. We are working with members of our industry and other stakeholders to understand the potential impacts of climate change and take action to minimise them where we and the communities in which we operate are likely to be affected and where we can have the most effect.

Possible physical and financial impacts

Physically, climate change could materially affect our operations and the communities in which we operate through damage or possible business interruption caused by flooding, extreme storms, reduced availability of water and possible health impacts. Prolonged drought conditions could limit production growth or prevent us from operating.

One of the financial risks associated with greenhouse gas (GHG) emissions is the introduction of a carbon tax in South Africa, which could result in increased costs for electricity and transportation, as well as higher operational costs related to GHG emission monitoring, reporting and accounting. Higher energy costs could negatively affect our ability to contain operating costs and maintain production.

Understanding our carbon footprint

In order to better understand our carbon footprint and the opportunities for greater energy efficiency, RBPlat commissioned a carbon footprint baseline assessment, prepared by Camco, a global energy and carbon advisory company, in the first quarter of 2011, which assessed our GHG emissions for 2009 and 2010. The results, which were submitted to the Carbon Disclosure Project (CDP), will form the foundation of our carbon management strategy. The Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard (Revised Edition) was used to collect our data and calculate our Scope 1 and Scope 2 emissions.

We repeated this process in 2011 and the results of both assessments are included in this report.

Total direct and indirect GHG emissions by weight for 2009, 2010 and 2011

Scope	Total	2011		2010	2009
	RBPlat CO_2-e tonnes	BRPM CO_2-e tonnes	Styldrift CO_2-e tonnes	CO_2-e tonnes	CO_2-e tonnes
Scope 1 emissions — direct GHG emissions from sources that are controlled or owned by RBPlat from the use of fuel such as diesel and petrol	2 262	2 259	3	1 861	1 790
Scope 2 emissions — Indirect GHG emissions from purchased electricity to run our operations, generated mostly from burning fossil fuels	293 539	285 789	7 750	298 650	302 713
Scope 3 emissions — Other indirect GHG emissions from sources not owned or controlled by RBPlat	16 305	5 055	11 250	6 941	7 328
Total CO_2-e	312 106	291 641	19 003	307 452	311 831

Styldrift I Project materials use (first year of data collection)

Type of material	2011
Acetylene gas (kg)	1 672
Explosives (kg)	53 983
Fire extinguisher CO_2 (kg)	97
Refrigerants (kg)	2
Contractor petrol vehicles	
Light vehicles (litres)	62 415
Light commercial vehicles (litres)	24 125
Contractor diesel vehicles (litres)	
Light vehicles (litres)	39 632
Light commercial vehicles (litres)	9 650
Offroad vehicles (litres)	
Forklift (litres)	55 200
Earthmoving vehicles (litres)	364 525
Onsite diesel generator (litres)	1 125
Employee owned petrol vehicles (litres)	314 160

BRPM materials use (first year of data collection)

Material	2011
LPG (kg)	240
Acetylene gas (kg)	2 898
Explosives (kg)	5 046 449
Water consumption (litres)	2 078 680 000
Company-owned petrol vehicles (litres)	22 218
Company owned diesel vehicles (litres)	
Light vehicle consumption (litres)	397 553
Heavy off-road vehicle consumption (litres)	31 883
Petrol generator (litres)	110
Onsite diesel machinery (litres)	50

Waste generation by Styldrift I Project (first year of data collection)

Waste type	2011
Tonnes	
Landfill waste	55
Incinerate waste	0
Recycled waste	3
Total	58

Waste generation by BRPM (first year of data collection)

Waste type	2011
Tonnes	
Landfill waste	3 227
Incinerate waste	0.6
Recycled waste	1 829
Total	5 056.6

Energy consumption

BRPM's total energy use for 2011 decreased 2.12% year-on-year.

Type of energy	2011	2010	% Change
Electricity in MWh excluding Styldrift	287 304	292 552	(1.83)
Electricity in MWh Styldrift*	7 791	–	–
Electricity in MWh including Styldrift	295 095	292 552	0.86
Diesel in kl (direct)	429.485	511.172	(19.02)
Petrol in kl (direct)	22.327	31.742	(42.17)
Total energy use in GJ including Styldrift	1 093 890	1 074 025	0.53
Total energy use in GJ excluding Styldrift	1 051 692	1 074 025	(2.12)

** In 2010 Styldrift's contribution to electricity was marginally small and not included in the reported figure*

Our main aim is to ensure we reduce our energy consumption per tonne product mined and milled. Compressors are a major consumer of electricity on the mine. During the year we reduced the 50 mm supply line to a 3 mm valve gate in the refuge chambers to reduce compressor usage at both North and South shafts during periods when the refuge bay is not used. We installed a compressor auto/stop control which controls the supply and demand of compressed air and reduces electricity consumption at the compressor house. We installed compressed air control valves underground and automatic drain valves for compressors which reduced air leakages on water traps. In addition, using heat pumps we reduced geyser electricity consumption and we installed energy efficient lighting throughout BRPM. We also installed a man riding belt variable speed drive (VSD) to reduce the amount of energy used to bring the belt up to full speed.

Water consumption

	2011	2010	Change
	Ml	Ml	%
Water used by BRPM for primary activities	503.8	570.41	11.7
Water used by BRPM concentrator for primary activities	1 468.7	1 293.88	(13.5)
Total water use for primary activities	2 078.7	1 977.85	(5.1)
Water used by BRPM for non-primary activities	106.2	113.6	6.5
Water used by BRPM concentrator for non-primary activities	–	–	–
Total water used for non-primary activities	106.2	113.6	6.5
Recycled water used by BRPM	1 419.2	2 027.3	30.0
Recycled water used by BRPM concentrator	784.9	965.04	18.7
Total recycled water used	2 204.1	2 992.4	26.3

Water

Our operations are located in a water-scarce region of South Africa. The increasing demand for fresh water can lead to a shortage of water which presents a significant challenge for RBPlat and the communities in which we operate. We aim to use water as efficiently as possible and minimise any negative impacts on water quality in the environment in which we operate. No water is discharged from our operations as we operate on a closed loop system.

Our water use includes water employed in our primary activities of mining and processing PGMs into a concentrate in our onsite concentrator and in our non-primary activities such as dust control and garden maintenance. Magalies Water provides the potable new water used in our operations.

Our management of water resources is based on:

- securing the availability of sufficient water for our current and future mining operations
- reducing our fresh water consumption by improving water use efficiencies and water recycling
- preventing the contamination of ground and surface water resources.

Currently, BRPM is seeking approval from the Department of Water Affairs to install a water treatment plant and treat the water from the mine which historically has been stored on site in an opencast mining area which is due to be rehabilitated. This would allow BRPM to reduce its use of potable water from Magalies Water.

Biodiversity and land management

The disturbed land footprint for BRPM is 949 hectares. No more land was disturbed by BRPM operations in 2011. The disturbed land for Styldrift is 238.8 hectares. No more land was disturbed by Styldrift in 2011.

The BRPM operations are not in or adjacent to protected areas and areas of high biodiversity value outside protected areas.

Identifying potential impacts

Eight distinct biodiversity management units were identified as requiring biodiversity management plans during a 2003/2004 biodiversity assessment which was updated in 2009. The aim of these plans is to protect and, where possible, enhance the local ecology. We are committed to rehabilitating and restoring the land both during the mine's life as well as after our mining activities have ceased. During the assessment at least 11 Red Data listed species including one reptile, six bird and four mammal species were identified. The area in which they are located meets their habitat requirements.

To manage any biodiversity risks we have developed a long-term biodiversity monitoring programme to:

- implement an integrated alien plant control programme
- conduct a medicinal plant survey
- design and implement a fire management plan
- promote sustainable use of natural resources within the area
- initiate environmental education programmes
- improve our understanding of the biodiversity in the area.

While the RBPlat operations are not in protected areas, they are adjacent to sensitive sites important not only for their unique and rich biodiversity, but also because of the ecosystem services they provide. No threatened plant species have been recorded during the baseline and follow up surveys. We remove invader species to stimulate growth of indigenous species on our properties and maintain firebreaks to prevent the loss of biodiversity during fires. To promote biodiversity, we plant indigenous trees on our property.

We also engage with the schools in the vicinity of our operations to promote biodiversity and sponsor indigenous tree planting at these schools.

Effluent and waste

Mining and metallurgical operations produce hazardous and non-hazardous waste which, unless properly disposed of, can be a threat to the environment.

Waste

We have a waste management plan in place to reduce, reuse, recycle or responsibly dispose of the waste we generate. This minimises the amount of waste sent to the landfill site and cuts costs. BRPM has its own licensed landfill site.

Accredited service providers transport our recyclable waste to recycling companies for recycling in a responsible manner. Materials currently recycled include scrap metal and conveyor belts. Most of our industrial waste is sorted on site and reused where possible. Packaging material is not recycled, explosives bags and boxes are destroyed by means of burning as permitted by law. We are investigating with a service provider to implement the collection and recycling of glass and plastic in 2012. A system is not yet in place to sort contaminated waste material for reuse.

Our hazardous waste (made up of hydrocarbon contaminated material) is transported to a landfill site at Holfontein. Enviroserv is contracted to collect and transport our hazardous waste. RBPlat does not import, export or treat waste deemed hazardous under the Basel Convention Annex I, II, III and VIII.

Effluent

In terms of our licence conditions and requirements effluent may only be discharged in an emergency in consultation with the relevant authorities. Tailings are disposed of at our tailings dam and waste rock is disposed of at our waste rock dumps.

Total weight of waste by type and disposal method

	2011	Disposal method
Hazardous waste (metric tonnes)	104.74	Legal hazardous landfill site
Non-hazardous waste (metric tonnes)	3 137.68	Legal landfill site
Non-hazardous waste recycled (metric tonnes)	652.09	Outsourced to salvage operator
Used oil recycled (kilolitres)	2 869	Outsourced to service provider
Plastic recycled (kg)	79 060	Outsourced to salvage operator
Metal recycled (metric tonnes)	1 098.08	Outsourced to salvage operator
Tailings (metric tonnes)	2 096 145.22	
Waste rock (metric tonnes)	58 662.33	

The only spills we have at BRPM are the occasional hydrocarbon spill that is not significant as they are mostly less than 20 litres. These incidents are reported and the spills are cleaned as they occur. The spills are from wear and tear of equipment and accidental spills when containers are being moved around.

Product responsibility

RBPlat's mining lifecycle includes exploration, project development, mine construction, operation and concentrate production. Our final product is a concentrate which is sold to a single customer, Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum, through a concentrate offtake agreement. The concentrate must meet certain specifications in terms of the offtake agreement in relation to the PGM moisture and chrome content for each tonne of concentrate. These product specifications are assessed through specific and proven procedures agreed to by RBPlat and RPM.

Our metals

The platinum group metals (PGMs) — platinum, palladium, rhodium, ruthenium and iridium — occur together in nature alongside gold, nickel, copper, cobalt and chrome.

Many of the unique properties of PGMs make them indispensable to modern technology and industry and their markets are many and varied, from the automotive industry to the medical field. The markets for our products are the same as those for all platinum producers.

Product uses

As a vital component in autocatalytic converters, PGMs play a significant role in reducing air pollution by limiting the discharge of carbon monoxide, hydrocarbons, nitrous oxides and particulates. Approximately 56% of global PGM production is used in autocatalytic converters. After being badly impacted by the global financial crisis the automotive industry has restructured and is better equipped to weather the current market fragility. As a result, should we experience another period of recession, we do not foresee the same sort of decline in demand for PGMS from the automotive industry as we saw in 2009.

As part of its intention of being in the forefront of the hydrogen economy the South African government, through Hydrogen South Africa (HySA), wishes to explore the possible uses of stationary fuel cells to produce electricity. As fuel cells make use of PGMs the South African platinum industry is also interested in this possibility. Not only could this initiative reduce carbon emissions and provide a viable alternative source of electricity, but the manufacture of fuel cells in South Africa also has the potential for job and venture creation.

Product stewardship

We systematically address the safety, health and environmental issues relating to our products at all stages of the product life cycle. The refiners and marketers of our PGMs have specific measures in place to protect the health and safety of those using or delivering our products. Procedures for assessing product health and safety are addressed during conceptual development, research and development, product certification, manufacturing and production, marketing and promotion, storage, distribution and supply, use and disposal, or recycling. Mineral safety development sheets are provided with all mining products and directed at industrial users. Our products are not delivered directly to customers.

We are committed to minimising the dispersion of metals back into the biosphere and reducing the environmental and health risks associated with this. We aim to ensure the health, safety and environmental risks associated with the use, recovery, recycling and disposal of our products are properly understood by customers and mitigated. Since our metals are sold into a global market place, we believe that meeting our product stewardship commitment is best done in collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the International Platinum Group Association (IPA).

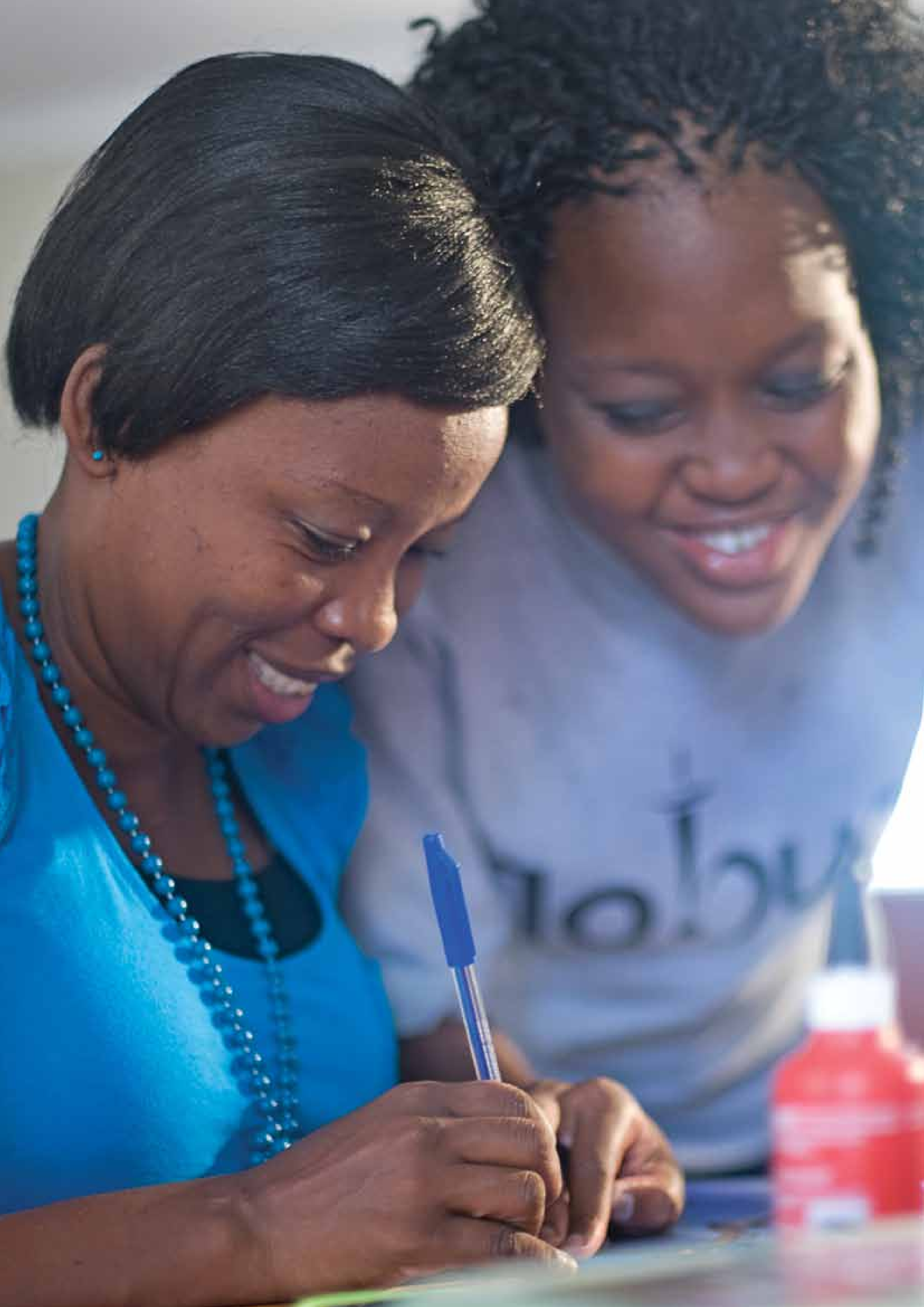
The refiners and marketers of our PGMs recognise the responsibility they have as suppliers of PGMs to build value chains that minimise the negative and enhance the positive impacts of PGMs over their lifecycles.

The metals produced from our concentrate are sold into the global marketplace by Anglo American Platinum, which meets its product stewardship commitments in collaboration with key stakeholders including government, industry associations, the scientific community and civil society organisations.

There have been no incidents of non-compliance with regulations and voluntary codes concerning our products and we have not received any fines for non-compliance with laws and regulations concerning the provision and use of our products and services.

Transportation

Our major consumables are procured from Rustenburg by road, which is 35 km from RBPlat's operations. Our concentrate is transported by road to RPM, which is 45 km from BRPM.



HUMAN CAPITAL

is all about the things needed for a productive workforce: health, knowledge, skills and motivation. Enhancing human capital through education and training is essential for business sustainability

OBJECTIVE

To adapt to a people first philosophy, which enhances the intellectual and productive capacity of our people

Our Board and its committees review and approve all Group strategies and policies and monitor the Group's performance in terms of safety, health, transformation, skills development and skills attraction and retention. During the year our management team has developed a comprehensive set of strategies and policies which address safety, employment, employee relations, occupational health, training and education, diversity and equal opportunity, which we describe in this section of our annual report.

Steve Phiri
Chief Executive Officer

www

RBPlat's approach to our people is based on an integrated human resource strategy, the implementation of which has led to the development of a comprehensive set of strategies and policies which address employment, employee relations, occupational health, safety, training and education, diversity and equal opportunity

Safety

Challenges

- *Embedding a culture of safety first in the organisational culture*
- *Developing a competent team that can identify hazards and manage the associated risks*
- *Achieving zero harm in all operations*
- *Timeously and successfully addressing the nine latent defects per barrier as depicted in our safety strategy. This will prevent incidents and accidents from happening*

Successes

- *A fatality-free year*
- *Record number of days without injury*
- *Results improved as actions implemented started taking effect*
- *BRPM achieved one million fatality-free shifts on 22 June this year, which is the ninth time the mine has achieved this. It was the first time that the full period taken to achieve one million fatality-free shifts was achieved under RBPlat's management*
- *South shaft achieved*
  - *One million fatality-free shifts on 11 August 2011 and eight million fall of ground fatality-free shifts on 9 September 2011*
- *1.8 million fatality-free shifts for RBPlat by year-end*
- *Number of days without injuries increased from 211 in 2010 to 221 in 2011 at BRPM*
- *BRPM received a safety award from The Association of Mine Managers of South Africa for being fourth in its class in the platinum industry by improving our LTIFR significantly year-on-year. In 2010 BRPM was in seventh position and we have now moved to fourth position*

Vision

Every person working on our mine must go home unharmed every day

- *No rock will fall uncontrolled*
- *No sub-standard winch will be operated*
- *No machinery is to be operated without authorisation. All machinery must comply with the original equipment manufacturer's (OEM) specifications and be effectively guarded for safe operation*

Management approach

At RBPlat the Board, assisted by its sub-committees, assumes ultimate responsibility for the performance and affairs of the Company which includes safety. In the operations safety is always the direct responsibility of senior management who are responsible for providing the leadership, design, systems and behaviour that will prevent incidents and eliminate fatalities.

This year our safety team focused on developing, finalising and applying a BRPM-specific safety strategy. Their aim was to develop a safety strategy that would support the achievement of our vision of zero harm to all those working at BRPM and Styldrift. During the development of each barrier and their detailed requirements, groups from management, organised labour representatives and subject matter experts were involved in creating the guiding principles.

The SHE team started by analysing BRPM's safety results for the past six years, which helped them identify three areas they needed to focus on to achieve a marked improvement in lost time injuries (LTIs) and fatalities. These were: falls of ground, winches and machinery. A safety climate survey that was conducted in 2010 was also used in the development of the new safety strategy.

During the year as we focused on the three high risk items, equipment and material handling emerged as an increased risk area. During the second quarter of the year four out of the 10 LTIs that occurred were caused by incorrect material handling. The production managers had a roadshow to demonstrate the risks of incorrect materials handling to all employees.

The focus areas that underpin our safety strategy are:

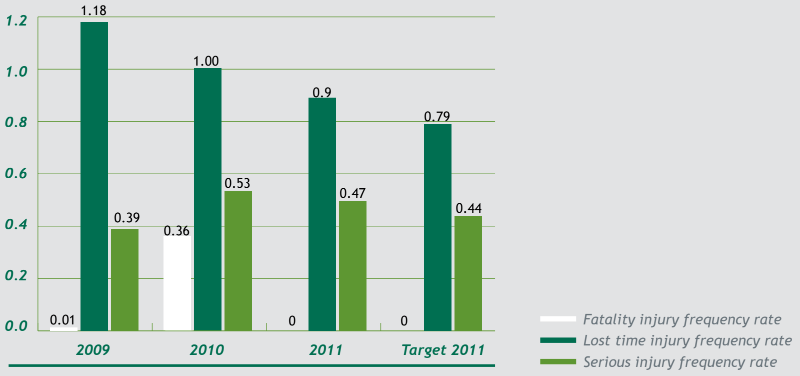
- No rock will fall uncontrolled. We have introduced a fall of ground management system which closely monitors fall of ground incidents and the progress made with these incidents in terms of frequency and severity

SHER Manager explaining to the Safety Manager, Risk Manager and a Fulltime Safety Representative on how the safety strategy model will assist with improving safety

Focus for 2012

- *Progressing towards zero harm through the full implementation of the safety strategy*
- *Update the health and environmental requirements in line with the new safety strategy model*
- *Ensure a revised safety, health and environment (SHE) strategy is in place by the end of 2012 to take RBPlat to new heights in SHE*

Performance (%)



** These rates are based on per 200 000 hours worked*

- No sub-standard winch will be operated. In order to achieve zero harm with winches and rigging we will not allow any sub-standard winch installation to operate. We passionately ensure that our winch rules are adhered to
- No machinery is to be operated without authorisation. All machinery must comply with the original equipment manufacturer's (OEM) specifications, be effectively guarded and only be operated by duly trained, authorised and appointed personnel.

Safety strategy model

The revised safety strategy model was developed to evaluate new projects and to determine the reasons for failure when there is an incident or a fatality. The model is built on a solid foundation that supports the four barriers.

Foundation

The foundation of the model is RBPlat's Safety Code of Conduct (the Code), Safety discipline and Safe teamwork.

The rules set out in the Code are intended to ensure the overall welfare of the Company and the safety of those working at BRPM. It outlines the duties, functions and responsibilities of RBPlat and specific individuals in the day-to-day decision-making processes and actions governed by these rules. The safety discipline was developed to ensure effective on time strict discipline. The foundation building blocks encourage safety teamwork in the pursuit of the common goal of zero harm.

Barriers – leadership, design, systems and behaviour

The SHE team, working with the heads of department, identified four barriers that need to be in place to prevent incidents and injuries.

These are:

- Leadership – visible, felt
- Design – specification for objects to achieve a goal
- Systems – organisation of structures, work processes, documents and assembly of resources
- Behaviour – a zero harm culture.

The demonstration of leadership that is visible and felt at RBPlat is included in the CEO's commitment to safety, health and environmental management.

At a presentation by BRPM's General Manager at the mine's safety summit held on 30 September 2011, which was attended by all shift supervisors, mine overseers and line managers, RBPlat's new safety strategy was explained and the General Manager confirmed his commitment to achieving the strategy's vision.

Latent defects

Each barrier in the RBPlat safety strategy model derived from information gathered during BRPM's safety climate survey in 2010. Detailed change management processes and procedures have been developed to address these defects.

At RBPlat we are competent at identifying physical hazards but we need to become better at identifying and managing the organisational risk that is embedded in the culture of the organisation. A culture needs to be established where all risks associated with changes to facilities, equipment, material and operating processes are assessed and brought to an acceptable level of risk before these changes are allowed to be implemented in the workplace.

SHE management systems

Our operations have maintained accreditation of the Occupational Health and Safety Assessment System (OHSAS) 18001 certification every year since 2004 and have also retained their International Organisation for Standardisation (ISO) 14001 certification every year since April 2002.

Safety initiatives

Cross audits

The vehicle that we introduced to assist us in ensuring the new safety strategy goals are achieved and which has been most successful in improving safety performance, is cross audits. The BRPM SHE team identifies hot spots on the mine based on the analysis of hazards, incident reporting and the injuries recorded. From this analysis monthly cross audits in these hot spots are then conducted by peers (e.g. a North shaft team will audit a South shaft team involved in the same work), with the process being directed by the Safety, Health, Environment and Risk Manager (SHER) and the Safety Manager; the audit team gives feedback to the General Manager and relevant heads of department on the same day. An action plan to correct any safety weaknesses is handed out the next day and monitored by the Safety Manager and his team. Within two weeks from the original audit a follow-up audit is done to achieve closure.

For more information on improving winch standards see Strategy section, Project Kgolo case study page 16

See the website for details of the nine defects per barrier (www.bafokengplatinum.co.za)

Health and wellbeing

Challenges

- *Have no occupation-related illnesses or diseases*
- *Have no percentage loss in hearing difference (PLHD) of more than 5.0%*
- *Eligible ART patients within the wellness pool in that quarter to exceed 50%*
- *No TB deaths of patients on the BRPM TB programme*

Successes

- *BRPM clinic named Platinum Health Medical Clinic Site of the year*
- *Enrolled 100% of new HIV positive patients on the wellness register*

Focus for 2012

- *Have no occupation-related illnesses or diseases*
- *No cases of noise-induced hearing loss*
- *Enrol over 50% of eligible ART patients*
- *No TB deaths of patients on the BRPM TB programme*

Management approach

BRPM's health and wellness strategy is being revised to be in line with the new safety strategy. Our focus this year was on developing our new safety strategy and updating policies and procedures and our health and wellness strategy to follow. In the meantime we comply with the South African Mine Health and Safety Act and the Occupational Health and Safety Act and are still employing the Anglo American Platinum health strategy and policies, processes and procedures that were in place when RBPlat took over management control of BRPM. In terms of this strategy we identify, assess and control occupational health hazards and do everything possible to eliminate work-related diseases.

Platinum Health is the service provider responsible for medical surveillance and monitoring healthcare delivery. Occupational health and hygiene policies, standards, monitoring and auditing are undertaken by the SHE department. Line management is responsible for maintaining occupational health and hygiene standards. Our Chief Executive Officer is ultimately accountable for the health and wellbeing of all our employees and contractors when they are on site.

A healthy workforce is an advantage to our business, because it means that our employees are fit to work at their full potential and sickness absences are reduced.

Some of the public health facilities utilised by both our employees and the communities in which we operate have been supplemented with, for example, an ambulance and a mobile eye clinic.

We aim to eliminate occupational diseases by providing a workplace free from health and hygiene hazards and improving the wellbeing of our employees and contractors. We have identified the main health issues affecting our workforce and the local communities. This allows us to address their specific needs.

Health and Safety Committee structure

Each operational area (North shaft, South shaft, the Concentrator plant and Central services) has a health and safety committee, whose members are drawn from both management and employees. Employees elect their representatives on the Operational Health and Safety Committee from the health and safety representatives appointed for their operational area. Each committee consists of at least four employee representatives and the number of management representatives is either equal to or less than the number of employee representatives. The committee meets monthly.

BRPM has a Joint Health and Safety Committee which consists of representatives from each operational area (North shaft, South shaft, Concentrator plant and Central services). Each area nominates an additional representative and an alternate who attends meetings if the representative is not available. The committee meets quarterly. Issues not resolved at operational area safety committees are escalated to this forum.

Annual medical check-ups are conducted at the BRPM medical station

Occupational hygiene

Occupational diseases, and in particular noise-induced hearing loss (NIHL), can have a long latency period and recently diagnosed cases may be related to historical operating practices. We have a comprehensive hearing conservation programme in place. Hearing protection devices are mandatory in work places where noise levels exceed 85dB(A). These areas are demarcated as having high noise levels. We are working towards achieving the 2013 milestone mining industry target of no new cases of NIHL by 2013. We are also working towards reducing the total noise emitted by all our equipment to below 110dB(A) by December 2013.

Healthcare delivery

The BRPM clinic was named Site of the Year this year for the second time, after a rigorous assessment process that looked at internal assessments, input from external consultants, client satisfaction surveys, trauma and emergency preparedness, TB as well as HIV and wellness programmes. Professor J Goosen (Wits Medical School), Catalyst Research Marketing, the Department of Health (DOH) and the DMR made external assessments. Competition was from the other eight Platinum Health Medical Service sites, which serve three South African provinces and offer services to over 70 000 people.

The clinic's healthcare promotion, surveillance, emergency and treatment services, including disease management programmes, targets both individual and organisational influences on health. The clinic manages to exceed its service delivery to a point of excellence. Its delivery model is based on a thorough understanding of the mine's requirements. It not only meets legal requirements, but also reflects our values by ensuring the wellbeing of our employees and adds value to the Company and its stakeholders.

The BRPM clinic remains well placed to meet the challenges of delivering quality, cost-effective healthcare services to all our employees. It incorporates an infrastructure that caters for the delivery of requirements across the healthcare and support services spectrum.

It maintains complete medical records of employees, from pre-employment through their working life, which improves diagnoses and treatment outcomes. The clinic is equipped and staffed to provide a comprehensive set of health interventions and strives to achieve best practice in the field of mine medical services.

Wellness

At BRPM we manage the impact of HIV and AIDS from prevention through to care and support, taking into account the socio-economic conditions that are a factor in the pandemic when we develop our strategies for prevention. A partnership agreement that supports the Company's HIV and AIDS policy and its HIV and AIDS initiatives was signed by BRPM, the trade unions and associations.

Safety representatives are trained as total wellness peer educators. Our aim is to have one peer educator for every 50 employees. The peer educators play a role in prevention and encouraging people to enrol on the wellness register and to adhere to ART.

Counselling and voluntary testing (CVT) is provided annually, together with education and information to all employees returning from leave and new employees, to increase awareness of the risk of HIV, TB and sexually transmitted infections (STIs). The 2011 targets were for 100% of employees to be counselled and 85% of those counselled to be voluntarily tested. Both these targets were achieved. BRPM provides male and female condoms, advisory and treatment services for STIs and TB, post-test support and follow-up psychological support, together with an education programme which is aimed at achieving behaviour change.

HIV and TB statistics

	2011	2010
Number of employees on ART	219	185
Number of employees tested who were infected with TB	22	40
Number of employees tested for TB	168	213
TB prevalence	580/100 000	530/100 000

The TB prevalence number is expressed per 100 000 and not in a percentage. Government reports the national prevalence rate as 998/100 000.

HIV counselling and testing (HCT)

	2011	2010
Number of employees counselled	3 496	4 585
Number of employees tested	3 049	4 409
Number of employees and contractors tested who were HIV positive	643	539
Number of contractors counselled	8 885	8 860
Number of contractors tested	7 886	8 220
Prevalence rate for employees	21.1%	15.6%
Prevalence rate for contractors	20.0%	17.6%

All employees that undertook initial medicals and all employees who undertook routine medicals are being counselled
Prevalence rate = those that tested positive and those who are known to be positive

In 2010 those who were declared unfit to work as a result of not passing the first time or returning to work after an extended medical condition were added to the VCT numbers. This lowered the prevalence rate and reduced the accuracy of the 2010 data. The 2011 prevalence rate, which does not include those unfit to work, is more accurate.

Noise-induced hearing loss statistics

Instances of NIHL	2011	2010	2009
NIHL of more than 10% which qualifies for compensation	19	4	9
NIHL of more than 10%, but does not qualify for compensation	16	4	4

During 2011 BRPM hired a number of new employees and contractors who were found to be suffering from NIHL and this resulted in a considerable increase in both NIHL cases not qualifying for compensation and those qualifying for compensation.

Human resources

Challenges

- *Maximising local employment*
- *Making careers in mining more accessible to women and young professionals*
- *Achieving employment equity*
- *Human resource development*
- *Transformation*
- *Retaining critical skills*

Successes

- *Conclusion of three-year wage agreement with the National Union of Mineworkers' bargaining unit*
- *Development of the remuneration philosophy*
- *Human resource development*

Focus for 2012

- *Implementing RBPlat's new human resource strategies*
- *Staff housing solution project*
- *Talent management*
- *Employee wellness*

Management approach

While RBPlat complies with the South African Basic Conditions of Employment Act and other related legislation, it is our strategic intent to attract, develop and retain high calibre personnel across all functions and levels that reflect the demographic profile of the country.

We are also committed to ensuring that all our employees, including contractor employees, have the opportunity to acquire skills and competencies that will allow them to achieve both their individual and our organisational goals.

The main purpose of the Human Resource function at RBPlat is to provide effective strategic Human Resource solutions and interventions that support our drive towards operational excellence.

RBPlat's Executive: Human Resources reports directly to our Chief Executive Officer. She is responsible for setting our human resource strategy and standards and aligning them with RBPlat's overall strategy. The development and implementation of RBPlat's remuneration philosophy is driven by this office to ensure that the Company remains competitive in terms of remuneration and career opportunities.

A Senior Human Resource Manager is based at the operations. The following functions report to him: Employee Relations, Human Resource Information Management Systems (HRIS), Transformation and the human resource development and training coordinators for the shafts, central services and the concentrator.

For information on our approach to human rights see the Ethics and human rights section on page 27.

See the Remuneration section of this report on pages 30 to 31

Building relationships with labour is a key responsibility of the Human Resources function. We undertake a number of projects, such as improving team efficiency, with labour for the benefit of all our employees.

Communication forms an integral part of the Human Resources function, which is responsible for maintaining open two-way communication channels with employees and all relevant stakeholders.

During 2011 our human resources team developed human resource development and transformation strategies.

A remuneration philosophy and related policies were also developed and reflected on pages 30 to 31.

Employee turnover for the year was 9.5% (5.5% in 2010) of which 94% were male and 6% were female and the majority were B band employees — made up of semi-skilled operators.

Employee relations

A significant amount of time has been invested in the improvement of employee relations through various staff engagements by senior management. We will continue to ensure direct consultation with and feedback from our employees and through our ethical principles we make it clear to our suppliers and contractors that we require them to abide by the South African Bill of Rights.

Recruitment policies

When recruiting RBPlat, where possible, gives preference to members of the local community and, in some cases, offers training opportunities to community members that will allow them to develop the skills they require to be employed.

Employee remuneration

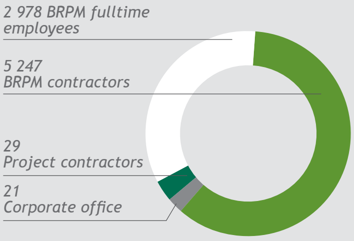
We provide well-structured employment contracts, fair and competitive remuneration and an equal rate of pay to male and female employees of equal experience. All potential and existing employees are provided with equal opportunities in terms of recruitment, promotion, transfer, employee benefits, training and other conditions of service.

Employee remuneration is benchmarked against our market peers and the remuneration of our employees is in terms of our remuneration policy.

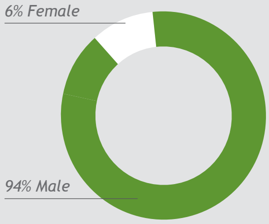
RBPlat upholds the rights of its employees to collective bargaining and freedom of association and does not tolerate any form of discrimination.

Unionised employees

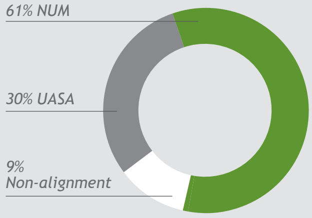
RBPlat considers collective bargaining and freedom of association to be a fundamental right of our employees. RBPlat currently recognises two organised labour movements: National Union of Mineworkers (NUM) and United Associations of Trade Unions South Africa (UASA). 91% of the workforce is unionised and the union membership is set out in the chart on the next page.



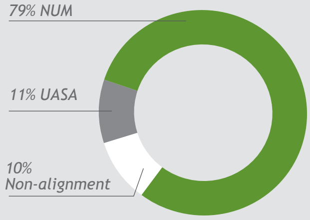
Total workforce as at 31 December 2011



Turnover by gender



Union representation at supervisory bargaining unit level



Union representation at operational bargaining unit level

We signed a three-year wage agreement with the National Union of Mineworkers, effective 1 July 2011.

As part of the agreement both parties undertook to investigate a housing solution which would make it possible for BRPM JV employees to procure housing. An investigative committee consisting of five union members and five RBPlat representatives is to submit a report recommending housing solutions to the RBPlat Board within 18 months of the signing of the agreement in August 2011. Both parties also agreed to implement a team efficiency improvement model. RBPlat undertook to convert volume contractor employees to fulltime permanent employees, provided its current fulltime employees consistently achieve the targets set in the efficiency improvement model over a 12-month period.

Employee benefits

The benefits that we provide our fulltime employees, over and above the legally mandated employment benefits, include retirement benefits in the form of a provident fund and medical scheme benefits. These additional benefits are not offered to temporary or part-time employees.

Industrial action

During 2011, 2 050 contract workers embarked on a legal strike at BRPM which lasted for nine days from 16 to 26 October. The reason for the strike was a wage dispute between the contract workers and their employer.

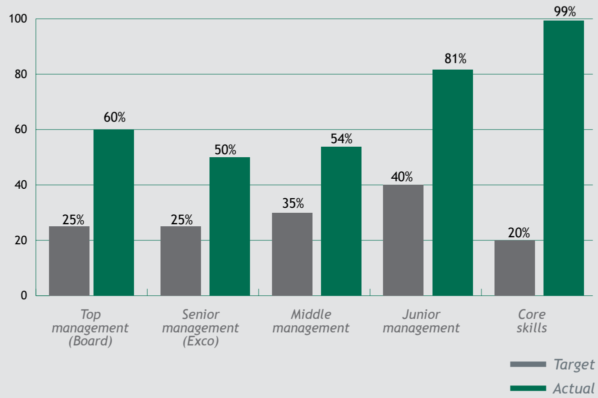
Employment equity

Our employment equity policy is based on providing equal opportunities to all potential and existing employees and achieving a diversified workplace that reflects the demographics of the country.

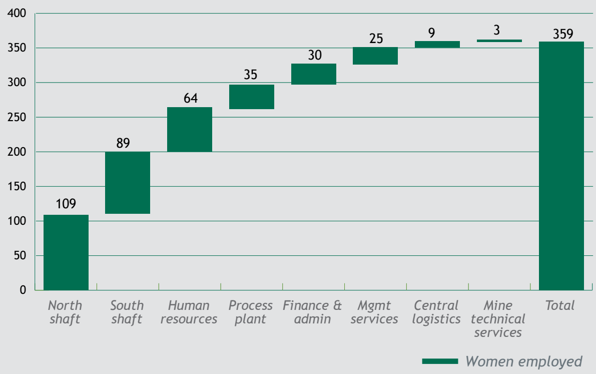
The key transformation initiatives identified in the human resource transformation strategy are:

- developing the miners of tomorrow through youth development, graduate and bursary programmes and learnerships
- developing the miners of today by upgrading existing skills
- developing the HDSA leaders of tomorrow through leadership development programmes, internal promotion and succession planning
- increasing the number of women in the workplace through retention, external recruitment and diversity training
- addressing the profile of minorities to achieve diversity at all levels in the organisation
- facilitating home ownership in line with our social and labour plan commitments and our three-year wage agreement commitments.

RBPlat performance against Mining Charter historically disadvantaged South African (HDSA) targets



Women in mining



Number of employees, contractors and community members who received part-time adult basic education and training (ABET)

	2011	2010
Employees	137	123
Contractors	246	191
Community members	96	157
Total	479	471

Number of employees, contractors and community members who received portable skills training

	2011	2010
Employees	257	85
Contractors	57	–
Community members	242	–
Total	556	85

Turnover of employees by age group

Age group	2011	2010	Change
	%	%	%
20 - 25	2	6	(66)
26 - 30	15	14	7
31 - 35	26	18	44
36 - 40	14	20	(30)
41 - 45	15	16	(6)
46 - 50	13	12	8
51 - 55	6	11	(45)
56 - 60	5	3	67
>60	4	–	100

Human resource development

Human resource development is a well-established function at BRPM which operates an accredited training facility. Its Mining, Process, Adult Basic Education and Training (ABET), Security and Engineering departments provide a wide range of training and development courses on site, which meet both legislative and the mine's training and development requirements. The Executive: Human Resources is the most senior corporate manager responsible for training and development, including external skills development, at RBPlat.

During 2011 RBPlat's training and development budget was R67 563 152 which represents 11% of our labour payroll. Actual spend was R38 430 380 which amounted to an average spend on training of R4 764 per employee and contractor for an average of 22 hours of training per employee/contractor. Our focus this year was on developing our own training capacity. This resulted in a reduction in our spend on training. Each year we set targets for employee training and development in specific programmes. This amount is over and above the skills development levy paid to the Mining Qualifications Authority (MQA).

RBPlat has a Skills Development and Employment Equity Committee on which both management and labour are represented. This committee engages on training and transformation matters.

Our approach

The long-term interests of our business depend on our ability to attract and retain the best people and to transform our workforce. We identify employees with high potential at every level and we are committed to providing them with the support and tools they need to develop into our future senior management team.

Currently, employees on Paterson grade D2 and above receive performance reviews, which is approximately 4% of our employees. We are in discussion with the unions to agree on a performance review process for all employees.

Types of training provided

Mining training at BRPM includes legal requirement training, mining supervisory training, a mine overseer's certificate and a mine manager's certificate. We use the Engineering Skills Training Centre (ESTC) in Randfontein and the Anglo Development Centre (ADC). The courses offered to our employees at these facilities include electrical, fitting, plating, rigging, instrumentation, diesel and millwright engineering learnerships and a variety of short courses. The Process department's shift leader development programme and process plant supervisory development programme are designed to equip process supervisor and shift leaders with supervisory skills. Both programmes include safety, leadership, management and technical courses.

Our leadership and people development facilitates the integration of young professionals into the organisation. This includes school programmes, bursaries and graduate development programmes.

Continuous ABET training contributes to the improvement of our employees' ability to communicate effectively and work more safely. Currently, we offer own time classes, presented by fulltime instructors.

All our employees and the employees of contractors, who have come to the end of their mining careers, are provided with portable skills that will help them find employment outside the mining industry. We also offer portable skills training to community members. Programme times are sufficiently flexible to allow employees and contractors the opportunity to attend classes. The programmes offered include basic bricklaying, business, computer training, electrical, plumbing and painting. A success story in this regard concerns 15 women from the local community who trained as bricklayers and have been employed by Tawana Construction, which was awarded a government contract to build 50 houses in the community.

Training spend for 2011 and 2010

	2011	2010	change
	R	R	%
Total training expenditure	13 096 002	15 800 324	(17.12)
Total SLP HRD expenditure	25 334 378	11 042 330	129.43
Total training spend	38 430 380	26 842 654	43.17
Training cost per head	4 764	3 500	36.12

Training hours

Training category	Employee category	Total number of employees	Average days of training (6 hours/day)
Legal and mandatory	Fulltime employees	2 707	13 535
Legal and mandatory	Contractors	4 883	24 415
Educational assistance	Fulltime employees	98	980*
External courses	Fulltime employees	73	1 050

** Average study leave of 10 days*

SLP human resource development interventions in 2011

Training	Target	Achieved
Learnerships (mining and engineering)	55	43
Supervisory programmes	14	18
Junior management programme	2	23
Management diploma	2	16
Environmental management programme	–	3
NQF1	30	18
NQF2	15	14
Junior engineer programme	3	2
Lower level employee development	55	72
NQF2 mining	30	126
MO certificate	4	8
Competent A & B	–	15
Cadetships	–	61
Total	210	419

Women miners receiving welding training at BRPM

SOCIAL CAPITAL

is about the institutions, such as communities, trade unions, schools and businesses that we can partner with to maintain and develop people

OBJECTIVE

To empower communities to sustain themselves beyond mining activities

To achieve our vision of seeking and delivering the good from mining and retaining our licence to operate, we need to engage with the communities in which we operate, consult with them and work with them to address poverty, infrastructure development, unemployment, education, skills development and community health. It is also critical that we support local enterprise development and increased local procurement. Our social and labour plan (SLP) commitments and our corporate social investment (CSI) both address these needs. The Board and its Safety, Health and Sustainable Development Committee consider and approve the relevant strategies, policies and budgets and monitor performance against them.

As Chief Executive Officer I am accountable for our relationship with the communities in which we operate. I am committed to regularly engaging with our communities to maintain a dialogue that will foster mutual understanding.

Steve Phiri
Chief Executive Officer

Challenges

- *The rate of improvement in meeting social and labour plan (SLP) commitments and related expenditure compared with the urgency of development requirements*
- *Job creation and skills development to significantly address high local unemployment levels*
- *Increasing local procurement as a tool for alleviating poverty levels*
- *Development of local entrepreneurs and growth of enterprises to increase local employment and job creation*
- *Building mutually beneficial relationships with all surrounding communities*
- *Coordination of development activities with the Royal Bafokeng Administration (RBA)*
- *Consistent community leadership in the local villages*

Successes

- *Improvement in community expenditure and delivery of some of the community projects*
- *Improved level of interaction with some of the communities*
- *Completion of a pilot project in preparation for more effective and targeted enterprise development initiatives during 2012*
- *Conclusion and signing of a Memorandum of Agreement with Microsoft South Africa (Pty) Ltd in anticipation of developing opportunities in the ICT sector in the region*
- *Concluding a Memorandum of Agreement with Tourism Enterprise Partnership in anticipation of developing tourism enterprise opportunities in the region*
- *Enrolling six local SMME owners for candidacy in an 18-month enterprise development programme managed by Raizcorp (Pty) Ltd*

Focus for 2012

- *Further improvement in meeting SLP commitments and expenditure*
- *Further improvement in levels of engagement with village leadership through increased contact*
- *Better coordination of community development projects with RBA and the Rustenburg Local Municipality*
- *Implement recommendations from enterprise development pilot programme*
- *Implement planned enterprise development initiatives in ICT and tourism sectors (develop opportunities beyond and unrelated to mining and enhance the mine closure plan)*

Management approach

RBPlat's social responsibility policy and our sustainable development strategies are two of the key elements supporting our *More than mining* philosophy. They have been designed to achieve a balance between the Company's interests and those of its communities and environment and both commit us to supporting initiatives that benefit the communities within which we operate.

We have identified our impacts on the communities in which we operate through a baseline study. It is our aim to work closely with communities to maximise the positive impacts of our activities and to minimise or avoid any potential negative effects of our activities.

Community consultation is a key part of our approach. We involve communities in developing solutions that will have mutual benefits and engage openly and honestly with the community representatives where we operate.

Empowering communities and contributing to their social, economic and infrastructural development secures our licence to operate and is an investment in both the future of communities and our Company.

Enhancing the socio-economic capacity, prosperity and sustainability of our communities is crucial to the Company's operations. Our investment in community development is governed by our social and labour plan commitments which are aligned with the RBN and local government development plans and form part of our mining licence requirements. Our social investment is in both the Bafokeng region and communities beyond the Bafokeng borders.

Community engagement

BRPM holds monthly meetings with four local communities and bi-monthly meetings with the Royal Bafokeng Administration at which the key topics and concerns are usually procurement and employment opportunities, implementation and delivery of socio-economic development projects. Ad hoc meetings are held with other stakeholders as and when they are required.

Community development

The focus of our community development programme during 2011 was health and education support, enterprise development and infrastructure development.

Preferential procurement

Preferential procurement is one of the fundamental tools for addressing the challenge of poverty alleviation.

We have aligned our targets for preferential procurement to that of the Mining Charter scorecard and are committed to procuring goods from local black-empowered businesses whenever possible. Our Procurement department runs workshops for local businesses in which they are provided with information on how to prepare tender documentation, how the tender process works, contract negotiations and pricing. The Company's enterprise development programme has made it possible for micro enterprises to become vendors.

Supporting enterprise development

During 2011 RBPlat, as part of its SLP, sponsored a three-month pilot project, run by the Micro Enterprise Development Organisation (MEDO), aimed at developing entrepreneurs. A truck, equipped with computers linked to the Internet, toured 29 Royal Bafokeng villages and engaged with many business owners, offering free internet access and consultation and advice in business management basics. During the project a structured networking event connected Johannesburg-based entrepreneurs with local entrepreneurs and representatives from the procurement departments of a number of organisations wanting to use the services of black-empowered entrepreneurs. The project ended with an introduction to business workshop for local entrepreneurs who had been interviewed during the pilot and had shown that they had both the entrepreneurial spirit and the will to succeed in business.

The aim of the pilot project was to assess the requirements of the SMMEs from various communities, develop a local shared service offering to support those who make use of the services offered by the mobile walk-in centre (MEDO) and consolidate the project findings to determine the enterprise development requirements of these communities and plan the way forward.

A second enterprise development project funded by RBPlat is an 18-month programme which teaches people enterprise development and business management for six local entrepreneurs.

www

For more information on our social investment, see Training and development on pages 66 to 67

Breakdown of local economic development spend

Investment area	2011	Notes
	R	
Enterprise development	1 554 285	Implementing recommendations from pilot project as well as tourism enterprise initiatives
Education	935 942	School sport facilities, infrastructure and teacher development
Health	2 336 394	Completion of a major health services support project
Infrastructure	4 033 450	
Poverty alleviation and job creation	579 306	
Other	1 074 760	

Local economic development spend

	2011	2010	Change
	R	R	%
Community development spend	10 514 137	1 433 668	633

BRPM discretionary procurement spend in 2011

	Total discretionary procurement	HDSA procurement spend	HDSA	Target
	R	R	%	%
Capital spend	976 547 332	662 350 473	67.83	48.00
Consumables	322 123 810	150 981 249	46.87	39.00
Services	592 863 245	472 041 505	79.62	80.20
Total discretionary procurement spend	1 891 534 387	1 285 373 227	67.95	66.50

Social and labour plan

Our social and labour plan has four focus areas:

- Poverty alleviation and job creation
- Basic infrastructure
- Education support and related infrastructure
- Health services development

A number of our projects were delayed during the current financial year due to challenges relating to land use required for these projects. In addition to the enterprise development projects mentioned earlier we completed the Robega Police Station and community services centre, provided office and medical equipment for the Chaneng clinic and established community food gardens in Robega and Chaneng. The aim is to migrate these gardens from subsistence farming to farming on a larger scale.

Case study

Providing infrastructure that is facilitating leadership and community safety and protection

The community leaders in the villages of Chaneng and Rasimone, who play an important role in our engagement with these communities, need office accommodation and space to hold Kgotla meetings (public meetings). RBPlat undertook to provide Kgotla offices for both villages, but for various reasons these projects were delayed and both villages were still without these important facilities. We provided a temporary solution in the form of portable structures while the cause of the delays is resolved and we can construct permanent Kgotla offices in both villages.

The villages of MACHARORA were without a police station and the nearest one was 20 km away in Phokeng. This made effective crime management very difficult in the area. RBPlat built a multi-purpose building which houses a satellite police station, which includes appropriate temporary shelter for victims of domestic violence and also has office facilities for providing basic services such as vehicle licensing, utilities and payments services.

Site visit during the construction of the satellite police station and multi-purpose centre established for the benefit of the MACHARORA community

ECONOMIC CAPITAL

makes it possible for the other types of capital to be owned and traded and is representative of how successful we have been at achieving the sustainable development of our natural, human, social or manufactured capital

OBJECTIVE

Cost-effective and efficient investment of capital for the production of PGMs to generate an appropriate risk-adjusted rate of return

Our financial results bear testimony to a challenging year, marked by global uncertainty and challenges, both at home and abroad. While the basket price for our PGMs improved by 4.7% in nominal terms, we faced above inflationary labour and energy cost increases combined with numerous production interruptions. This meant that in real terms our PGM basket price, as well as our margins, have contracted during the year.

Economic capital

Martin Prinsloo
Chief Financial Officer

Our ability to meet our production targets this year was hampered by numerous safety stoppages, the belt tear at our North shaft, the challenge we are facing with limited face lengths and the nine-day contractor strike at BRPM

Despite these challenges we were once again able to fund all of our capital expenditure, including stay-in-business (SIB), replacement and expansion capital expenditure from a combination of cashflows generated by our operations and a cash injection of R326 million, from the settlement of our intercompany balances with Anglo American Platinum. Our funding plan remains on track to fund 50% of the Styldrift I growth project from BRPM cashflows on condition that the currently depressed market recovers by the second half of 2012. Our share price, although down 17.6% for the year, has substantially outperformed the Platinum sector index. We expect that conditions going forward for 2012 will continue to be challenging. It is essential that we contain costs by achieving efficiencies and we have made some progress in this area with Project Kgolo. While this has not as yet found its way onto our bottom line, we expect it to do so in 2012.

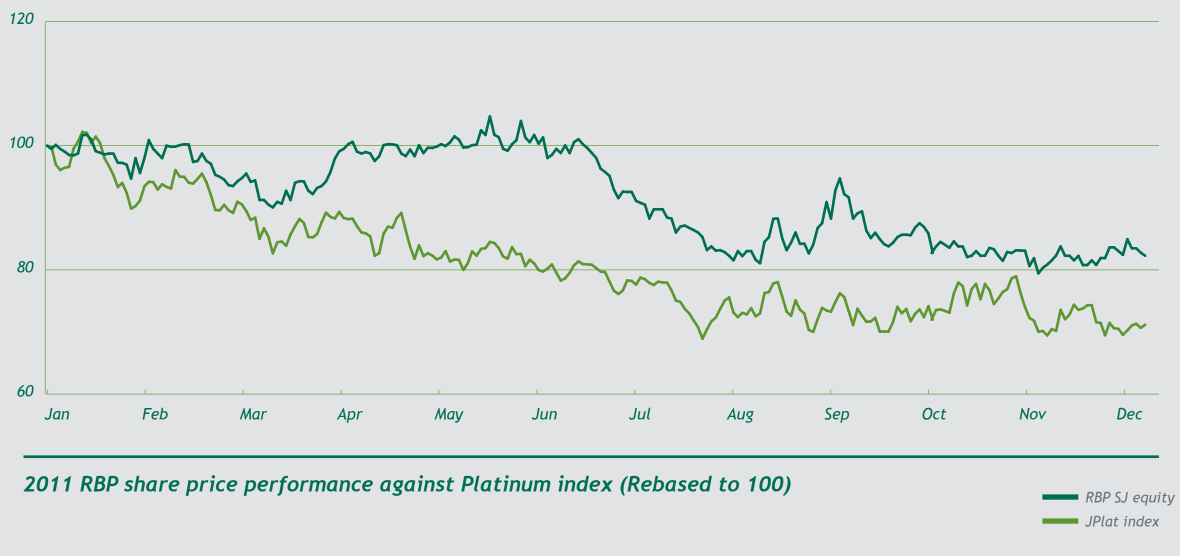
Royalty income from Implats' mining of the southern part of our Boschkoppie property from their number 6 and 8 shafts has commenced during the year resulting in a positive contribution of R24.9 million to our other income.

As our own labour accounts for approximately 38% of our cash on mine costs, we believe that the three-year wage agreement we have concluded, which sets the average annual increase in our fulltime labour costs at 8.38% per annum for the next three years and includes production efficiency targets and incentives, will work to our advantage going forward.

Our official policy remains to be unhedged, therefore we are exposed to exchange rate and metal price fluctuations. We will, however, be importing some equipment for the Styldrift I Project during the next three years. This is an area of concern as the weakening rand and its volatility could have a major impact on imported capital costs and we therefore need to be alert to this risk and consider risk mitigation measures.

Our corporate office costs are substantially higher than in 2010, mainly as a result of 2011 being the first full year that RBPlat corporate office has been fully staffed (including non-executive directors). The net cost of running the corporate office in 2011 was R51.0 million of which R20.9 million was cash costs and R30.1 million related to the corporate office share-based payment charge and depreciation. We continue to ensure that the combination of management fees charged to the operations and Anglo American Platinum service level agreements do not exceed Anglo American Platinum management fees previously charged to the operations. We will monitor and control these costs carefully and actively while seeking ways to contain them.

When RBPlat took over control of BRPM JV, as an interim arrangement, we signed several service level



2011 RBP share price performance against Platinum index (Rebased to 100)

agreements with Anglo American Platinum. It remains, and always has been our intention, however, to become fully independent. The two significant remaining service level agreements were information technology support and supply chain support, where our IT systems and supply chain contract management were still maintained by Anglo American Platinum. We have embarked on an IT migration process comprising the migration of IT hardware and infrastructure, the Mine Technical Service IT systems (MTS) and the SAP Enterprise Resource Planning (ERP) operating system, together with all other ancillary IT systems from Anglo American Platinum to RBPlat by the third quarter of 2012. Before deciding on the best route to take we conducted an extensive due diligence process to identify the systems we required going forward and we reduced our systems application requirements from 94 to 45. To reduce the risk associated with this migration to a minimum, our systems will be migrated on a carved-out basis and run in a test environment before we go live on our own systems by the third quarter of 2012.

On the supply chain side we have appointed a supply chain manager together with an enabling structure to manage the process of taking over our major contracts and establishing more direct relationships with our suppliers.

Based on our current global outlook and specifically metal price and exchange rate assumptions for 2012, we foresee that conditions will remain challenging and that 2012 will be the first time we will have to utilise some of our surplus cash resources, in addition to the cashflows generated by our operations, to fund our Styldrift I Project expenditure. The successful migration and bedding down of our IT and supply chain functions will be a key focus for 2012.

Martin Prinsloo
Chief Financial Officer

Financial performance

For the year ended 31 December

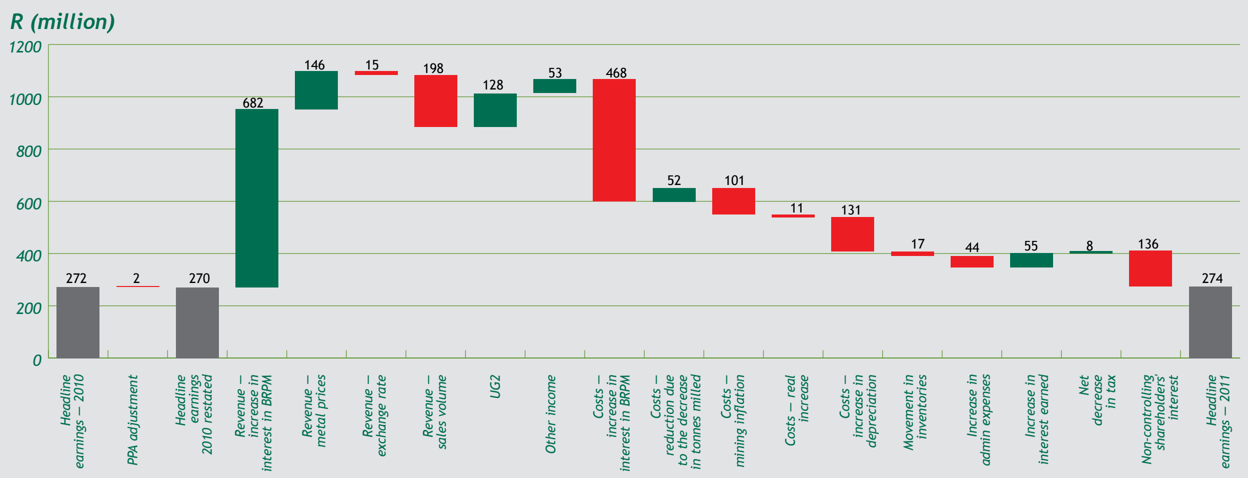
Financial summary and statistics

	2011	2010 Restated	Change
	R (million)	R (million)	%
Revenue	2 974.9	2 106.8	41.2
Cost of sales	(2 408.7)	(1 608.1)	49.8
Gross profit	566.2	498.7	13.5
Other income	54.8	1.6	3 325.0
Profit on remeasurement of previously held interest in BRPM	–	2 894.8	–
Administration expenses	(104.3)	(60.6)	72.1
Net finance income	57.7	3.2	1 703.1
Profit before tax	574.4	3 337.7	(82.8)
Taxation	(163.6)	(171.7)	(4.7)
Non-controlling interest	(137.4)	(1.2)	11 350
Profit attributable to owners of the Company	273.4	3 164.8	(91.3)
Headline earnings	273.7	270.2	1.3
Headline earnings per share (cents per share)	167	191	(12.6)
Normalised headline earnings*	350.2	399.3	(12.3)
Normalised headline earnings per share (cents per share)*	214	283	(24.4)
Weighted average number of ordinary shares in issue for earnings per share	163 677 799	141 132 832	16.0
EBITDA** (2010 excludes profit on remeasurement of previously held interest in BRPM)	1 035.5	815.3	27.0
Average annual R:US$ exchange rate	7.26	7.30	(0.5)
Closing R:US$	8.09	6.62	22.2
Average R Pt basket price (R/Pt oz)***	16 282	15 555	4.7
Gross profit margin (%)	19.0	23.7	(19.6)
EBITDA margin (%)**	34.8	38.7	(10.1)
Statement of cash flows			
Cash generated by operating activities	1 025.1	785.3	30.5
Capital expenditure (100% BRPM)	1 163.6	976.1	20.3
Cash, net of debt (including preference share investment)	1 364.1	1 150.3	18.6
RBPlat share performance on JSE			
Ordinary shares (cents/share)			
– High	7 001	7 100	(1.4)
– Low	5 261	6 050	(13.0)
– Year-end	5 500	6 675	(17.6)
Volume of shares traded	33 584 214	23 296 686	44.2
Number of shares in issue outside the Group at year-end	163 677 799	163 677 799	–

* *Normalised headline earnings are based on headline earnings adjusted for fair value depreciation and amortisation as well as the once-off income from settlement of the RPM receivable and Kgolo costs net of tax*

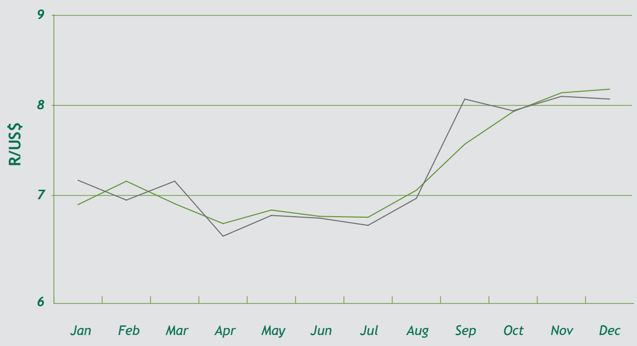
** *The Company utilises certain non-GAAP performance measures and ratios (i.e. EBITDA) in managing the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures used by other companies*

*** *Net proceeds from total concentrate sales including revaluation of pipeline divided by total platinum ounces produced*



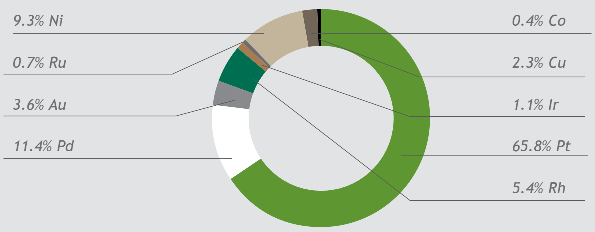
Headline earnings variance analysis

Daily average and closing R:US$ for 2011



Average for 2011: R7.26 Closing for 2011: R8.09

Average for the month
Closing for the month



Contributions per metal for 2011

Headline earnings

The Group's headline earnings of R273.7 million for 2011 represent the effects of a challenging operating and business environment. The 2011 results reflect a full consolidation of the BRPM results and are compared to the 12 months ended 31 December 2010 which reflect a proportionate consolidation of BRPM up to 8 November 2010 and full consolidation for the remainder of 2010.

The headline earnings are 1.3% higher than the R270.2 million restated for 2010. Headline earnings per share for 2011 of 167 cents is 12.6% lower than the 191 restated cents per share reported in 2010. The main reason for the decrease in headline earnings per share (HEPS) is that the weighted average number of shares used for the 2011 HEPS is 163 677 799 compared to 141 132 832 used for 2010 — a 16% increase in the weighted average number of shares.

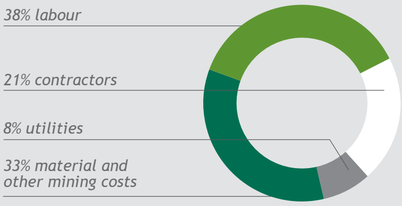
Revenue

The results for the 2011 financial year were positively impacted by a 41.2% increase in revenue mainly as a result of the change in control and the basis of accounting during 2010 of 39.1% and an actual increase in revenue at BRPM of 2.1%. The actual increase in revenue at BRPM of 2.1% is a combination of a reduction in revenue of 2.6% due to lower production volumes and an increase in the rand basket price received of 4.7%. The increase in the rand basket price received was due to a 0.5% strengthening in the average rand/US dollar exchange rate of R7.26:US$ from the average in 2010 of R7.30:US$ offset by a 5.2% increase in the US dollar price of PGMs, nickel and copper.

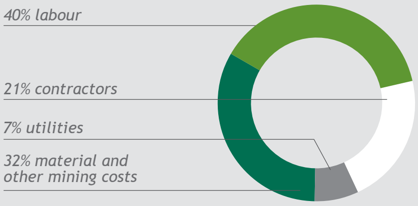
The 2011 and 2010 sales volumes and average US dollar price per metal are illustrated in the table below:

	2011	2010	2011	2010
	Sales volumes	Sales volumes	Average price achieved*	Average price achieved*
Platinum (oz)	182 712	187 360	1 697/oz	1 626/oz
Palladium (oz)	74 820	76 937	720/oz	531/oz
Gold (oz)	9 806	10 416	1 716/oz	1 239/oz
Rhodium (oz)	14 260	13 423	1 789/oz	2 357/oz
Iridium (oz)	4 762	4 486	1 095/oz	630/oz
Ruthenium (oz)	24 475	23 225	137/oz	186/oz
Nickel (tonnes)	2 071	2 251	9.63/lb	9.97/lb
Copper (tonnes)	1 302	1 425	3.82/lb	3.38/lb

** Grossed up to 100% from amount received in terms of the disposal of concentrate agreement, excludes pipeline revaluation*



On mine cash cost breakdown comparison 2011



On mine cash cost breakdown comparison 2010

Cash operating costs

BRPM's average cash operating unit cost for the 2010 financial year was R707 per tonne milled with cash operating cost of R9 076 per platinum ounce produced. For the 2011 financial year the average cash operating unit cost increased to R782 per tonne milled and R9 863 per platinum ounce produced. This increase in operating cost is mainly as a result of a 2.2% reduction in the production of 4E ounces combined with above inflation mining cost escalations.

Fixed costs account for the majority of BRPM's costs. Labour is the largest cost component, with our own labour accounting for 38% (40% in 2010) and volume contractors accounting for 21% (21% in 2010) of our cash operating cost base in 2011. The majority of our operating costs are rand-based. The diagrams above illustrate the cash operating cost breakdown for BRPM for 2010 and 2011.

Other income

Other income increased from R1.6 million in 2010 to R54.8 million in 2011 mainly due to R28.9 million net income received in 2011 as a result of the settlement of the RPM receivable and the first time inclusion of the 6 and 8 shaft Impala royalty of R24.9 million.

Finance income

Finance income increased from R15.7 million in 2010 to R62.6 million in 2011 mainly due to interest earned on funds raised from the 2010 listing invested in interest bearing deposits and R14.0 million dividends received on the Nedbank preference share investment.

Taxation

The current income tax charge increased from R0.4 million to R29.9 million due to income tax payable on interest income and the Impala royalty. RBPlat will not be liable for mining income tax for 2011 as it had an unredeemed capital expenditure balance of R281.5 million at 31 December 2011.

RBPlat is paying State royalty tax at the minimum level of 0.5% due to its extensive capital expansion programme.

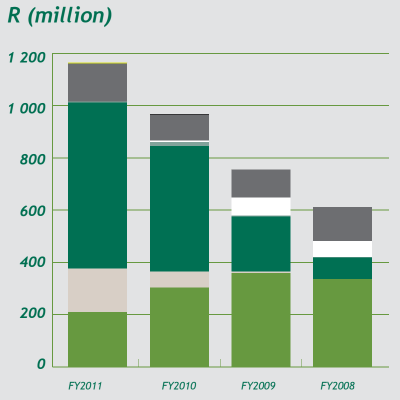
Dividend policy

RBPlat does not intend declaring a dividend until at least 2017, when we expect construction of the Styldrift I Project to be completed and production to be at steady state. Thereafter we expect to pay a dividend based on the market-related dividend cover ratio.

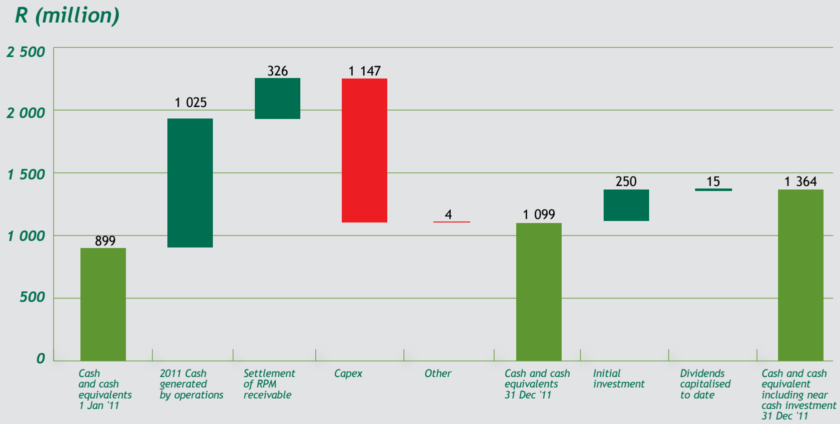
The Board will, from time to time, review the dividend policy, taking into consideration prevailing business circumstances, investment decisions to be taken, working capital requirements and the Group's available cash.

Summarised statement of financial position

	2011 R (million)	2010 Restated R (million)	Change %
Non-current assets	17 101.5	16 472.4	3.8
Property, plant and equipment	7 999.3	7 337.9	9.0
Mineral rights	6 700.5	6 756.7	(0.8)
Goodwill	2 275.1	2 275.1	–
Environmental trust deposit	92.4	87.5	5.6
Deferred tax asset	34.2	15.2	125.0
Current assets	2 391.1	2 588.0	(7.6)
Accounts receivable, inventories and other	1 027.0	1 437.7	(28.6)
Cash and cash equivalents (including preference share investment)	1 364.1	1 150.3	18.6
Total assets	19 492.6	19 060.4	2.3
Total equity	15 137.2	14 664.1	3.2
Non-current liabilities	4 112.2	3 974.8	3.5
Deferred tax	4 054.1	3 901.4	3.9
Long-term provisions	58.1	73.4	(20.8)
Current liabilities	243.2	421.5	(42.3)
Total equity and liabilities	19 492.6	19 060.4	2.3



BRPM capital expenditure breakdown



Cashflow analysis

Capital expenditure

Capital expenditure, including stay-in-business, replacement and expansion capital expenditure at BRPM for the year amounted to R1 163.6 million compared to R967.1 million in 2010. The capital expenditure for 2011 of R1 163.6 million was funded from cash flows generated by the operations of R1 025 million and the remainder from the cash inflow from the settlement of the RPM receivable. The level of capital expenditure is expected to increase in 2012 with the expansion capital expenditure for Styldrift I. To date, savings against budget of R323 million have been declared for Styldrift I.

Depreciation and amortisation and other operating costs

Depreciation charges included in cost of sales increased from R347.0 million in 2010 to R462.1 million in 2011. The main reasons for the increase are:

- a full year's depreciation on the fair value of property, plant and equipment, (as revalued on 8 November 2010) compared with the two months in 2010
- the commissioning of the BRPM Phase II project in June 2011 which meant that R1.1 billion was reclassified from capital work in progress to property, plant and equipment and started depreciating.

Amortisation charges increased from R28.6 million in 2010 to R56.2 million in 2011 reflecting a full year's amortisation of the fair value of mineral rights compared with two months in 2010. Other key costs included in cost of sales are share-based payment expenses of R33.1 million (2010: R7.2 million) and social and labour plan expenses of R35.8 million (2010: R7.6 million).

Gross profit increased by 13.5% as a result of the change in control and basis of accounting in 2010 of 33.2% and an actual decrease of 19.7% at BRPM operational level. The actual decrease of 19.7% in business gross profit resulted from a 2.2% drop in the production of 4E ounces and increased cash operating costs and depreciation. The gross profit percentage decreased from 23.7% in 2010 to 19% in 2011 and normalised EBITDA as a percentage of revenue decreased from 38.7% in 2010 to 34.8% in 2011. The decrease in the EBITDA margin is as a result of the increase in cash operating costs at the operation and the increased administration costs at corporate office.

Details of revenue and cost of sales for BRPM compared to that of the Group are illustrated in the segmental reporting Note 31 in the annual financial statements.

Funding strategy

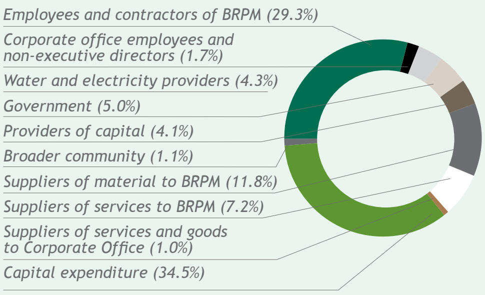
RBPlat had cash and near cash investments on hand at 31 December 2011 of R1 364 million. In addition, it has an intra-month funding working capital requirement which is met through a R250 million working capital facility of which R150.3 million has been utilised for guarantees (see Note 19.1 on page 126 for details). The Group also has an unutilised revolving credit facility of R500 million available until 31 December 2013.

RBPlat's policy is not to hedge metal prices or exchange rates. The R:US$ exchange rate can have a major impact on revenues we earn from the concentrate we produce. For example, a 10% movement in the R:US$ exchange rate means our funding requirement for BRPM would increase or decrease by approximately R300 million per annum with a resultant financial impact of approximately R200 million per annum on RBPlat. We expect to import 5% of the Styldrift I capital expenditure, which will mainly be impacted by movement in the R:euro exchange rate.

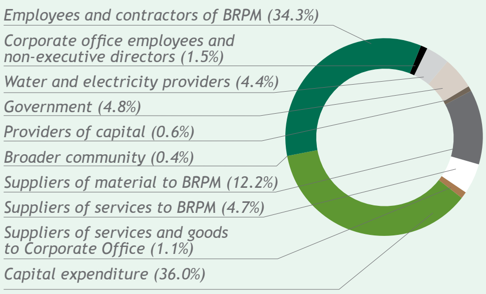
An employee undergoes medical tests at the BRPM clinic

Our contribution

RBPlat contributes to the local economy where it operates. This includes providing direct and indirect employment, generating business for local suppliers and service providers through the procurement of consumables, services and capital goods, paying corporate local taxes and royalties and promoting the upliftment of the communities through employment, job creation and corporate social investment activities. From a quantitative financial perspective, a measure of the benefits associated with our activities includes the levels of payment to employees and suppliers, and the distribution of value added to our employees, providers of capital and to the public sector as shown in the value added statement on page 81.



2011 value distribution split



2010 value distribution split

Value-added statement

	2011 R (million)	2010 R (million)
Revenue	2 974.9	2 106.8
Value added by operations	2 974.9	2 106.8
Add: Other income	54.8	1.6
Add: Profit on remeasurement of previously held interest in BRPM	–	2 896.4
Add: Net finance income	58.6	3.2
Total value added	3 088.3	5 008.0
Value distribution		
Employees and contractors of BRPM	973.9	682.7
Contractor payments	377.0	264.1
Salaries and wages including retirement benefits funds and healthcare funds	673.9	489.5
Share-based payment expense	33.1	7.2
PAYE deduction	(97.2)	(68.7)
UIF	(7.1)	(5.0)
SDL	(5.8)	(4.4)
Corporate office employees and non-executive directors	58.3	29.3
Salaries and wages including retirement benefits funds and healthcare funds	43.1	26.3
Share-based payment expense	29.2	11.6
PAYE deduction	(13.5)	(8.3)
UIF	(0.1)	(0.1)
SDL	(0.4)	(0.2)
Water and electricity providers	144.5	87.6
Magalies Water	10.8	7.2
Eskom	133.7	80.4
Government	168.0	95.5
Mining and non-mining income tax (excludes deferred tax)	29.9	0.4
STC	–	–
Royalties	14.1	8.4
PAYE deducted from employees	110.7	77.0
UIF	7.1	5.1
SDL	6.2	4.6
Providers of capital	137.4	11.7
Non-controlling interest	137.4	1.9
Dividend	–	–
Finance cost	–	9.8
Suppliers of material to BRPM	391.5	243.4
Suppliers of services to BRPM	239.4	94.1
Suppliers of services and goods to corporate office	32.1	22.7
Capital expenditure	1 146.5	718.5
Broader community	35.9	7.6
Social labour plan – Human Resource Development	25.3	7.1
Social labour plan – Community Enterprise Development	10.5	–
Other (sponsorships and administration)	0.1	0.5
Total value distribution	3 327.5	1 993.1
(Utilised)/retained by Group	(239.2)	3 014.9
Depreciation and amortisation	518.8	375.6
Deferred tax	133.7	171.3
Profit on remeasurement of previously held interest in BRPM retained by the Group	–	2 896.4
Utilisation of shareholders' funds for capital investment	(891.7)	(428.4)

The basis for sustainability is the need for continuous and substantial reinvestment into operations and projects.

Future outlook

The factors that can affect the future outlook of our business include external factors such as global economic conditions and their impact on market conditions, the South African socio-political environment and our ability to deliver against our strategies

Market outlook

Platinum

Looking ahead through 2012, aside from further downside risks in Europe, non-road engines now have to comply with new stringent tailpipe emission standards and many of them require PGM-loaded catalysts that could account for over 200 koz of new platinum demand as early as 2013. Globally, there is also pent-up demand in the heavy-duty commercial sector, with Euro 6 legislation, which requires higher loadings of platinum per unit, being promulgated in Europe in 2013.

Jewellery demand in emerging economies remains robust and fabricators will continue to stock up in price dips. There is also a strong argument for price support from the constrained mine supply growth in South Africa and a reduced incentive to recycle at current spot prices.

Platinum prices recovered to over US$1 600/oz in early 2012 and, despite the downgrading of demand growth, the lack of supply growth could result in the market ending the year in deficit.

Palladium

Medium-term demand fundamentals remain overwhelmingly in favour of palladium owing to emerging market consumption growth favouring palladium-rich petrol cars, ongoing recovery in the United States and the substitution of more expensive platinum in diesel passenger car catalysts. There are limited growth prospects for the supply of palladium, so it will require stock drawdowns and recycling to meet consumption requirements in the years ahead. Palladium prices are at risk from downgrade to industrial growth in the near term while significant stocks exist, but they will lift as liquidity tightens in the years ahead.

Rhodium

It is unlikely that rhodium prices will recover soon as automotive demand was particularly badly hit by the earthquake in Japan, a region which has relatively high demand for rhodium. In addition, as far as meeting the catalyst requirement of the Euro 5 emissions legislation is concerned, producers have stock of rhodium and fabricators took advantage of lower prices to buy forward for the years ahead. However, the fortunes of rhodium are tied to the economics of South African supply as much mine production growth in the years ahead will come from the UG2 Reef which has a higher rhodium content than the Merensky Reef. So, unless the South African rand weakens considerably, rhodium prices will need to rise from today's levels to ensure PGM market sustainability and producer profitability.

Socio-political environment

We refer you to the Operating context section of this report on page 6 for information on the South African socio-political environment and its likely impact on our future outlook.

Recent community unrest highlighted the importance of proactive stakeholder engagement. We have consulted with the communities in which we operate regarding their needs and will be doing everything we can to address these. We will be proactive and engage with them when we are aware of warning signs that relationships are not as harmonious as they could be.

Our senior management team, including our Chief Executive Officer, will be devoting time during the next twelve months to stakeholder engagement and in particular to engaging with the communities in which we operate.

To ensure RBPlat delivers on community projects that form part of the social and labour plans for both BRPM and the Styldrift project, we have established a task team and appointed a project manager to manage the delivery of our community projects which has a challenging task ahead to deliver against the R46.5 million we have budgeted for community project delivery in 2012. A further R80 million for human resources development has also been planned for expenditure in the SLP.

We have accelerated our investment to address skills shortages in the community, including training community members in mining-related skills and investing in education.

Future strategic focus

The four pillars of our strategy not only address our current performance, but they also address our future sustainability.

Maintaining output from existing operations in the future

Our ongoing efforts towards achieving operational excellence by improving our safety performance, reducing our cost base through operational efficiencies, increasing productivity and optimising our ore body development, all address our future sustainability.

Building flexibility into our business by increasing BRPM's immediately available ore reserves to the point where we achieve and maintain a 50% leeway in immediately stopable reserves by having three panels available for every two crews, will allow us to increase future production.

The Phase II and III shaft deepening projects which we have completed at BRPM ensure we have access to replacement mineable reserves as we conclude Merensky extraction at the upper levels of the mine.

Growing organically to ensure and increase future production

Our strategic focus on organic growth through our development of Styldrift I, which is one of very few substantial new Merensky platinum mines currently under development, will allow us to double our production in five years' time. Our decision not to declare a dividend to shareholders until the Styldrift I Project is completed allows us to use our cashflows to fund this growth and reduce our reliance on debt funding. Because BRPM and Styldrift I are in close

See the Operations overview on page 6

proximity they will be able to share certain services such as IT systems, procurement and some financial services, which will be cost effective.

We are busy with a conceptual study for Styldrift II, scheduled for completion in the first half of 2012, that will determine whether there is a business case to go forward with a project pre-feasibility study. Styldrift II would in part replace the production from BRPM.

Resource management for the future

We operate in an area where water is a scarce commodity, which is exacerbated by increasing demands for water from growing business and community needs. To address this situation for our operations and the surrounding communities we have been in discussion with the Department of Water Affairs (DWA) and with their agreement we are conducting a feasibility study into the possibility of installing a water treatment plant to treat waste water produced by our mining activities. We will be able to use the water treated in the plant for most of our activities on the mine, thus reducing our dependence on Magalies Water's limited resources and freeing up the potable water we previously consumed for residential use. The study indicates it would be feasible to treat the water, which contains nitrates. As a result, we have budgeted to proceed with this project in 2012. We will, over time, recover the cost of our investment in the treatment plant through a reduction of our water costs. We believe there will also be sufficient water to meet BRPM's needs and to assist local communities with their water requirements in the future.

Cost containment and productivity

The successful negotiation of a three-year wage agreement has given us certainty for the medium term on our fulltime labour costs and it reduces the risk of disruptions as a result of labour disputes. The agreement also contains incentives for increased productivity. Employee engagement plays an important role in encouraging and assisting our teams to achieve production and efficiency targets. Contractors will be with us during the transition period. Our largest contractor, JIC, recently signed a two-year wage agreement. Our Chief Executive Officer and our senior management team engage regularly with production teams who are not meeting targets to understand their challenges and to work with them to find solutions. We are hopeful that these engagements will improve productivity levels.

Pursuing value enhancing opportunities

We are well-positioned to achieve synergies and cooperation with neighbouring platinum producers in the future and for taking advantage of merger and acquisition opportunities.

Conclusion

We believe that while for the foreseeable future we will face the challenges we have outlined in this report, we are well prepared for these and to achieve a sustainable and profitable future for RBPlat and its stakeholders.

Stakeholder engagement

RBPlat has made engaging with its stakeholders, listening to their views and addressing their concerns, an integral part of its Sustainable Development Framework

The Company has developed a comprehensive stakeholder engagement framework which includes the identification of stakeholders, the material issues involved with each stakeholder, the frequency of engagement and the processes in place to ensure that material issues are effectively addressed. RBPlat has identified a broad range of internal and external stakeholders who have a material interest in or are affected by our corporate office and our operations and have assessed our involvement with them or our potential impact on them. Our engagement with our stakeholders is as diverse as our stakeholders are. We categorise stakeholders as those directly affected, both positively and negatively by our activities, interested parties who, while not directly affected by our activities, have an interest in or influence over them and authorities at all levels (local, regional and national).

A stakeholder engagement table, included below, provides details of the stakeholders with whom we have engaged during 2011 and will be engaging with in 2012, the key material issues that exist between ourselves and these stakeholders, how we have engaged with them, the frequency of our engagement, the key issues addressed during these engagements and the responses to these issues.

Community misperceptions regarding the possible impact of the restructuring of the ownership of BRPM, the listing of RBPlat and the impact of the Styldrift project have required increased engagement by RBPlat with the local communities of Robega, Chaneng, Rasimone and Mafenya to clarify what these impacts will be. A particular challenge is the youth within these communities who are unemployed and who seek employment, but mainly lack the requisite skills.

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Shareholders and the investor community				
Royal Bafokeng Holdings Anglo American Platinum JSE Limited Institutional investors Retail investors Sell-side analysts	• Potential for future returns to shareholders • Financial and non-financial risk management • Corporate governance including executive remuneration • Performance against strategy in respect of volumes and costs • Trends and outlook for PGMs market • Management of environmental and social risks and opportunities • Overall sustainability	• Roadshows to investors and potential investors in South Africa, the United Kingdom, Europe and the United States of America • Presentations at conferences both locally and abroad • Site visits to BRPM and Styldrift I • Half-year and year-end results presentations • RBPlat's Annual General Meeting • Press announcements of interim and year-end results and newsworthy events • RBPlat website	• Ongoing • Ongoing • Ongoing • Annually • Annually • Ongoing	• Issues raised were around the following: — BRPM's culture of ownership — Dependency on Anglo American Platinum (regarding services and systems) — Production (volumes and efficiencies) — Cash costs — Impact of the co-extraction (on recoveries, costs and capex) — Progress on Styldrift I — Capex on Styldrift I (savings or overruns) — Ramp up schedule — Progress on replacement projects — Ability to generate healthy cash flows under the prevailing market conditions • RBPlat's strategy of operational excellence (volume and cost improvements at BRPM, building flexibility (UG2 extraction for optionality) and expansion opportunities and growth (through Styldrift Merensky mining) addresses each of the issues raised above. At current market prices and production levels the operation is generating positive cash flows

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Royal Bafokeng Holdings Anglo American Platinum JSE Limited Institutional investors Retail investors Sell-side analysts	• Potential for future returns to shareholders • Financial and non-financial risk management • Corporate governance including executive remuneration • Performance against strategy in respect of volumes and costs • Trends and outlook for PGMs market • Management of environmental and social risks and opportunities • Overall sustainability	• Stock Exchange News Service (SENS) • RBPlat's Integrated Annual Report (IAR)	• Ongoing • Regular contact with analysts and members of the investment community after news has been released who wish to have more clarification of information or to gain a better understanding of the information released • Annually	• Providing stakeholders with information on the Company's performance
Providers of debt				
South African banks	• Ability of Company to repay borrowings • Risk management	• Regular meetings and quarterly reporting	• Ad hoc	• ZAR:USD exchange rates impact of changes in the metal prices on business cash flow • At present, no debt is outstanding
International industry bodies				
International Platinum Group Metals Association (IPA)	• Industry body for mining, production and fabrication companies in the global PGMs industry. The major aim of the organisation is to act as a platform for discussion and information exchange between its members and with the outside world. The IPA serves as an early warning system for the PGM industry by monitoring legislation (emissions control, REACH, recycling, etc) and injury-related topics such as trade, health and safety and sustainability development	• Member of the IPA • Formal member meetings and sub-committee meetings	• Twice a year	• PGM industry trends including jewellery market, sustainability, stakeholder relationships and product security • Strategic projects to promote the viability of the PGM industry and its products
Platinum Guild International (PGI)	• Industry body funded by leading platinum producers and refiners that provides sales support and training to all levels of the jewellery market	• Informal	• Ongoing	• General trends in platinum jewellery sector • PGI provides regular updates to members and associates on the global trends in the jewellery market
National industry bodies				
Chamber of Mines of South Africa	• Common industry challenges, e.g. safety, health and environment • Wage negotiations • Mining and mining-related legislation	• RBPlat is a member of the Chamber of Mines and participates through various committees throughout the year	• Ongoing	• Numerous and varied issues related to safety, health, environment and economic status of the mining industry discussed and decisions are taken on the actions required
South African Institute of Mining and Metallurgy	• Technical research in the fields of mining and metallurgy	• Monthly meetings, conferences and seminars	• Monthly	• Various mining and metallurgical technical issues dealt with through sub-committees and Council meetings, conferences and seminars

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Employees and their families				
Permanent employees	• Health and safety • Remuneration and benefits • Workers' rights • Skills development, training, career development and career opportunities • Community issues including HIV and AIDS, housing and job creation • Employment equity and non-discrimination	• Occupational health and safety committees • Lebone newsletter • Posters • Industrial theatre • Induction training • Communication forums • Skills development committees • Presentations on operation's performance • RBPlat ethics line • Performance reviews • Grievance and conflict resolution mechanism • Transformation Committee • CEO letters • Open days	• Quarterly newsletter • Ongoing regular engagement • Management roadshows as and when important issues need to be addressed	• Employees are kept informed on business issues through the quarterly Lebone newsletter and the GM's monthly feedback session • CEO's quarterly meetings with best and worst performing teams • Employees understand they are free to join a trade union • Training and communication raises employee awareness regarding health and safety issues • CEO's commitment to safety, health and environmental management
Contract workers	• Productivity • Benefits • Wages	• We employ the same methods of engagement with our contract workers as we do with our employees	• We communicate with our contract workers in the same manner as we do with our employees	• RBPlat's three-year wage agreement with employees and the two-year wage agreement for our contractors will provide stability and certainty on costs • The safety performance of the mine showed a significant improvement on previous years and we are encouraged that employees are putting their safety and health and that of their colleagues first • The future of the Company, in terms of both BRPM and the Styldrift I Project, depends on everyone's contribution. The Company's sustainability depends on the community as much as the community needs the Company for employment and other community development benefits
Trade unions				
National Union of Mineworkers (NUM) Union of Associations of South Africa (UASA)	• Workers' rights • Remuneration — increase in basic wage • Health and safety • Consultation on future operational changes • Housing benefits • Employment equity • Various allowances • Production bonus	• Meetings • Written communication	• Monthly meetings • Ad hoc meetings based on subject matter and urgency	• Wage agreements — three-year agreement negotiated • Housing — housing committee established • Health and safety — new safety strategy • Operational changes negotiated • Employment equity — targets set • The three-year wage agreement is a landmark agreement

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Communities				
Royal Bafokeng Nation (RBN)	• Land lease • Environmental stewardship • How we conduct our activities on the land we lease from RBN • Ensure effectiveness of community development projects – avoid duplication of effort • Ensure RBPlat community development projects support the RBN vision • Enterprise development • Local procurement • Concerns around provision of housing allowances to RBPlat employees, development of informal settlement resulting in urban and rural informal settlements	• Meetings with RBA the local authority on RBN land through a specially constituted Surface Lease Management Committee • Correspondence with RBN • Liaison with Royal Bafokeng Enterprise Development (RBED) to promote local enterprise development and procurement	• Quarterly meetings of Surface Lease Management Committee • Regular contact of RBPlat procurement team with RBED • Informal and regular engagement with RBA on various activities taking place on the surface lease	• Potential projects where RBPlat can participate are identified from the RBN's strategic priorities for development • In respect of land development and environmental management, a key challenge is waste management. RBA has embarked on a process of engaging with third party contractors to provide a pilot waste management service RBPlat will facilitate waste management for the nearby villages based on the outcomes of the pilot study • Local procurement addressed through regular workshops held by RBPlat Procurement department to provide potential local vendors with the information they require to successfully tender for contracts with RBPlat's operations. (See page 71 for more detail.) Local procurement does not only benefit RBN but the wider local community • RBN has completed a strategic environmental assessment for consideration for the mine closure plan and response to the potential impacts of climate change
Robega village Chaneng village Rasimone village Mafenya village	• Infrastructure development • Cracked houses • Employment • SMME development • RBPlat local procurement • Skills development assessment • Youth wanting employment at Boschkoppie Mine and the Styldrift project mainly unskilled	• Village council meetings • Meetings with village leadership (Kgotla)	• Ongoing	• The community members believed the mine had caused their houses to crack. While it has been proved that this was not the case several of these homes were found to be unsafe. BRPM agreed to refurbish and rebuild 25 houses over a two-year period • Unemployment among the youth is an increasing challenge in the area of RBPlat's operations. A potential solution includes introducing structured enterprise development programmes that can empower the youth with information on opportunities for enterprise and self-development
Customers				
Anglo American Platinum	• High quality products • Product stewardship • Contract terms and delivery • Reliability of supply • Maintaining strong ongoing customer relationship with Anglo American Platinum to whom all RBPlat's concentrate is sold	• Meetings	• Ongoing	• Concentrate grade • Moisture content • Chrome content • Logistics of transport and sampling • Maintaining the conditions of the ore and concentrate offtake agreement in terms of quality and consistency of supply

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Suppliers				
Major suppliers including Eskom	• Requirements regarding supplier health and safety standards, policies, practices and procedures • Requirements regarding HDSA procurement and procurement policies, in particular local HDSA procurement • Contract terms and delivery • Technology transfer • Skills transfer	• Checking suppliers' compliance with health and safety standards • Tenders and supply contracts awarded by Procurement department • Establishment of HDSA status of potential suppliers • Training workshops and training material offered by RBPlat to potential HDSA suppliers	• Ongoing	• Regular engagement by RBPlat with Eskom regarding power supply, costs and security of supply • Suppliers made aware of RBPlat's standards, policies, procedures and requirements to which they must adhere when working on RBPlat's operations • Engagement with white-owned business and other major suppliers to seek opportunities to form joint ventures with local HDSA partners and develop local enterprises through business and technical skills development programmes
Business partners				
Anglo American Platinum	• Financial returns • Risk management • Regulatory and policy compliance • Accountability, transparency, corporate responsibility • Sustainability	• BRPM Joint Venture Management Committee • Sub-committee meetings • Regular reporting • Contract negotiations	• Ongoing	• The processes in place for the exchange of information ensure our partners are well informed and allow us to maintain relationships and our commitment to our partnership
Government — national and provincial governments, district and local municipalities				
Department of Water Affairs (DWA)	• Integrated water and waste management strategy • Landfill legal compliance • Storage of excess water	• Meetings • Presentations • Correspondence • Telephone calls	• Ongoing	• Access to water • Water and waste management • Water licences • Engagement allows DWA to give input into RBPlat water management plans and allows RBPlat to understand DWA aims, intentions, legal requirements and to share best practice • Annual external landfill permit compliance audit submitted to DWA • BRPM operations addressing current issues of access to water through the construction of a water treatment plant to allow for recycling of water which will result in the use of less potable water
Department of Environmental Affairs (DEA)	• Emission standards for new Air Quality Act • National Environmental Management Act (NEMA) compliance	• Meetings	• Ongoing	• No issues currently as BRPM does not have any hazardous or polluting emissions; however, RBPlat has begun monitoring its carbon emissions and developing appropriate response measures

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Government — national and provincial governments, district and local municipalities				
Department of Mineral Resources (DMR)	• Mining rights • Mine safety • Compliance with Mining Charter • Bord and pillar mining method for the Styldrift I Project • Compliance with Environmental Management Programme commitments • Financial provisioning	• Formal and informal meetings	• Ongoing	• Both RBPlat operations have new order mining rights, each with a social and labour plan (SLP). Given that both operations are located among common communities, RBPlat is engaging with the DMR to explore combining certain elements of these SLPs into a single strategy for local economic development of communities in close proximity to the operations. A revised document was presented to the DMR in the first quarter of 2011 for approval and implementation • Ongoing engagement in relation to the registration of the new order mining rights • Engagement allows DMR to give input into proposed developments and this allows RBPlat to understand DMR aims and intentions and to share best practice • EMPR amendments • EMPR commitments and action plans • BRPM Trust fund which has been fully provided for • Closure liability assessments in terms of environment and local socio-economic conditions and considering the potential impacts of climate change
Royal Bafokeng Administration	• RBN Masterplan	• Partnering with authorities	• Ongoing	• Infrastructure (roads, education and health) in need of repair, improving the living conditions for our employees and the communities in which RBPlat operates
Rustenburg Local Municipality	• Environmental projects in the vicinity of RBPlat, including waste management	• Partnering with authorities • Meetings	• Ongoing	• RBPlat partners with local authorities to address issues raised. (See Community Development initiatives on page 70) • Waste clean-up in the local community areas surrounding our operations

Independent assurance report to the directors of Royal Bafokeng Platinum Limited

Introduction

We have been engaged by the directors of Royal Bafokeng Platinum Limited (RBPlat) to conduct an assurance engagement in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board, on selected Identified Sustainability Information reported in RBPlats' 2011 Integrated Annual Report (the Report), for the purposes of expressing a statement of independent assurance, for the year ended 31 December 2011.

Scope and subject matter

The following Identified Sustainability Information was selected for an expression of limited assurance:

- HDSA discretionary procurement in South African Rand (page 71)
- Local Economic Development Spend in South African Rand (page 71)
- Total number of Women in Mining (page 65)
- Total number of employees, contractors and community members who received part-time adult basic education and training (ABET) (page 66)
- Employment Equity: % of HDSA managers in core and support functions (page 13)
- Water usage: Primary and non primary — Ml (page 56)
- Total energy use: gigajoules (page 55)
- Greenhouse Gas Emissions — Scope 1 and 2 –carbon equivalent tonnes (page 55)
- Number of fatalities (page 13)
- Lost time injury frequency rate (page 13)
- Number of days without injury during the year (page 60)
- Number of employees and contractors tested who were HIV positive (page 63)
- Number of employees currently on antiretroviral treatment (ART) (page 63)
- Number of employees counselled (page 63)
- Number of employees tested who were infected with TB (page 63)
- Number of employees tested for TB (page 63)
- TB prevalence rate (page 63)
- Number of noise induced hearing loss (NIHL) of more than 10%, which qualifies for compensation (page 63)
- Value added statement (page 81)

The self declaration of the Global Reporting Initiative (GRI) application level (page IFC)

Our responsibilities do not extend to any other information.

Responsibilities of the directors

RBPlat's directors are responsible for the preparation and presentation of the Identified Sustainability Information, as incorporated in the 2011 Integrated Annual Report, in accordance with their internally defined procedures and for maintaining adequate records and internal controls that are designed to support the reporting process.

Responsibility of the independent assurance provider

Our responsibility is to express, to the directors, an opinion on the Identified Sustainability Information contained in the Report, for the year ended 31 December 2011, based on our assurance engagement.

This report, including the conclusion, has been prepared solely for the directors of the Company as a body, to assist the directors in reporting on the Company's sustainable development performance and activities. We permit the disclosure of this report within the Report for the year ended 31 December 2011, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Summary of work performed

We conducted our engagement in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain either reasonable or limited assurance on the selected Identified Sustainability Information as per our terms of engagement.

RBPlat's internal corporate reporting policies and procedures and the Global Reporting Initiative's (GRI) guidelines were applied as criteria for evaluating the Identified Sustainability Information. Definitions for the Identified Sustainability Information applied are those determined by RBPlat and provided in the glossary (page 153 to 156).

Our procedures included examination, on a test basis, of evidence relevant to the selected Identified Sustainability Information. The procedures selected depend on the assurance provider's judgement, including the assessment of the risks of material non-compliance of the selected Identified Sustainability Information with the defined reporting criteria.

Our work consisted of:

a) reviewing processes that RBPlat has in place for determining material Identified Sustainability Information to be included in the Report;
b) obtaining an understanding of the systems used to generate, aggregate and report data at the sampled operations;
c) conducting interviews with management at the sampled operations and at Head Office;
d) applying the assurance criteria in evaluating the data generation and reporting processes;
e) performing a controls walkthrough;
f) testing the accuracy of data reported on a sample basis for limited assurance;
g) reviewing the consolidation of the data at Head Office to obtain an understanding of the consistency of the reporting processes compared with prior years and to obtain explanations for deviations in performance trends;
h) reviewing the consistency between the Identified Sustainability Information and related statements in RBPlats' Report; and
i) reviewing the accuracy of RBPlats' self-declaration of the GRI Application Level in the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

The evidence-gathering procedures for limited assurance are more restricted than for reasonable assurance and therefore less assurance is obtained with limited assurance than for reasonable assurance.

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the Identified Sustainability Information.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Conversion factors used to derive energy used from fuel and electricity consumed, is based upon information and factors derived by independent third parties. Our assurance work has not included an examination of the derivation of those factors and other third party information.

Conclusion

Based on our work performed, nothing has come to our attention causing us to believe that the Identified Sustainability Information selected for limited assurance, for the year ended 31 December 2011, is materially misstated.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Wessie van der Westhuizen

Sunninghill
23 February 2012

Statement of responsibility by the Board of directors

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 96 to 144 have been prepared in accordance with international Financial Reporting Standards (IFRS) and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and International Financial Reporting Standards (IFRS) that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group at year-end.

The directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the financial statements comply with relevant legislation.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company or any entity within the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Company and of the Group.

Board approval of financial statements

The annual financial statements for the year ended 31 December 2011 set out on pages 96 to 144 were prepared by the Chief Financial Officer (CA)SA and were approved by the Board of directors on 16 February 2012 and are signed on its behalf by:

KD Moroka
Chairman

SD Phiri
CEO

Certificate of the Company Secretary

I, the undersigned, certify that to the best of my knowledge and in my capacity as the Company Secretary, the Company has lodged all such returns with the Companies Intellectual and Property Commission in terms of the Companies Act No 71 of 2008, which came into effect on 1 May 2011.

LC Jooste
Company Secretary

16 February 2012

Audit and Risk Committee report

The Audit and Risk Committee of Royal Bafokeng Platinum Limited (RBPlat) is pleased to present its report for the financial year ended 31 December 2011.

The independent committee appointed by the shareholders discharges both its statutory and Board-delegated duties as outlined in the report below.

1. Terms of reference

The committee operates within the framework of Board-approved terms of reference and carries out its mandate in compliance with these terms of reference. A copy of the terms of reference is available on the Company's website.

2. Composition, meetings and assessment

The committee consists of five independent non-executive directors. The Chief Executive Officer, Chief Financial Officer together with the chief financial managers within the Group, as well as the external and internal auditors are invited to attend committee meetings. However, closed sessions with the relevant parties, and in-camera sessions of members only occur for the purpose of deliberating on issues that may require some confidential initial assessments. Ms Matsotso Vuso joined the Board on 11 April 2011 and was appointed to the Audit and Risk Committee.

The terms of reference prescribe that the effectiveness of the committee, its Chairman and individual members are assessed annually. The internal evaluation was conducted at year-end and is to be finalised within the first quarter of 2012.

3. Role and responsibilities

The committee has executed its responsibilities with consideration of the recommendations of King III and in compliance with the Companies Act No 71 of 2008 and its terms of reference. Where King III recommendations have not yet been applied the reasons have been explained in the governance statement.

Financial statements and accounting policies

The committee has reviewed the accounting policies and the financial statements of the Group for the year ended 31 December 2011 and is satisfied that they are appropriate and comply with International Financial Reporting Standards. The committee supports the opinion of the Board with regard to the annual financial statements.

External auditor appointment and independence

The committee has satisfied itself that the external auditor is independent of the Group, which includes considering previous appointments of the auditor, the extent of other work undertaken by the auditor for the Group and compliance with criteria relating to independence or conflicts of interest, as prescribed by the Independent Regulatory Board for Auditors and the Group policy on non-audit services. Requisite assurance was sought and provided by the external auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted external audit fees for the 2011 financial year.

The committee has nominated PricewaterhouseCoopers Inc. as the external audit firm for the 2012 financial year for election at the Annual General Meeting. The committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and advisors.

Integrated reporting and combined assurance

The committee, together with the Safety, Health and Sustainable Development Committee, performs an oversight role with regard to the Group's integrated report, the reporting process and the information disclosed in the report, to ensure integrity and consistency. Thereafter, the integrated report is considered by the Board for approval. The committee supports the opinion of the Board with regard to the 2011 integrated report.

Governance of risk

The committee is responsible for governance of the risk management function, incorporating operational; financial; reporting and compliance risks, among others. A formalised risk framework and policy have been established and adopted by the Board, based on the committee's recommendations and its implementation commenced in the current financial year.

Internal audit

The committee is mandated to ensure that the internal audit function is independent, properly resourced and effective within the Group. The function is outsourced to KPMG who operate within the scope of an internal audit charter adopted by the committee in February 2011.

An internal audit annual plan was approved and the performance of internal audit is measured by the committee against that plan on an ongoing basis. The Chief Audit Executive has direct access to the committee, through the Chairman and the committee assesses the performance of the Chief Audit Executive and the internal audit function annually.

The committee also ensures that cooperation and synergies between the external and internal audit functions are achieved without impacting negatively on the integrity of all assurance processes.

Internal audit provided the committee with a written assessment of the effectiveness of internal controls.

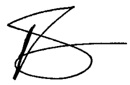
Audit and Risk Committee report (continued)

Evaluation of the expertise and experience of the director responsible for finance and the finance function

The committee has considered and is satisfied with the appropriateness of the expertise and adequacy of resources within the finance function and with the expertise and experience of the director responsible for finance.

Going concern

The committee has reviewed a documented assessment, including key assumptions, prepared by management of the going concern status of the Group and is comfortable in its recommendation to the Board regarding the annual financial statements that the Group will be a going concern for the next financial period.



Professor L de Beer
Chairman

16 February 2012

Independent auditor's report

To the members of Royal Bafokeng Platinum Limited

We have audited the Group annual financial statements and the annual financial statements of Royal Bafokeng Platinum Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2011, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 96 to 144.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Royal Bafokeng Platinum Limited as at 31 December 2011, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
AJ Rossouw

Registered Auditor
Sunninghill
23 February 2012

Directors' report

Principal activities and profile

Royal Bafokeng Platinum Limited (RBPlat) was incorporated in July 2008 by Royal Bafokeng Holdings (RBH), the investment arm of the Royal Bafokeng Nation (RBN), and listed on the JSE Limited on 8 November 2010.

When Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture between Royal Bafokeng Holdings and Anglo American Platinum Limited was restructured in 2008 control of the mining operations of the joint venture vested in RBN via RBPlat, which is RBN's platinum mining investment vehicle.

RBPlat ultimately operates BRPM and is developing the Styldrift I Project. These operations, located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and just 17 kilometres from Phokeng – the capital of the RBN, exploit the Merensky and UG2 reefs. RBPlat's significant reserves and resources can sustain operations for at least the next 60 years. RBPlat currently employs 8 275 people, 3 028 being its own employees and 5 247 being contractors.

Results and dividend

The Group's financial results are set out on pages 102 to 144. These financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards, supported by reasonable and prudent judgements where required.

In terms of the current dividend policy the directors do not intend to declare a dividend until at least 2017, when development of the Styldrift I Project is expected to be completed and production at that operation is at a steady state. Thereafter, a market-related dividend cover ratio is anticipated.

The dividend policy will be reviewed by the directors from time to time, in light of the prevailing business circumstances, investment decisions to be taken, working capital requirements and the available cash of the Group.

Review of the business, future developments and post statement of financial position events

The Operating context on page 6 provides details of the Group's operating environment. The Group's operational performance for 2011 is discussed on page 39 and the future outlook on pages 82 to 83. Economic capital on pages 73 to 81 and the annual financial statements (pages 102 to 144) provide a full description of the financial performance for the year.

Going concern

The directors believe that the Group has sufficient resources and expected cash flows to continue as a going concern for the next financial year.

Corporate governance

A report on corporate governance and the application of the recommendations of King III is included on pages 20 to 29 and on our website.

Financial instruments

RBPlat's financial risk management objectives and policies and its exposures to price risk, credit risk and liquidity risk are discussed on page 27 under Governance and in Note 30 of the financial statements.

Health, safety, environment and community

Information on our health, safety and environmental performance and community participation is provided under Human, Social and Natural capital on pages 53 to 72.

Employee policies and involvement

The Group's policies and performance regarding employee involvement, disabled employees, labour relations and employee share schemes are provided under Remuneration on pages 30 to 31 and Human capital on pages 59 to 68.

Directorate

The directors as at 31 December 2011 were:

Director	Position	First appointed	Standing for re-election
Linda de Beer	Independent non-executive director	01 June 2010	Yes
Robin Mills	Independent non-executive director	20 September 2010	
Kgomotso Moroka	Chairman and independent non-executive director	01 June 2010	Yes
Nico Muller	Chief Operating Officer, executive director	02 March 2009	
David Noko	Independent non-executive director	01 June 2010	
Francis Petersen	Independent non-executive director	01 June 2010	Yes
Steve Phiri	Chief Executive Officer, executive director	01 April 2010	Yes
Martin Prinsloo	Chief Financial Officer, executive director	01 March 2009	
Mike Rogers	Non-executive director	07 December 2009	
Matsotso Vuso*	Independent non-executive director	11 April 2011	

** Appointed during the current year under review. A short profile can be viewed on page 23 of the report.*

Special resolutions

Details of the ordinary and special resolutions to be approved by shareholders at the next Annual General Meeting are outlined in the Notice of Annual General Meeting (pages 153 to 156).

Furthermore, shareholders also authorised by way of ordinary resolution that the Board of directors would control all unissued ordinary shares and could allot and issue up to 5% of such shares subject to the limitations specified in the Memorandum of Incorporation and the JSE Listings Requirements.

Power of the directors

Subject to RBPlat's Memorandum of Incorporation (MOI), South African legislation and to any directions given by special resolution, the business of the Group is managed by the Board which may exercise all the powers of the Group. The MOI contains specific provisions concerning the power of RBPlat to borrow money and also the power to purchase its own shares. The directors have been authorised to allot and issue ordinary shares up to a maximum of 5% of the issued share capital of the Company. These powers are exercised in terms of its MOI and resolution passed at the AGM held on 5 April 2011 and will be renewed at the AGM to be held on 3 April 2012.

Share capital

Full details of the authorised and issued share capital of the Company are set out in Note 15 to the annual financial statements, however, as at 31 December 2011, there were 165 123 082 ordinary shares in issue at a par value of R0.01 each as well as 281 957 "A1"; 281 957 "A2" and 281 957 "A3" ordinary shares.

Major shareholders

The following shareholders were the registered beneficial holders of 5% or more of the issued ordinary shares in the Company at 31 December 2011:

Royal Bafokeng Platinum Holdings (Pty) Limited	56.72%	93 653 084 shares
Rustenburg Platinum Mines Limited	12.54%	20 706 512 shares

A table detailing an analysis of the Company's shareholding can be viewed on page 143 of the report.

Directors' interests in Royal Bafokeng Platinum Limited

Details of interest (direct and indirect) in the share capital of the Company of those directors in office as at 31 December 2011 are set out below.

	Number of shares			
	2011 beneficial		2010 beneficial	
Name of director	Direct	Indirect	Direct	Indirect
Linda de Beer	–	–	–	–
Robin Mills	–	–	–	–
Kgomotso Moroka	–	–	–	–
Nico Muller	48 989*	137 650	74 989	103 175
David Noko	–	–	–	–
Francis Petersen	–	–	–	–
Steve Phiri	99 174	144 004	99 174	99 174
Martin Prinsloo	76 281	138 145	76 281	103 670
Mike Rogers	–	–	–	–
Matsotso Vuso	–	–	–	–
Total	224 444	419 799	250 444	306 019

** Traded 5 000 own purchased IPO shares valued at R274 866 on 10 November 2011 and 21 000 own purchased IPO shares valued at R1 166 393 on 19 December 2011*

Directors' report (continued)

Directors' conflict of interest

In terms of the new Companies Act No 71 of 2008 effective from 1 May 2011, King III and the Board's Charter, a director of a company must avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company. The Board has established effective procedures to enable the directors of RBPlat to notify the Company of any actual or potential conflict situations and to declare any significant interest in the Company or its contractors.

Directors' liabilities

Directors and officers of the Group are covered by directors' and officers' liability insurance.

Director's emoluments, compensation and share trading activities

For information regarding the directors' emoluments and share schemes operated by the Group please see pages 99 to 101 of this report.

RBPlat subsidiary companies

The following companies are subsidiaries of Royal Bafokeng Platinum Limited:

- Royal Bafokeng Resources (Pty) Ltd (100% held directly)
- Royal Bafokeng Platinum Management Services (Pty) Ltd (100% held directly)
- Bafokeng Rasimone Management Services (Pty) Ltd (100% held indirectly via Royal Bafokeng Resources (Pty) Ltd)

Creditor payment policy and practice

It is Group policy that payments are made in accordance with agreed terms and conditions of payment, provided that all trading terms and conditions have been met by the supplier.

Memorandum of Incorporation

RBPlat's Memorandum of Incorporation (MOI) may only be amended by special resolution at a general meeting of the shareholders. The MOI as well as the relevent agreements, Charters and terms of reference are in the process of review and will be amended during 2012 to align it with the Companies Act No 71 of 2008.

Significant agreements

BRPM Joint Venture Agreement

The BRPM Joint Venture Agreement was entered into on 12 August 2009 by the Royal Bafokeng Nation, Royal Bafokeng Resources (RBR) and Rustenburg Platinum Mines (RPM). It replaced the previous joint venture agreement concluded in August 2002. It sets out the terms and conditions on which the BRPM Joint Venture (JV) will operate and deals with matters such as establishment, duration and dissolution of the joint venture, the participating interests of the joint venture parties and their contributions to the joint venture including mining infrastructure and mineral rights, management and control of the joint venture, minority protection for RPM, operational concerns such as the appointment of the operator, tailings, insurance, mine health and safety, environmental issues, how RPM's share of concentrate is dealt with, funding of the joint venture, distribution policy, accounting and financial concerns, warranties, restrictions on disposals of participation interests and mining rights, dispute resolution and general or miscellaneous concerns.

Services agreement

As part of the BRPM restructuring a services agreement was entered into between RBPlat Management Services (RBP MS), RBR and RPM on 9 September 2009 in terms of which RBP MS was appointed as operator of BRPM in place of Anglo Platinum Management Services (Pty) Ltd (AMS) with effect from 4 January 2010. In terms of this agreement RBP MS was appointed to provide mining services as an independent contractor and as an agent of the joint venture parties.

Disposal of Concentrate Agreement

The Disposal of Concentrate Agreement regulates the terms on which RBR disposes of its share of the concentrate produced by the BRPM JV to RPM. The agreement provides for RBR's share of the concentrate produced by the BRPM JV to be sold to, and processed by RPM. RBR is responsible for delivery of the concentrate to RPM's smelting and refining facility situated at Rustenburg, the costs of which are borne by the BRPM JV. Risk and ownership passes to RPM once the concentrate leaves the gates of the concentrator plant.

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the BRPM JV up until 11 August 2017, the optional termination date in terms of the Disposal of Concentrate Agreement. Thereafter, while RBR retains the right to sell 50% of the BRPM JV concentrate to RPM for the life of BRPM it is also entitled to terminate the relationship on 11 August 2017 by giving written notice by no later than 11 August 2015. Subsequent to this date it is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2017. In respect of 17% of RBR's 67% share of the concentrate, RPM is entitled to terminate the relationship after 11 August 2012 on the occurrence of certain events. None of these events have occurred or are expected to occur in the near term.

Impala Platinum Royalty Agreements

These agreements regulate the terms on which RBR and RPM dispose of their share of the UG2 ore mined by Impala Platinum from their 6 and 8 shafts and the UG2 and Merensky ore mined from their 20 shaft. A royalty equivalent to 15% of gross PGM, nickel and copper revenue will be paid for the UG2 ore mined from the 6 and 8 shafts and 17.5% for UG2 ore and Merensky ore mined from the 20 shaft area.

We anticipate earning royalties from the 6 and 8 shafts agreement for approximately seven years and from the 20 shaft agreement for approximately 30 years.

Property, plant and equipment

There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year under review. Property, plant and equipment was fair valued in November 2010 as part of the business combination. No impairment of property, plant and equipment has been recognised after considering the recoverable amount calculations.

Emoluments and compensation

Directors' emoluments and related payments for 2011

2011	Date appointed	Directors' fee R	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses* R	Total R
Executive directors							
Steve Phiri	01 Apr '10	–	2 636 080	518 313	94 243	3 000 000	6 248 635
Martin Prinsloo	01 Mar '09	–	2 180 246	194 949	113 810	2 307 084	4 796 089
Nico Muller	02 Mar '09	–	2 077 496	256 711	116 062	2 268 432	4 718 702
Non-executive directors							
Kgomotso Moroka	01 Jun '10	1 190 000	–	–	–	–	1 190 000
Linda de Beer	01 Jun '10	413 000	–	–	–	–	413 000
Robin Mills	20 Sep '10	415 000	–	–	–	–	415 000
David Noko	01 Jun '10	535 000	–	–	–	–	535 000
Francis Petersen	01 Jun '10	415 000	–	–	–	–	415 000
Mike Rogers	07 Dec '09	445 000	–	–	–	–	445 000
Matsotso Vuso	11 Apr '11	234 821	–	–	–	–	234 821
Total		3 647 821	6 893 822	969 973	324 115	7 575 516	19 411 247

Non-executive director fees are paid on a quarterly basis.

Senior management emoluments and related payments for 2011

2011	Date appointed	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses* R	Retention** bonus R	Total R
Senior management							
Vicky Tlhabanelo	01 Apr '10	1 673 560	273 594	39 241	1 836 204	–	3 822 599
Mzila Mthenjane	01 Apr '09	1 720 703	155 159	105 103	1 836 204	–	3 817 199
Glenn Harris**	04 Jan '10	1 825 312	231 953	15 240	521 136	2 071 000	4 664 641
Neil Carr	01 Dec '10	1 490 606	303 256	134 217	–	–	1 928 079
Total		6 710 181	963 962	293 831	4 193 544	2 071 000	14 232 518

** Discretionary performance bonuses were considered when the 2010 financial results were finalised in February 2011*

*** Three-year retention contract expired in May 2011*

Directors' emoluments and related payments for 2010

The emoluments pertaining to non-executive directors relate to the period from June 2010 to December 2010 as the Board was constituted in June 2010.

2010	Date appointed	Directors' fee R	Basic salary R	Retirement benefits R	Other benefits R	Discretionary bonuses*** R	Total R
Executive directors							
Steve Phiri	01 Apr '10	–	1 858 037	317 536	46 503	–	2 222 076
Martin Prinsloo	01 Mar '09	–	1 798 490	162 206	84 999	–	2 045 695
Nico Muller	02 Mar '09	–	1 808 719	164 052	94 245	–	2 067 016
Non-executive directors							
Kgomotso Moroka	01 Jun '10	595 000	–	–	–	–	595 000
Linda de Beer	01 Jun '10	206 500	–	–	–	–	206 500
Robin Mills	20 Sep '10	87 636	–	–	–	–	87 636
David Noko	01 Jun '10	222 500	–	–	–	–	222 500
Francis Petersen	01 Jun '10	185 000	–	–	–	–	185 000
Mike Rogers	07 Dec '09	192 500	–	–	–	–	192 500
Total		1 489 136	5 465 246	643 794	225 747	–	7 823 923

**** Discretionary bonuses for executive directors have not been accrued for and were considered once the annual financial results were finalised in February 2011. These bonuses are reflected in the 2011 numbers.*

Interest in RBPlat share schemes for directors, officers, senior executives and managers

As of 31 December 2011	Share options awarded	Award date	Strike price R	Award value R	Vesting dates	Vesting amount
Steve Phiri	297 521	01 Apr '10	60.50	18 000 020.50	01 Apr '13, '14, '15	One-third at a time
Martin Prinsloo	241 047	01 Mar '09	36.30	8 750 006.10	01 Mar '12, '13, '15	One-third at a time
Nico Muller	224 544	01 Jan '09	40.08	8 999 723.52	01 Jan '12, '13, '15	One-third at a time
Kgomotso Moroka	–	–	–	–	–	–
Linda de Beer	–	–	–	–	–	–
Robin Mills	–	–	–	–	–	–
David Noko	–	–	–	–	–	–
Francis Petersen	–	–	–	–	–	–
Mike Rogers	–	–	–	–	–	–
Matsotso Vuso	–	–	–	–	–	–
Senior management						
Vicky Tlhabanelo	72 727	01 Apr '10	60.50	4 399 983.50	01 Apr '13, '14, '15	One-third at a time
Mzila Mthenjane	132 696	01 Apr '09	46.13	6 121 266.48	01 Apr '12, '13, '14	One-third at a time
Glenn Harris	59 525	04 Jan '10	60.50	3 601 262.50	04 Jan '13, '14, '15	One-third at a time
Neil Carr	58 015	01 Dec '10	65.50	3 799 982.50	01 Dec '13, '14, '15	One-third at a time
Lester Jooste (Company Secretary)	40 756	01 Jul '10	55.21	2 250 138.76	01 Jul '13, '14, '15	One-third at a time

As at 31 December 2011 no share options have vested and hence no options have been exercised.

As of 30 December 2011	Bonus scheme shares	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
Steve Phiri	44 830	18 Feb '11	66.92	3 000 024	18 Feb '14	100
Martin Prinsloo	27 403	03 Dec '09	57.48	1 575 124	03 Dec '12	100
	34 475	18 Feb '11	66.92	2 307 067	18 Feb '14	100
Nico Muller	28 186	03 Dec '09	57.48	1 620 131	03 Dec '12	100
	33 898	18 Feb '11	66.92	2 268 454	18 Feb '14	100
Kgomotso Moroka	–	–	–	–	–	–
Linda de Beer	–	–	–	–	–	–
Robin Mills	–	–	–	–	–	–
David Noko	–	–	–	–	–	–
Francis Petersen	–	–	–	–	–	–
Mike Rogers	–	–	–	–	–	–
Matsotso Vuso	–	–	–	–	–	–
Senior management						
Vicky Tlhabanelo	27 439	18 Feb '11	66.92	1 836 218	18 Feb '14	100
Mzila Mthenjane	27 439	18 Feb '11	66.92	1 836 218	18 Feb '14	100
Glenn Harris	15 096	01 Apr '11	62.95	950 293	01 Apr '14	100
Neil Carr	–	–	–	–	–	–
Lester Jooste (Company Secretary)	10 385	03 Dec '10	60.50	628 293	03 Dec '13	100

As of 31 December 2011	IPO scheme shares matched by the Company at par value	Award date	Issue price R	Award value R
Steve Phiri	99 174	08 Nov '10	60.50	6 000 027
Martin Prinsloo	76 281	08 Nov '10	60.50	4 615 000
Nico Muller	74 989	08 Nov '10	60.50	4 536 835
Linda de Beer	–	–	–	–
Kgomotso Moroka	–	–	–	–
Robin Mills	–	–	–	–
David Noko	–	–	–	–
Francis Petersen	–	–	–	–
Mike Rogers	–	–	–	–
Matsotso Vuso	–	–	–	–

Interest in RBPlat share schemes for directors, officers, senior executives and managers (continued)

As of 31 December 2011	IPO scheme shares matched by the Company	Award date	Issue price R	Award value R
Senior management				
Vicky Tlhabanelo*	27 273	08 Nov '10	60.50	1 650 017
Mzila Mthenjane*	16 529	08 Nov '10	60.50	1 000 005
Glenn Harris*	31 405	08 Nov '10	60.50	1 900 003
Neil Carr	–		–	–
Lester Jooste* (Company Secretary)	11 901	08 Nov '10	60.50	720 011

** These shares are therefore equivalent to what is beneficially directly owned by senior management*

The IPO shares matched and issued by the Company to senior employees who subscribed for shares during the IPO process will vest on 8 May 2012.

Total share incentive scheme shares issued to date

	Opening balance	Closing balance	Total number of "A1", "A2" and "A3" ordinary shares	Total vested/ forfeited	Deemed strike price R	Allocated	Issue dates	Vesting dates
IPO scheme shares	417 416	417 416	–	–	60.50	–	08 Nov '10	May '12
Share options issued to date	2 059 363	2 015 028	–	44 335	**	–	**	Vesting arrangement is one-third after the third, fourth and fifth anniversary of allocation
Bonus scheme shares	55 589	418 859	–	–	***	363 270		100% after three years
Mahube share incentive scheme shares	563 914	563 914	845 781	–	65.12	–	27 Jan '10	(see page 31)

*** Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation or market share price and therefore range from R36.30 to R65.50 from January 2009 to December 2010*

**** Bonus scheme shares were issued in two tranches at R66.92 and R62.95*

In terms of the shareholders' approval obtained on 3 September 2010, the Company was authorised to issue up to 750 000 ordinary shares in respect of the IPO Scheme, 3 000 000 ordinary shares in respect of the Share Option Scheme, 3 250 000 in respect of the Bonus Share Plan and 650 000 ordinary shares in respect of the Mahube Trust. In addition to the ordinary shares to be issued by the Mahube Trust, the 1 500 000 "A1", 1 500 000 "A2", 1 500 000 "A3" ordinary shares have been set aside specifically for this scheme.

Consolidated statement of financial position

As at 31 December 2011

		Group	
		2011	2010 Restated*
	Notes	R (million)	R (million)
ASSETS			
Non-current assets			
Property, plant and equipment	5	7 999.3	7 337.9
Mineral rights	6	6 700.5	6 756.7
Goodwill	7, 27	2 275.1	2 275.1
Environmental trust deposit	8	92.4	87.5
Deferred tax asset	17	34.2	15.2
		17 101.5	16 472.4
Current assets			
Inventories	9	31.1	48.4
Trade and other receivables	10	995.7	1 384.5
Held-to-maturity investments	11	264.9	250.9
Current tax receivable	12	0.2	4.8
Cash and equivalents	14	1 099.2	899.4
		2 391.1	2 588.0
Total assets		19 492.6	19 060.4
EQUITY AND LIABILITIES			
Share capital	15	1.7	1.7
Share premium	15	7 759.9	7 759.9
Retained earnings		3 435.3	3 161.9
Share-based payment reserve	16	81.1	18.8
Non-controlling interest		3 859.2	3 721.8
Total equity		15 137.2	14 664.1
Non-current liabilities			
Deferred tax liability	17	4 054.1	3 901.4
Long-term provisions	18	58.1	73.4
		4 112.2	3 974.8
Current liabilities			
Trade and other payables	20	239.8	421.5
Current tax payable	12	3.4	–
		243.2	421.5
Total liabilities		4 355.4	4 396.3
Total equity and liabilities		19 492.6	19 060.4

** Refer Note 4 for details of restatement*

The notes on pages 106 to 135 form an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2011

		Group	
		2011	2010 Restated*
	Notes	R (million)	R (million)
Revenue	21	2 974.9	2 106.8
Cost of sales	24	(2 408.7)	(1 608.1)
Gross profit		566.2	498.7
Other income	22	54.8	1.6
Profit on remeasurement of previously held interest in BRPM	27	—	2 894.8
Administration expenses		(104.3)	(60.6)
Finance income	23	62.6	15.7
Finance cost	23	(4.9)	(12.5)
Profit before tax	24	574.4	3 337.7
Income tax expense	25	(163.6)	(171.7)
Net profit		410.8	3 166.0
Other comprehensive income		—	—
Total comprehensive income		410.8	3 166.0
Total comprehensive income attributable to:			
Owners of the Company		273.4	3 164.8
Non-controlling interest		137.4	1.2
		410.8	3 166.0
Basic earnings (cents per share)	32	167	2 242
Diluted earnings (cents per share)	32	167	2 240

** Refer Note 4 for details of restatement*

The notes on pages 106 to 135 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2011

	Number of shares issued*	Ordinary shares*	Share premium*	Share-based payment reserve	Retained earnings	Attributable to owners of the company	Non-controlling interest	Total
		R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
Balance at 31 December 2010 (Restated)**	163 677 779	1.7	7 759.9	18.8	3 161.9	10 942.3	3 721.8	14 664.1
Share-based payment charge		—	—	62.3	—	62.3	—	62.3
Profit for the year		—	—	—	273.4	273.4	137.4	410.8
Balance at 31 December 2011	163 677 779	1.7	7 759.9	81.1	3 435.3	11 278.0	3 859.2	15 137.2
Balance at 31 December 2009	137 057 500	1.4	6 817.8	—	(2.9)	6 816.3	—	6 816.3
Transactions with shareholders								
Shares issued								
– Contingent consideration for the 17% in BRPM	10 000 000	0.1	(0.1)	—	—	—	—	—
– Shares issued on listing of the Company	16 620 299	0.2	1 005.4	—	—	1 005.6	—	1 005.6
– Capitalisation of listing transaction costs	—	—	(63.2)	—	—	(63.2)	—	(63.2)
	163 677 799	1.7	7 759.9	—	(2.9)	7 758.7	—	7 758.7
Share-based payment charge	—	—	—	18.8	—	18.8	—	18.8
Profit for the year	—	—	—	—	3 166.3	3 166.3	1.9	3 168.2
Non-controlling interest on gaining control of BRPM	—	—	—	—	—	—	3 405.5	3 405.5
As previously reported	163 677 799	1.7	7 759.9	18.8	3 163.4	10 943.8	3 407.4	14 351.2
Purchase price adjustment	—	—	—	—	(1.5)	(1.5)	314.4	312.9
Balance at 31 December 2010 (Restated)**	163 677 779	1.7	7 759.9	18.8	3 161.9	10 942.3	3 721.8	14 664.1

* *The number of shares is net of treasury shares relating to the Company's management share incentive scheme and the Mahube Trust as shares held by these special purpose vehicles are eliminated on consolidation*

** *Refer Note 4 for details of restatement*

The notes on pages 106 to 135 form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 December 2011

		Group	
		2011	2010
	Notes	R (million)	R (million)
Cash generated by operations	26	998.4	777.0
Interest paid	23	–	(9.8)
Interest received	23	48.6	15.7
Tax (paid)/refund	12	(21.9)	2.4
Net cash flow generated by operating activities		1 025.1	785.3
Net cash flow utilised by investing activities		(1 151.1)	(880.0)
Cash impact of the business combination	27	–	91.7
Increase in held-to-maturity investments		–	(250.9)
Proceeds from disposal of property, plant and equipment		0.3	0.1
Acquisitions of property, plant and equipment		(1 146.5)	(718.5)
Increase in environmental trust deposit	8	(4.9)	(2.4)
Net cash flow generated by financing activities		325.8	942.6
Issue of ordinary shares net of cost		–	942.4
Related party loans received	13	–	0.2
Settlement of RPM receivable	4	325.8	–
Net increase in cash and cash equivalents		199.8	847.6
Cash and cash equivalents at beginning of year		899.4	51.5
Cash and cash equivalents at end of year	14	1 099.2	899.4

The notes on pages 106 to 135 form an integral part of these financial statements.

Summary of the significant accounting policies

For the year ended 31 December 2011

1. General information

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of the financial statements are set out in Note 2 below. Group in the financial statements refers to the Company, its subsidiaries, joint ventures and controlled special purpose entities.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented, unless otherwise stated.

Basis of presentation

The consolidated financial statements have been prepared in accordance with IFRS of the International Accounting Standards Board (IASB), requirements of the South African Companies Act No 71 of 2008, and the JSE Listings Requirements.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value. The fair value adjustment on business combination of non-current assets is deemed to be the cost of these assets.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in South African rand, which is the Company's functional currency. All financial information is presented in rand million, unless otherwise stated.

New and revised standards issued adopted that are relevant and effective

The Group has adopted all the new and revised standards issued that are relevant and effective for the accounting period on or after 2 January 2010.

The following standards were adopted without any significant impact to the financial statements:

- IAS 24 (Revised), *Related party disclosures* (effective for financial periods beginning on/after 1 January 2011)
- IAS 32 (Amendment), *Financial instruments: Presentation – Classification of rights issues* (effective for financial periods beginning on/after 1 February 2010)
- Amendment to IFRIC 14, *Pre-payments of a minimum funding requirement* (effective 1 January 2011)
- IFRIC 19, *Extinguishing financial liabilities with equity instruments* (effective for financial periods beginning on or after 1 July 2010)
- The 2010 annual improvements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

The following standards, amendments and interpretations to existing standards have been published but are not effective and the Group has not early adopted them:

- IFRS 9, *Financial instruments* (effective for financial periods beginning on/after 1 January 2013). IFRS 9 addresses classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortised cost or at fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard also removes the requirement to separate embedded derivatives from financial asset hosts. The impact has not been assessed yet.
- IFRS 10, *Consolidated financial statements* (effective 1 January 2013). The IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The IFRS also sets out the accounting requirements for the preparation of consolidated financial statements. No impact is expected.
- IFRS 11, *Joint arrangements* (effective 1 January 2013). The IFRS classifies joint arrangements into two types – joint operations and joint ventures. An entity assesses its rights and obligations by considering the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances. Joint operations are proportionately consolidated and joint ventures are equity accounted. The impact has not been assessed yet.
- IFRS 12, *Disclosures of interests in other entities* (effective 1 January 2013). The IFRS requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. Although the impact has not been assessed yet, it will only impact disclosure.

1. General information (continued)

- IFRS 13, *Fair value measurement* (effective 1 January 2013). The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value. No impact expected.
- IAS 19 (revised 2011), *Employee benefits* (effective 1 January 2013). No impact expected.
- IAS 27 (revised 2011), *Separate financial statements* (effective 1 January 2013). The standard contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9, *Financial instruments*. No impact expected.
- IAS 28 (revised 2011), *Associates and joint ventures* (effective 1 January 2013). The standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. No impact expected.
- IFRIC 20, *Stripping costs in the production phase of a surface mine* (effective 1 January 2013). This Interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs). No impact expected.
- Improvements to IFRS 2011 — Improvements to IFRS is a collection of amendments to International Financial Reporting Standards (IFRS). These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project. No significant impact expected.

2. Group accounting policies

Group and Company financial statements

These consolidated financial statements incorporate the Company and its subsidiaries, controlled special purpose entities and interest in joint ventures using uniform accounting policies.

2.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2011

2. Group accounting policies (continued)

2.2 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group's interest in jointly controlled entities is accounted for by proportionate consolidation. The Group combines its share of the joint venture's individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gain or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

IFRS is not prescriptive on the change in ownership in a joint venture. The Group follows guidance of IFRS 3 to revalue all assets on a change in percentage interest. When control is assumed over a business that was previously treated as a joint venture, the event is treated as a disposal of the joint venture and a business combination. Any difference in the carrying amount of the interest in the joint venture and the fair value of the interest when control is assumed is recognised in profit and loss as a remeasurement of the previously held interest.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Pre-production expenditure, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines, is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended, reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment
- These assets are depreciated over their useful lives and are expensed in profit and loss as a cost of production.

Depreciation is calculated to write off the cost of each asset to its residual value over its estimated useful life and residual value as reassessed on an annual basis and approximates the following:

Buildings	5 — 30 years (straight-line)
Plant and machinery	5 — 30 years (straight-line)
Vehicles and equipment	6 years (straight-line)
Computer equipment and software	3 — 5 years (straight-line)
Mining assets (shaft and development)	Units of production

Depreciation rates are reassessed annually.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in operating profit.

2.4 Mineral rights

Exploration and evaluation assets acquired are initially recognised at cost, and are subsequently adjusted for accumulated amortisation and impairment provision when applicable. Once commercial reserves are found, exploration and evaluation assets are transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with the existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

All exploration and evaluation costs incurred as part of normal operations are expensed until the directors conclude that a future economic benefit is more likely than not to be realised i.e. probable. While the criteria for concluding that expenditure should be capitalised are always the 'probability' of future benefits, the information that the directors use to make that determination depends on the level of exploration.

2. Group accounting policies (continued)

2.4 Mineral rights (continued)

- Exploration and evaluation expenditure on greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable
- Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A 'pre-feasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors. The pre-feasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures
- Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

2.5 Goodwill

Goodwill represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition–date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within selling and marketing costs.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.8 Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.9 Product inventory

Product inventory consists of stockpiles of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of processing to concentrate as the final product and selling expenses.

2. Group accounting policies (continued)

2.10 Impairment of assets

2.10.1 Non-financial assets

Assets that have an indefinite useful life which are not subject to depreciation are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value in use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment had not been recognised. The reversal of an impairment is recognised in profit or loss.

2.10.2 Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the higher of fair value less cost to sell or value in use derived from reserve and resource ounce valuation. Impairment write-downs on goodwill may not be reversed.

2.10.3 Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired:

- In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less previously recognised impairment loss, is recognised as an impairment loss. Any fair value loss or reversal thereof is recognised in other comprehensive income.

On disposal of available-for-sale assets, previously recognised fair value adjustments are transferred to profit and loss:

- A provision for impairment of loans, receivables and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the trade receivable and advances is reduced through the use of a provision account, and the amount of the loss is recognised as an operating expense. When a trade receivable is uncollectable, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs.

2.11 Revenue recognition

Income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and when the amount of the revenue can be measured reliably.

Revenue from sale of products and services is brought to account when the risks and rewards of ownership transfer and it is both probable that the economic benefits associated with the transaction will flow to the Group and when the amount of the revenue can be measured reliably, net of Value Added Tax (VAT) and discounts. In terms of the Group's concentrate offtake agreement revenue is therefore recognised on the delivery of concentrate to RPM.

In terms of the agreement, the commodity prices and ZAR:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery.

The adjustment to trade debtors to reflect the actual amount to be received for concentrate sold is recognised through revenue.

Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

2. Group accounting policies (continued)

2.11 Revenue recognition (continued)

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

Dividend income is brought to account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

2.12 Leases

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to profit or loss, as a finance charge, over the lease period.

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Financial instruments

Financial assets comprise available-for-sale financial assets, environmental trust deposit, trade and other receivables (excluding prepaid expenses and VAT refunds), financial assets at fair value through profit and loss, derivative assets, cash guarantees provided, cash and cash equivalents and assets held for sale.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables as well as available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial liabilities comprise environmental rehabilitation liability, liabilities held for sale, derivative liabilities and trade and other payables. The Group classifies its financial liabilities in the following categories: liabilities at fair value through profit or loss and amortised cost.

2.13.1 Financial assets and liabilities at fair value through profit or loss

Initial recognition

Financial assets and liabilities at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset and liability are classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets and liabilities in this category are classified as current assets or current liabilities. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value.

Gains or losses

Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of comprehensive income within other (losses)/gains, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss as part of other income when the Group’s right to receive payment is established.

Subsequent measurement

Financial assets at fair value through profit or loss are subsequently measured at the quoted current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial liabilities at fair value through profit or loss are subsequently measured using valuation techniques such as discounted cash flows.

Impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

2. Group accounting policies (continued)

2.13 Financial instruments (continued)

2.13.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT refund (Note 10). Environmental trust deposit and cash and cash equivalents form part of loans and receivables. Loans and receivables are initially recognised at cost.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

2.13.3 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; while translation differences of non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets category are recognised in equity. Dividend income from available-for-sale financial assets is recognised in the statement of comprehensive income as part of other income when the Group’s right to receive payments is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of finance income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.13.4 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest rate method: any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses.

2. Group accounting policies (continued)

2.14 Borrowings (continued)

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are directly attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. All other borrowing costs are charged to finance costs.

2.15 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

2.16 Taxation

2.16.1 Current taxation

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

2.16.2 Deferred taxation

Deferred tax assets and liabilities are determined, using the asset and liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.17 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The listed market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price at reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

2.18 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, including the share incentive trust (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured using the best estimate of the expenditure required to settle the obligation i.e. the amount the Group would rationally pay to settle the obligation or transfer to a third party.

Where the effect of discounting is material, provisions are discounted to reflect the present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Provisions are not recognised for future operation losses.

2. Group accounting policies (continued)

2.21 Environmental rehabilitation obligations

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

2.22 BRPM Environmental Rehabilitation Trust

Contributions are made to this trust fund, created in accordance with statutory requirements to provide for the estimated cost of rehabilitation during and at the end of the life of BRPM.

Deposits into the environmental trust are carried in the statement of financial position at fair value. Contributions are based on the estimated environmental obligations over the life of a mine. Income earned on monies paid to the trust is accounted for as investment income. The trust investments are included under held-to-maturity investments as non-current assets. The Group has control over the trust and the special purpose entity is consolidated in the Group.

2.23 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

Employee benefit schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

Employee benefits

A defined contribution plan is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies' trustee-administered funds, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by the South African Pension Fund Act of 1956.

Post-employment medical obligations

The Group provides post-retirement healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in profit or loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

2. Group accounting policies (continued)

2.23 Employee benefits (continued)

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares or issue shares from the share incentive trust. Shares held in the share incentive trust which is consolidated as a special purpose entity are treated as treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For individual Company accounts, the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2.24 Foreign exchange transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in income under other income.

3. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Joint venture accounting for 67% interest in BRPM up to 8 November 2010

The BRPM restructuring transaction involved a change in the participation interest in BRPM from that of joint control (50% RBR:50% RPM) and managed by Anglo Platinum to RBR holding a majority interest (67% RBR:33% RPM) in BRPM and taking over management of the mine via RBP MS from 4 January 2010. However, the amended joint venture agreement required joint control (50% RBR:50% RPM) of the Management Committee of the joint venture up to date of the listing of the Company, whereafter RBP controlled BRPM.

Because of the joint control the 67% interest in BRPM has been proportionately consolidated until date of listing of RBPlat on 8 November 2010. From 8 November 2010 control was assumed over BRPM and the interest was consolidated.

Purchase price allocation 8 November 2010

The Group assumed control over BRPM upon listing on 8 November 2010. The purchase price allocation for the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values required judgement. In the 2010 financial statements the Group stated that it is still in the process of assessing the fair values allocated to individual components, specifically mineral rights included in life of mine. During 2011, the assessment of fair values allocated to individual components and the purchase price allocation were finalised, resulting in a revised allocation to the fair values of assets, liabilities and goodwill. In terms of the guidance provided in IFRS 3, *Business combinations*, the Group has restated its 2010 statement of financial position, statement of comprehensive income and statement of changes in equity and accompanying notes to reflect the above mentioned changes as if they had occurred at the acquisition date. These changes did not impact the cash flow statement and are illustrated in Note 4.

The basis for allocating fair value was as follows:

Fair value of the purchase price

The purchase consideration comprises the 67% interest held in the BRPM joint venture. The fair value of this 67% interest was calculated with reference to the market capitalisation obtained on listing. A share price of R60.50 per share and 164 095 215 shares were used for a total market capitalisation of R9 927 million. The net assets of other Group entities that approximate fair value was deducted to provide the fair value of the purchase consideration of R10 002.7 million.

Summary of the significant accounting policies (continued)

For the year ended 31 December 2011

3. Critical accounting estimates and assumptions (continued)

Purchase price allocation 8 November 2010 (continued)

Property, plant and equipment

The fair value of individual items of property, plant and equipment was obtained from an external valuer using a depreciated replacement value as approximation.

Mineral rights included in life of mine plan

The value of mineral reserves relating to the 2010 life of mine plan was valued using a discounted cash flow per the life of mine plan and following a multi-period excess earnings approach. The following key long-term life of mine prices were used: platinum US$1 611 per ounce, palladium US$526 per ounce and rhodium US$3 853 per ounce. A long-term real rand/US dollar exchange rate of R8.25/US$1 was used. A real discount rate of 8.3% was used.

Mineral rights outside the life of mine plan

Independent experts were used to value the mineral resources outside the life of mine plan. The valuation was performed using the comparable transaction valuation methodology. This methodology involves determining the *in situ* mineral reserves and resources of specific properties within the context of other mineral property valuation. For *in situ* inferred 4E resource ounces a value of US$10 per ounce was used.

Deferred tax

Deferred tax was calculated on the full difference between the fair values calculated above and the tax basis at a rate of 28%.

Goodwill (Note 7)

Goodwill was calculated as the difference between the purchase consideration and the Group's share of net assets acquired. No goodwill was attributed to non-controlling shareholders' interest.

Goodwill is allocated to BRPM. The recoverability of goodwill was assessed using the fair value less cost to sell methodology based on the *in situ* value for 4E resource ounces outside the life of mine plan and the net present value of the current life of mine plan using the following assumptions:

For mineral rights included in life of mine plan the following key real long-term life of mine prices were used:

- Platinum US$1 611 per ounce (2010: US$1 611 per ounce)
- Palladium US$671 per ounce (2010: US$526 per ounce)
- A long-term real rand/US dollar exchange rate of R8.43/US$1 (2010: R8.25/US$1)
- A real discount rate of 8.3% was used (2010: 8.3%)
- Life of mine of 30 years (2010: 30 years).

Our current life of mine valuation is based on a real long-term platinum basket price of R17 832 (2010: R18 316). As a sensitivity, the break even real long-term platinum basket price for impairment is R17 558. As can be expected, the margin is small as the assets have been fair valued in 2010.

Mineral rights outside the life of mine plan (Note 6)

For *in situ* inferred 4E resource ounces a value of US$10 per 4E ounce (2010: US$10 per 4E ounce) was used to assess recoverability. This was based on independent experts' view of the value of these resources at the time of the listing of the Company.

Mineral Reserves

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- The grade of Mineral Reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Carrying value of property, plant and equipment (Note 5)

The estimated useful lives of property, plant and equipment are based on the historical performance as well as expectations about the future use and therefore require a significant degree of judgement to be applied by management. The depreciation rates represent management's current best estimates of the useful lives of the assets. Residual values of the property, plant and equipment are reviewed at least annually. Adjustment will affect the depreciation charge for the reporting period.

3. Critical accounting estimates and assumptions (continued)

Environmental rehabilitation obligations (Note 18)

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Key assumptions used were:

	2011	2010 Restated
Current cost estimate (R million)	156.3	139.0
Real pre-tax risk free discount rate (%)	4	4

Share-based payments

The Group has various share-based payment plans in place. As the Company was only listed in 2010 insufficient history of the Company's share price was available on which to base assumptions. The JSE J153 Platinum index was therefore used as an approximation of key inputs in the valuation of share-based payments for 2010. In 2011, the Company's share data was used. All share-based payment schemes are treated as equity-settled and therefore measured on grant date.

Bonus Share Plan

The Company has established a Bonus Share Plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Company is responsible for operating the BSP.

Following the announcement of the Company's annual results, employees participating in the BSP are awarded a number of bonus shares, which constitute a specified percentage of the employee's annual cash bonus (dependent on job category). Such bonus shares are held on the employee's behalf by an escrow agent for a period of three years after their award.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

2010 Share Option Plan

Certain directors and senior managers of the Company (including all of the current executive directors of the Company) have been granted options to acquire shares. The options were granted at an initial price, which was linked to the J153 Platinum Index when hired. The strike price of the options was adjusted on listing in accordance with a specified formula and was linked to the Company's share price. The share options vest from year three to five from when they were granted in three equal tranches.

Mahube Trust Share Scheme

The Royal Bafokeng Platinum Mahube Trust (Mahube Trust) has been implemented to replace the value forfeited by qualifying BRMS employees as a result of them no longer qualifying as beneficiaries of the Anglo Platinum Group Employee Share Participation Scheme (Kotula).

Permanent employees of the BRPM are employed by BRMS. Prior to the listing, BRMS was a wholly-owned subsidiary of RPM and qualifying BRMS employees were beneficiaries of Kotula. In terms of the rules of Kotula and as a result of the listing, qualifying BRMS employees forfeited all their benefits under Kotula once ownership of BRMS was transferred from RPM to RBR since BRMS was no longer a member of the AngloPlat group of companies. The Group created the Mahube Trust, an employee share ownership scheme for the benefit of qualifying BRMS employees to replicate the terms and structure, to the extent possible, of Kotula. The final capital distribution will take place on or about 31 March 2015 and the Mahube Trust will terminate on 31 March 2016.

Initial Public Offering bonus shares

The Company invited each of the executive directors and certain other employees of the Company to participate in the share offer on listing, on the basis that for each share that they subscribe for, the Company will issue them with an additional share at no cost (with the Company paying for the par value of such shares). The additional shares issued by the Company vest 18 months after the listing on 8 May 2012. The maximum number of shares for which each director and employee could subscribe to benefit from this scheme were limited based on the specific job grade.

3. Critical accounting estimates and assumptions (continued)

The value of the various equity-settled share-based payment schemes were calculated using the following inputs:

	2010 Bonus Share Plan	2011 Bonus Share Plan	2010 Share Option Plan	Mahube Trust Share Scheme	Initial Public Offering bonus shares
Weighted average option value on grant date (Rand)	65.20	64.12	32.27	44.67	64.90
Weighted average share price on grant date (Rand)	65.20	64.12	60.25	65.12	64.90
Weighted average exercise price (Rand)	—	—	60.25	48.11	—
Volatility (%)	N/A	N/A	40.3 to 48.2	39.8 to 47.9	47.9
Dividend yield	—	—	—	—	—
Risk free interest rate (%)	6.19	6.19	7.59 to 8.46	7.75 to 7.83	7.52
Vesting years	2013	2014	2013 — 2015	2014 — 2016	8 May 2012

Refer to the Directors' report for outstanding shares.

Income taxes and mining royalties

Significant judgement is required in determining the provision for income taxes and mining royalties. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

4. Restatement of prior year statement of financial position, statement of comprehensive income and statement of changes in equity

In the 2010 financial statements the Group stated that it is still in the process of assessing the fair values allocated to individual components, specifically mineral rights included in the life of mine.

During 2011, the assessment of fair values allocated to individual components and the purchase price allocation were finalised, resulting in a revised allocation of the fair values of assets, liabilities and goodwill.

In terms of the guidance provided in IFRS 3, *Business combinations*, the Group has restated its statement of financial position, statement of comprehensive income and statement of changes in equity and accompanying notes, for the 2010 financial year, to reflect the abovementioned changes as if they had occurred at the acquisition date. These changes did not impact the cash flow statement. The 2009 numbers were not impacted by the restatement.

The revised details of net assets acquired and goodwill are as follows:

R (million)	Restated	8 November 2010* Previously reported
Fair value of 67% interest assumed as the purchase price	10 002.7	10 002.7
Purchase consideration allocated to identifiable net assets:	11 448.2	10 371.0
– Property, plant and equipment	7 212.3	7 212.3
– Mineral rights	6 767.0	5 730.9
– Environmental trust deposit	87.0	87.0
– Inventories	61.3	61.3
– Trade and other receivables	999.5	995.7
– Amounts receivable from RPM	341.0	6.9
– Cash and cash equivalents	277.9	277.9
– Deferred tax liability	(3 860.7)	(3 570.6)
– Long-term provisions	(67.8)	(67.8)
– Trade and other payables	(369.3)	(362.6)
Less: Non-controlling interest	(3 720.6)	(3 405.5)
Goodwill	2 275.1	3 037.2

* *Date of listing of RBPlat*

A multi-period excess earnings model was used to finalise the fair value of mineral rights included in the life of mine resulting in an increase in the value of mineral rights of R1 billion. Uncertainty relating to the amounts receivable from RPM were resolved with a final settlement.

The revised details of comprehensive income are as follows:

	2010 Restated	2010 Previously reported
For the year ended 31 December 2010 R (million)		
Amortisation of mineral rights	28.6	26.4
Profit for the year attributable to:		
Owners of the Company	3 164.5	3 166.3
Non-controlling interest	1.5	1.9
Total comprehensive income	3 166.0	3 168.2
Basic earnings per share (cents/share)	2 242	2 243
Diluted earnings per share (cents/share)	2 240	2 241

5. Property, plant and equipment

	Buildings	Furniture and fittings and computer ware	Mining assets	Capital work in progress	Plant and machinery	Vehicles and equipment	Total
	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
2011							
At 1 January 2011	72.3	36.2	3 889.9	2 128.9	1 193.3	17.3	7 337.9
Additions	–	4.9	–	1 111.9	29.7	–	1 146.5
Disposals and scrapping	–	(0.6)	–	–	–	–	(0.6)
Change in estimates of decommissioning asset	–	–	(21.9)	–	–	–	(21.9)
Depreciation	(4.4)	(13.9)	(328.5)	–	(109.1)	(6.7)	(462.6)
Transfers	1.6	11.2	1 140.3	(1 208.6)	52.7	2.8	–
At 31 December 2011	69.5	37.8	4 679.8	2 032.2	1 166.6	13.4	7 999.3
Cost	74.8	54.0	5 087.4	2 032.2	1 292.8	21.1	8 562.3
Accumulated depreciation	(5.3)	(16.2)	(407.6)	–	(126.2)	(7.7)	(563.0)
At 31 December 2011	69.5	37.8	4 679.8	2 032.2	1 166.6	13.4	7 999.3
2010							
At 1 January 2010	64.6	13.7	2 004.2	975.3	586.9	7.4	3 652.1
Additions	22.0	24.8	14.7	398.7	36.7	1.9	499.0
Disposals	–	–	–	–	–	(0.3)	(0.3)
Depreciation	(3.8)	(7.9)	(185.3)	–	(47.8)	(1.8)	(246.6)
Transfers	13.6	0.1	–	(93.6)	79.4	0.5	–
At 8 November	96.4	30.7	1 833.6	1 280.6	655.2	7.7	3 904.2
Carrying amount of previously held 67% interest in BRPM	(96.4)	(30.0)	(1 833.6)	(1 280.6)	(655.2)	(7.7)	(3 903.5)
Fair value of 100% of BRPM on business combination	72.9	33.6	3 967.1	1 911.3	1 209.1	18.3	7 212.3
Additions from 8 November	0.3	4.2	1.9	217.6	1.3	–	225.3
Depreciation from 8 November	(0.9)	(2.3)	(79.1)	–	(17.1)	(1.0)	(100.4)
At 31 December 2010 Restated	72.3	36.2	3 889.9	2 128.9	1 193.3	17.3	7 337.9
Cost	73.2	38.5	3 969.0	2 128.9	1 210.4	18.3	7 438.3
Accumulated depreciation	(0.9)	(2.3)	(79.1)	–	(17.1)	(1.0)	(100.4)
At 31 December 2010 Restated	72.3	36.2	3 889.9	2 128.9	1 193.3	17.3	7 337.9

The Company has the life of mine right to use, but not ownership of assets with a carrying amount of R1 383 275 089 (2010: R1 536 112 129) which is included in balances above.

	Group	
	2011	2010 Restated
	R (million)	R (million)
6. Mineral rights		
Opening balance at 1 January	6 756.7	2 925.5
Amortisation (included in cost of sales)	(56.2)	(28.6)
Remeasurement of previously held interest in BRPM	–	3 859.8
Closing balance at 31 December	6 700.5	6 756.7
Cost	6 767.0	6 767.0
Accumulated amortisation	(66.5)	(10.3)
Closing balance 31 December	6 700.5	6 756.7

In terms of the joint venture agreement between RPM and RBR, RPM contributed its Boschkoppie mining right and the Frischgewaagd prospecting right whilst RBR contributed its Styldrift mining right to the BRPM JV for the full BRPM life of mine. RBR therefore has an undivided 67% participation interest in these rights whilst RPM has an undivided 33% participation interest in these rights.

	Group	
	2011	2010 Restated
	R (million)	R (million)
7. Goodwill		
Goodwill at cost less impairment	2 275.1	2 275.1

The goodwill originated from the deferred tax provided on the fair value of the assets over carrying amount on the obtaining of control of BRPM on date of listing of the Company (8 November 2010). Refer to Note 4 for the restatement of goodwill on finalisation of the purchase price allocation. Goodwill was allocated entirely to the Group's mining operation, its only segment.

Refer Note 3 for the assumptions and sensitivity thereof used in assessing the recoverable amount of goodwill.

There was no impairment of goodwill in the current financial year.

	Group	
	2011	2010
	R (million)	R (million)
8. Environmental trust deposit		
Opening balance at 1 January	87.5	56.4
Interest earned on the environmental trust deposit	2.4	2.4
Increase in cash deposit during the year	2.5	—
Remeasurement of previously held interest in BRPM	—	28.7
Closing balance at 31 December	92.4	87.5

The Group contributes to the BRPM Environmental Rehabilitation Trust annually. The trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the mine. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected as an environmental trust deposit. Refer Note 18 for the environmental rehabilitation provision created.

	Group	
	2011	2010
	R (million)	R (million)
9. Inventories		
Consumables	23.3	17.4
Stockpiles	7.8	31.0
Closing balance at 31 December	31.1	48.4

All inventories are carried at cost. There is no write down to net realisable value.

	Group	
	2011	2010 Restated
	R (million)	R (million)
10. Trade and other receivables		
Trade receivables (concentrate debtors)	941.8	1 008.5
Other receivables	53.2	25.7
VAT receivable	0.6	16.2
RPM receivable	0.1	334.1
Closing balance at 31 December	995.7	1 384.5

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's share of the concentrate of the PGMs produced by BRPM will be treated by RPM.

In terms of the agreement, the commodity prices and Rand:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery (refer Note 30 for sensitivity analysis).

Concentrate debtors are fair valued every month following delivery until the price is fixed at the end of the third month. In line with industry practice the fair value adjustment is taken through the statement of comprehensive income as an adjustment to revenue.

	Group	
	2011	2010
	R (million)	R (million)
11. Held-to-maturity investments		
Investment in vested rights of the NED Investment Trust	250.0	250.0
Accrued dividends	14.9	0.9
Closing balance at 31 December	264.9	250.9

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust.

RBPlat invested R250 million on 9 December 2010 on 180 day notice period earning the following dividend yield:

- R200 million earning 62% of prime nominal annual compounded semi-annually
- R50 million earning 61.57% of prime nominal annual compounded quarterly.

The effective rate at year-end was 5.58% (2010: 5.58%) and 5.54% (2010: 5.54%) for the two respectively. For the year ended 31 December 2011 dividends of R14.0 million (2010: R0.9 million) were earned on the Nedbank preference shares.

	Group	
	2011	2010
	R (million)	R (million)
12. Current tax payable/(receivable)		
The movement in the balance can be explained as follows:		
Opening balance at 1 January	(4.8)	–
Income tax charge	29.9	0.4
Business combination	–	(7.6)
Tax refund received	4.8	7.6
Payment made	(26.7)	(5.2)
Closing balance at 31 December	3.2	(4.8)

	Group	
	2011	2010
	R (million)	R (million)
Current tax payable/(receivable) comprises:		
Current tax receivable	(0.2)	(4.8)
Current tax payable	3.4	–
	3.2	(4.8)

	Group	
	2011	2010
	R (million)	R (million)
13. Related party loan		
Royal Bafokeng Management Services (Pty) Ltd (RBMS)		
At 1 January	–	0.2
Loan repaid	–	(0.2)
Closing balance at 31 December	–	–

The loan between Royal Bafokeng Management Services (Pty) Ltd (RBMS), a fellow subsidiary, bore no interest and had no fixed repayment terms. It was settled in full prior to listing on 8 November 2010.

	Group	
	2011	2010
	R (million)	R (million)
14. Cash and cash equivalents		
Cash at bank and on hand	524.0	447.9
Short-term bank deposits	575.2	451.5
Closing balance at 31 December	1 099.2	899.4

Facilities

Royal Bafokeng Resources (RBR) entered into a R500 million revolving credit facility (RCF) with Nedbank Capital on 8 January 2010. Interest on the facility is based on JIBAR plus a margin of 2.85% nominal annual compounded quarterly in arrears. The current RCF is repayable in full on 31 December 2013. There is a commitment fee payable by RBR of 0.75% of the unutilised portion of the facility. To date, nothing is drawn from the R500 million RCF.

The security provided in connection with the RCF includes first ranking mortgage bonds registered by RBR over its Styldrift mining right, a limited guarantee by the Company in favour of Nedbank Capital, a cession and pledge of the Company's shares in and claims against RBR as security for its obligations under the limited guarantee and a subordination by the Company of its claims against RBR in favour of Nedbank Capital. RBR also provides a cession in security pursuant to which it cedes and pledges its rights, title and interest in respect of, or connected with, BRPM and the Joint Venture Agreement. RBR can voluntarily prepay and cancel the facility at any time without penalty.

RBR may also not, without the prior written approval of Nedbank Capital, *inter alia*:

- encumber any of its assets
- make any substantial change to the nature of its business
- dispose of any assets or enter into an amalgamation, demerger, merger or corporate reconstruction (other than certain permitted disposals)
- enter into a transaction or acquisition classified as a Category 1 transaction under the JSE Listings Requirements
- amend any material term of a material contract including the Joint Venture Agreement and the Disposal of Concentrate Agreement although in the latter three cases Nedbank Capital's consent may not be unreasonably withheld.

If RBR undertakes any of these actions without Nedbank's prior written consent, it is obliged, if Nedbank so requires, to immediately repay the RCF.

In addition, RBR entered into a R250 million, RBPlat a R3 million and RBP MS a R5 million working capital facility with Nedbank Capital in September 2010 which is repayable in December 2013. Interest on these facilities is based on a 3-month JIBAR plus a margin of 2.85% nominal annual interest compounded monthly in arrears. There are commitment fees payable on these facilities of 0.75% of the unutilised portion of the facility. The working capital facility will share in the same security as the R500 million RCF with the same restrictions.

At year-end RBR utilised R149.9 million of its working capital facility for guarantees and RBP MS utilised R0.4 million for guarantees. Refer Note 19.1 for further details.

	Group 2011 R	Group 2010 R
15. Share capital and share premium		
Authorised share capital		
250 000 000 (2010: 250 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 500 000
1 500 000 (2010: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2010: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2010: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	15 000	15 000
Total authorised share capital	2 545 000	2 545 000
Issued ordinary share capital		
The movement in the issued share capital of the Company is as follows:		
Opening balance 163 677 799 (2010: 137 057 500) ordinary shares with a par value of R0.01 each	1 636 778	1 370 575
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	–	100 000
16 620 299 ordinary shares issued as primary issue with the listing of the Company	–	166 203
330 521 (2010: 550 848) ordinary shares issued as part of management share incentive scheme	3 305	5 508
563 914 (2010: 563 914) ordinary shares issued to the Mahube Trust	–	5 639
Less: Treasury shares		
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	(3 305)	(5 508)
563 914 (2010: 563 914) ordinary shares issued to the Mahube Trust	–	(5 639)
Total 163 677 799 (2010: 163 677 799) ordinary shares	1 636 778	1 636 778
Issued "A1", "A2", "A3" ordinary share capital		
845 871 "A" ordinary shares issued to the Mahube Trust	–	8 459
"A1" and "A2" and "A3" ordinary shares issued on equal parts of 281 957 each		
Less: Treasury shares		
845 871 "A" ordinary shares issued to the Mahube Trust	–	(8 459)
Total 845 871 (2010: 845 871) "A" ordinary shares	–	–
Share premium	R (million)	R (million)
Opening balance	7 759.9	6 817.8
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	–	(0.1)
16 620 299 ordinary shares issued as primary issue with the listing of the Company	–	1 005.4
330 521 (2010: 550 848) ordinary shares issued as part of management share incentive scheme	21.5	33.5
563 914 (2010: 563 914) ordinary shares issued to the Mahube Trust	–	36.7
845 871 "A" ordinary shares issued to the Mahube Trust	–	23.2
Capitalisation of listing transaction costs to share premium	–	(63.2)
Less: Treasury shares		
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	(21.5)	(33.5)
563 914 (2010: 563 914) ordinary shares issued to the Mahube Trust	–	(36.7)
845 871 "A" ordinary shares issued to the Mahube Trust	–	(23.2)
Total share premium	7 759.9	7 759.9

The "A" ordinary shares were issued to the Mahube Trust as part of the Company's Employee Share Ownership Plan and these "A" ordinary shares are not listed. The "A" ordinary shares are treated as treasury shares as the Mahube Trust is consolidated as a special purpose vehicle. During the year 330 521 ordinary shares were issued as part of the Company's management staff incentive scheme.

	Group	
	2011	2010
	R (million)	R (million)

16. Share-based payment reserve

The movement on the other reserves can be attributed to the following:		
Opening balance at 1 January	18.8	–
Share-based payment charge	62.3	18.8
Closing balance at 31 December	81.1	18.8

17. Deferred tax

Deferred income tax is calculated in full on the temporary differences under the liability method using the principal tax rate of 28%. Deferred income tax assets and liabilities are offset when there is legally enforceable right to set off tax assets against the tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group	
	2011	2010 Restated
	R (million)	R (million)
Deferred tax comprises:		
Deferred tax asset	(34.2)	(15.2)
Deferred tax liability	4 054.1	3 901.4
	4 019.9	3 886.2

The movement on the deferred tax is as follows:

	Mineral rights	Property, plant and equipment	Provisions	Other	Total
	R (million)	R (million)	R (million)	R (million)	R (million)
2011					
At January 2011	1 892.5	2 005.0	(35.5)	24.2	3 886.2
Charged to statement of comprehensive income	(16.4)	163.3	1.6	(14.8)	133.7
At 31 December 2011	1 876.1	2 168.3	(33.9)	9.4	4 019.9
2010					
At January 2010	3.1	315.5	(11.9)	16.5	323.2
Charge to statement of comprehensive income	(2.2)	176.4	(2.2)	(0.7)	171.3
Remeasurement of previously held interest in BRPM	1 891.6	1 513.1	(21.4)	8.4	3 391.7
At 31 December 2010	1 892.5	2 005.0	(35.5)	24.2	3 886.2

Of the above, approximately R3 661.1 million (2010: R3 582 million) will realise after 12 months.

	Group	
	2011 R	2010
	R (million)	R (million)

18. Long-term provisions

Restoration and rehabilitation opening balance at 1 January	72.5	41.8
Unwinding of discount from	4.9	2.8
Change in estimate of provision	(20.2)	5.8
Remeasurement of previously held interest in BRPM	–	22.1
Restoration and rehabilitation closing balance at 31 December	57.2	72.5
Other provisions	0.9	0.9
Closing balance at 31 December	58.1	73.4
Current cost estimate of restoration and rehabilitation	156.3	139.0

Refer Note 8 for the environmental trust deposit made to fund this estimate and Note 19.1 for guarantees issued to fund the remainder. The change in estimate of the provision is mainly due to the increase in the life of mine.

		Group 2011 R (million)	Group 2010 R (million)
19.	**Contingencies and commitments**		
19.1	**Guarantees issued**		
	Royal Bafokeng Resources (Pty) Ltd, a wholly-owned subsidiary of RPBlat, granted the following guarantees:		
	Eskom to secure power supply for Styldrift project development (financial guarantee 30823102)	17.1	17.1
	Eskom early termination guarantee for Styldrift (financial guarantee 31160603)	17.5	–
	Eskom connection charges guarantee for Styldrift (financial guarantee 31173918)	40.0	–
	Anglo American Platinum for the rehabilitation of land disturbed by mining activities at BRPM	75.3	–
	Royal Bafokeng Platinum Management Services (Pty) Ltd, a wholly-owned subsidiary of RBPlat, granted the following guarantees:		
	Tsogo Sun guarantee arising from lease agreement (financial guarantee 31101003)	0.3	–
	Tsogo Sun guarantee arising from lease agreement (financial guarantee 31100309)	0.1	–
	Royal Bafokeng Management Services (Pty) Ltd, a fellow subsidiary of RBPlat, granted the following guarantees on behalf of RBR for the rehabilitation of land disturbed by mining:		
	Department of Mineral Resources (financial guarantee 36790800258)	–	39.9
	Department of Mineral Resources (financial guarantee 36790901881)	–	7.6
	Total guarantees issued at 31 December	150.3	64.6
	Guarantees received from Anglo American Platinum		
	For Anglo American Platinum's 33% of the Eskom guarantee to secure power supply for Styldrift project development (financial guarantee M523084)	(5.6)	–
	For Anglo American Platinum's 33% of Eskom early termination guarantee for Styldrift (financial guarantee M529349)	(5.8)	–
	For Anglo American Platinum's 33% of the Eskom connection charges guarantee for Styldrift (financial guarantee M529350)	(13.2)	–
	Total guarantees received at 31 December	(24.6)	–
	Refer to Note 18 for rehabilitation provision relating to guarantee to DMR.		
19.2	**Capital commitment in respect of property, plant and equipment**		
	Commitments contracted for	771.9	960.8
	Approved expenditure not yet contracted for	8 737.9	8 262.1
	Total	9 509.8	9 229.9
	The commitments reflect 100% of the BRPM JV project commitments. Effectively RBR must fund 67% thereof and RPM the remaining 33%.		
	Should either party elect not to fund their share, the interest will be diluted according to the terms reflected in the BRPM JV agreement.		
19.3	**Operating lease commitments**		
	The Group leases offices for its corporate office in Johannesburg and for BRPM's finance function in Rustenburg under operating lease agreements. The corporate office lease term is five years and it is renewable at the end of the lease period at market rate. The finance office lease in Rustenburg is renewable year-on-year at market rate. The future aggregate lease payments under these operating leases are as follows:		
	No later than one year	1.7	0.6
	Later than one year and no later than five years	6.5	–
	Total	8.2	0.6

	Group 2011 R (million)	Group 2010 R (million)
20. Trade and other payables		
Trade and other payables	238.0	412.4
VAT payable	1.8	9.1
	239.8	421.5

	Group 2011 R (million)	Group 2010 R (million)
21. Revenue		
Revenue from concentrate sales – production from BRPM concentrator	2 846.6	2 094.7
Revenue from UG2 toll concentrate	128.3	–
Revenue from management fee	–	12.1
	2 974.9	2 106.8

	Group 2011 R (million)	Group 2010 R (million)
22. Other income		
Local sales – scrap	–	0.7
Net income from settlement of intercompany balances with RPM	28.9	–
Impala royalty (Group resources mined by Impala Platinum Limited)	24.9	–
Other income	1.0	0.9
	54.8	1.6

	Group 2011 R (million)	Group 2010 R (million)
23. Net finance cost		
The net finance cost consists of the following:		
Interest received on environment trust deposit	2.4	2.4
Interest received on bank accounts	46.2	13.3
Dividends received	14.0	–
Total finance income	62.6	15.7
Interest paid on bank account	–	(9.8)
Unwinding of discount on decommissioning and restoration provision	(4.9)	(2.7)
Total finance cost	(4.9)	(12.5)
Net finance income	57.7	3.2

Interest paid on bank account was nil (2010: R9.8 million) paid to Nedbank in respect of the revolving credit facility utilised prior to the listing of the Company on 8 November 2010.

		Group	
		2011	2010 Restated
		R (million)	R (million)
24.	**Profit before tax**		
	Included in the profit before taxation are the following items:		
	On-mine costs:		
	– Labour	673.9	489.5
	– Utilities	144.5	87.6
	– Contractor costs	377.0	264.1
	– Movement in inventories	23.3	(15.0)
	– Materials and other mining costs	614.8	401.5
	– Elimination of intergroup management fee	(31.5)	(23.9)
	State royalties	14.1	8.4
	Depreciation – Property, plant and equipment	462.1	347.0
	Amortisation – Mineral rights	56.2	28.6
	Share-based payment expenses	33.1	7.2
	Social and labour plan expenditure	35.8	7.6
	Other	5.4	5.5
	Total cost of sales	2 408.7	1 608.1
	Included in corporate office expenses are:		
	Advisory fees	5.7	7.2
	Legal fees	1.2	1.0
	Loss on sales and scrapping of fixed assets	0.3	0.2
	Employee costs (including directors' emoluments)	43.1	26.3
	Mahube Trust expenditure	1.1	0.1
	Depreciation of RBP MS non-current assets	0.5	0.2
	Nedbank revolving credit facility arranging fee	–	1.3
	Nedbank revolving credit facility commitment fee	3.3	1.8
	Administration fees for guarantees	1.4	–
	Share-based payment expense	29.2	11.6
	Directors' and officers' liability insurance – general	0.4	0.5
	Industry membership contributions	0.5	–
	Rent for corporate office	1.7	0.8
	Listing expenditure not capitalised to share premium	–	3.8
	External and internal audit fees for the Group		
	External and internal audit fees included in cost of sales are:		
	External audit fees		
	– Fees for audit	1.3	0.7
	Internal audit fees	0.7	0.7
	External and internal audit fees included in corporate office expenses are:		
	External audit fees		
	– Fees for audit	0.8	0.8
	– Other fees	0.1	0.4
	Internal audit fees	0.2	–

		Group	
		2011	2010 Restated
		R (million)	R (million)
25.	**Income tax expense**		
	Income tax	(29.9)	(0.4)
	Deferred tax		
	– Current tax	(133.7)	(171.3)
		(163.6)	(171.7)
	Tax rate reconciliation:		
	Profit before tax	574.4	3 337.7
	Tax calculated at a tax rate of 28%	(160.8)	(934.6)
	Non-deductible expenses	(6.9)	(48.0)
	Non-taxable income	4.1	810.9
		(163.6)	(171.7)
	Effective tax rate (%)	28.44	5.14

An unredeemed capital allowance of R281.5 million (2010: R178.3 million) carried over to 2012.

	Group	
	2011	2010
	R (million)	R (million)

26. Cash generated by operations

Cash generated by operations is calculated as follows:

	2011 R (million)	2010 R (million)
Profit before tax	574.4	3 337.7
Adjustment for:		
Depreciation	462.6	347.0
Amortisation	56.2	28.6
Share-based payment	62.3	18.8
Finance cost	4.9	12.5
Finance income	(62.6)	(15.7)
Increase in rehabilitation provision	1.7	—
Profit on remeasurement of previously held interest in BRPM (Note 27.1)	—	(2 894.8)
Loss on sales and scrapping of fixed assets	0.3	0.2
	1 099.8	834.3
Changes in working capital	(101.4)	(57.3)
Decrease/(increase) in inventories	17.3	(28.1)
Decrease/(increase) in trade and other receivables	63.0	(119.5)
(Decrease)/increase in trade and payables	(181.7)	90.3
Cash generated by operations	998.4	777.0

27. Acquisition of BRPM

In terms of the restructuring agreements entered into in December 2009, from date of listing RBPlat obtained the power to appoint the majority of the management committee members of BRPM and therefore obtained control of BRPM. The Company was listed on 8 November 2010. In line with the requirements of IFRS 3, *Business combinations*, where a business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss, if any, in profit or loss.

27.1 Profit on remeasurement of previously held interest in BRPM

The profit on the remeasurement of the previously held interest in BRPM was determined as follows:

	2010 R (million)
Fair value of 67% previously held equity interest	10 002.7
Carrying amount of 67% previously held equity interest	7 107.9
— Property, plant and equipment	3 903.5
— Mineral rights	2 907.2
— Environmental trust deposit	58.3
— Inventories	41.0
— Trade and other receivables	660.2
— Cash and cash equivalents	186.2
— Deferred tax liability	(469.0)
— Long-term provisions	(44.8)
— Trade and other payables	(134.7)
Profit on remeasurement of previously held interest in BRPM	2 894.8

27. Acquisition of BRPM (continued)

27.2 Business combination

The fair value of the investment disposed of, being the 67% interest in BRPM, is deemed to be the consideration for the investment acquired, being the 67% interest in BRPM Joint Venture.

R (million)	2010 Restated
Fair value of 67% interest assumed as the purchase price	10 002.7
Purchase consideration allocated to identifiable net assets:	11 448.2
– Property, plant and equipment	7 212.3
– Mineral rights	6 767.0
– Environmental trust deposit	87.0
– Inventories	61.3
– Trade and other receivables	999.5
– Intercompany balances	341.0
– Cash and cash equivalents	277.9
– Deferred tax liability	(3 860.7)
– Long-term provisions	(67.8)
– Trade and other payables	(369.3)
Less: Non-controlling interest	(3 720.6)
Goodwill	2 275.1
Cash in previously held interest	186.2
Cash held after business combination	277.9
Cash impact of the business combination	91.7

1. The fair value of trade receivables acquired is equal to the previous carrying amount of the receivables. The full amount was expected to be collected within four months. Refer Note 30 for potential movements in the fair value of these debtors.
2. There were no contingent liabilities acquired that had to be recognised as liabilities.
3. The goodwill acquired relates to deferred tax recognised on the difference between the fair value of assets acquired and the tax deductible amount. Goodwill is not deductible for tax purposes. The basis for calculating the fair value of assets and liabilities was used to assess the need for any potential impairment of goodwill. Refer to Note 3 for the assumptions used.

Included in the results for the 2010 year were additional amounts relating to this business combination representing the 33% non-controlling interest as follows:

Additional revenue: R142.1 million

Additional net profit before tax: R24.1 million

Had the business combination occurred at the beginning of the year then the results of the Group would have been impacted as follows:

R (million)	2010 Reported results Restated	Pro-forma results	Difference
Revenue	2 106.8	2 914.4	807.6
Cost of sales	(1 608.1)	(2 254.7)	(646.6)
Gross profit	498.7	659.7	161.0
Profit before tax	3 337.7	3 500.4	162.7
Tax	(171.7)	(180.0)	(8.3)
Profit for the year	3 166.0	3 320.4	154.4

The increases reflect the additional 33% non-controlling interest impact.

Cost of sales was also increased with pro-forma depreciation assuming that the fair value adjustments made as at the acquisition date were the fair value adjustments made at the beginning of the year.

28. Related party transactions

The Group is controlled by Royal Bafokeng Platinum Holdings (Pty) Ltd (incorporated in South Africa), which owns 56.72% of RBPlat's shares. Rustenburg Platinum Mines Limited (RPM) owns 12.54% of RBPlat's shares and the remaining 30.74% of the shares are widely held. RPM also holds the remaining 33% participation interest in BRPM. The Group's ultimate parent is Royal Bafokeng Holdings (Pty) Ltd (incorporated in South Africa) (RBH). RBH is an investment holding company with a large number of subsidiaries. At present, RBR sells its 67% share of the concentrate produced by the BRPM JV to RPM for further processing by RPM. Refer to the Directors' report for further details of significant contracts with RPM.

28. Related party transactions (continued)

Investments in subsidiaries and the BRPM Joint Venture and the degree of control exercised by the Company are:

	Issued capital amount		Interest in capital	
	R	R	%	%
Name	2011	2010	2011	2010
Direct investment				
Royal Bafokeng Platinum Management Services (Pty) Ltd	1 000	1 000	100%	100%
Royal Bafokeng Resources (Pty) Ltd	320	320	100%	100%
Indirect investment via Royal Bafokeng Resources (Pty) Ltd				
Bafokeng Rasimone Management Services (Pty) Ltd	1 000	1 000	100%	100%*
BRPM — participation interest	—	—	67%	67%

** Interest acquired on date of listing of the Company (8 November 2010)*

Transactions between the Company, its subsidiaries and joint venture are eliminated on consolidation. Refer Note 19.1 for related party guarantees.

The following transactions were carried out with related parties:

	Group	
	2011	2010
	R (million)	R (million)
Joint venture balances at 31 December:		
Amount owing by RPM for concentrate sales (Refer Note 10)	941.8	1 008.5
Amount owing to RPM for contribution to BRPM (working capital nature)	37.5	69.7
There were no balances with other related parties.		
Joint venture transactions:		
Concentrate sales to RPM (Refer Note 21 and Directors' report)	2 974.9	2 094.8
Fellow subsidiary transactions:		
Royal Bafokeng Platinum Management Services (Pty) Ltd management fee charged to BRPM prior to 8 November 2010	—	12.1
Transactions with Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewerage plant (a subsidiary of RBH)	15.6	5.6
Royal Bafokeng Management Services (Pty) Ltd fees of administrative nature (a subsidiary of RBH)	—	0.8
Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH)	0.5	0.1
Geoserve Exploration Drilling Company for exploration drilling on Boschkoppie and Styldrift (a subsidiary of RBH)	15.5	—
Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH)	0.8	0.1
Zurich Insurance Company of SA for underwriting a portion of BRPM insurance (an associate of RBH)	0.7	0.8
Impala Platinum Limited for royalties received (an associate of RBH) (Refer Directors' report)	24.9	—

Details relating to key management emoluments (prescribed officers), share options and shareholdings in the Company are disclosed on page 99 to 101.

29. Dividends

No dividends have been declared or proposed in the current year (2010: nil).

30. Financial risk management

30.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out in terms of policies approved by the Audit and Risk Committee and the Board of directors, which set guidelines to identify, evaluate and hedge financial risks in close co-operation with the Group's operating unit. The Audit and Risk Committee and the Board provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative instruments, and investment of excess liquidity.

30. Financial risk management (continued)

30.1 Financial risk factors (continued)

Categories of financial instruments and fair values

The following table represents the Group's assets and liabilities that are measured at fair value (all financial instruments are carried at amortised cost):

		Carrying amount		Fair values	
		2011	2010 Restated	2011	2010 Restated
	Notes	R (million)	R (million)	R (million)	R (million)
Financial assets					
Environmental trust deposit	8	92.4	87.5	92.4	87.5
Trade and other receivables	10	995.1	1 368.3	995.1	1 368.3
Held-to-maturity investments	11	264.9	250.9	264.9	250.9
Cash and cash investments	14	1 099.2	1 150.3	1 099.2	1 150.3
Total financial assets		2 451.6	2 857.0	2 451.6	2 857.0
Financial liabilities					
Trade and other payables	20	239.8	421.5	239.8	421.5
Total financial liabilities		239.8	421.5	239.8	421.5

30.1.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar as the concentrate revenue is impacted by the Rand:US$ exchange rate. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Royal Bafokeng Resources entered into a disposal of concentrate agreement with Rustenburg Platinum Mines during 2002 in terms of which RBR's 67% share of the concentrate of the PGMs produced by BRPM will be treated by RPM.

In terms of the agreement, the commodity prices and Rand:US$ exchange rates used in the calculation of the concentrate payment is based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

Revenue and concentrate debtors are fair valued every month following the month of delivery until the price is fixed in the third month. In line with industry practice the fair value adjustment is recognised in revenue.

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments in the statement of financial position, statement of total comprehensive income and therefore equity.

		Statement of financial position		Statement of total comprehensive income	
		2011	2010 Restated	2011	2010 Restated
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade receivables	10	941.8	1 008.5	±64.7	±80.9

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of the changes in commodity prices. It is specifically applicable to the concentrate debtor (Rustenburg Platinum Mines).

In terms of the disposal of concentrate agreement between Royal Bafokeng Resources and Rustenburg Platinum Mines the commodity prices and Rand:US$ exchange rates used in the calculation of the concentrate payment are based on the average daily rates applicable for the third month following the month of delivery, leaving the Group exposed to the commodity price and exchange rate fluctuations until the price is fixed in the third month following the delivery month. Payment is due on the last day of the fourth month following the delivery month.

Revenue and concentrate debtors are fair valued every month following the delivery month until prices are fixed in the third month. In line with industry practice, the fair value adjustment is recognised in revenue.

30. Financial risk management (continued)

30.1 Financial risk factors (continued)

30.1.1 Market risk (continued)

Commodity price risk (continued)

		Statement of financial position		Statement of total comprehensive income	
		2011	2010 Restated	2011	2010 Restated
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade receivables	10	941.8	1 008.5	±64.7	±80.9

Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk. The Group does not have any fixed rate financial instruments which could expose it to fair value interest rate risk.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of 100 basis points up and down in the interest rate in the financial statement of total comprehensive income

		Statement of financial position		Statement of total comprehensive income	
		2011	2010 Restated	2011	2010 Restated
Financial assets	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Environmental trust deposit	8	92.4	87.5	±1.0	±0.9

30.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterpart may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables and other financial assets.

The Group's trade debtor credit risk is limited to one customer as all metals in concentrate are sold to Rustenburg Platinum Mines Limited (RPM). RPM has never defaulted on meeting its obligation. The value of the receivable at year-end was R941.8 million (2010: R1 008.5 million). The credit risk relates to overall risk of the Anglo American Platinum Group, the world's largest platinum producer.

With regard to the cash resources, the Group is exposed to the credit risk of the Nedbank Group, Standard Bank and FirstRand Bank Limited. At year-end, the Group invested R250 million in Nedbank preference shares and had R235.2 million on call with Nedbank, R474.6 million on call with FirstRand Bank Limited and R383 million on call with Standard Bank. All these banks have a credit rating of at least AA-(zaf).

Default for reporting purposes is measured as payments outstanding for more than four months. Interest is charged at prime rate on late payments.

No financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

30.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash investments) (Notes 11 and 14) on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amount as the impact of discounting is insignificant.

30. Financial risk management (continued)

30.1 Financial risk factors (continued)

30.1.3 Liquidity risk (continued)

	Note	Less than 1 year R (million)	Between 1 and 2 years R (million)	Between 2 and 5 years R (million)	Over 5 years R (million)
2011					
Trade and other payables	20	239.8	–	–	–
Current tax payable	12	3.4	–	–	–
2010					
Trade and other payables	20	421.5	–	–	–

30.2 Capital risk management

The Group defines total capital as 'equity' in the statement of financial position plus debt. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

31. Segmental reporting

The Group is currently operating one mine with two decline shafts and the Styldrift I Project. The BRPM operation is treated as one operating segment.

The Executive Committee of the Company is regarded as the Chief Operating Decision Maker.

	BRPM 2011 R (million)	BRPM 2010 R (million)
Concentrate sales	2 974.9	2 914.4
Cash cost of sales	(1 802.4)	(1 700.4)
Depreciation	(357.1)	(285.7)
Other operating income	29.0	1.8
Other operating expenditure	(101.7)	(40.2)
Net finance income	5.2	4.6
Segmental profit before tax	747.9	894.5
Additional depreciation on purchase price allocation (PPA) adjustment and amortisation	(161.2)	(140.7)
Overheads of corporate office	(104.3)	(60.6)
Consolidation adjustments	10.0	244.5
Other income	29.6	2 894.8
Finance income	52.4	4.0
Finance cost	–	(9.8)
Profit before tax per the statement of comprehensive income	574.4	3 337.7
Taxation	(163.6)	(171.7)
Non-controlling interest	(137.4)	(1.2)
Contribution to basic earnings	273.4	3 164.8
Contribution to headline earnings	273.7	270.2
Segment assets	6 626.8	5 915.3
PPA adjustment to carrying amount of PPE (includes mineral rights)	9 407.1	9 491.3
Corporate assets and consolidation adjustments (includes goodwill)	3 458.7	3 653.8
Total assets per the statement of financial position	19 492.6	19 060.4
Segment liabilities	245.1	269.7
Corporate liabilities and consolidation adjustments	52.8	225.2
Unallocated liabilities (tax and deferred tax)	4 057.5	3 901.4
Total liabilities per the statement of financial position	4 355.4	4 396.3
Cash inflow from operating activities	1 025.1	785.3
Cash flow utilised by investing activities	(1 151.1)	(880.0)
Cash inflow from financing activities	325.8	942.6
Capital expenditure	1 146.5	718.5

32. Basic and diluted earnings per share

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

	Group	
	2011	2010 Restated
	Number	Number
Number of shares issued	165 123 082	164 792 561
Mahube Trust	(563 914)	(563 914)
Management incentive scheme	(881 369)	(550 848)
Number of shares issued outside the Group	163 677 799	163 677 799
Adjusted for weighted shares issued during the year	–	(22 544 967)
Weighted average number of ordinary shares in issue for earnings per share	163 677 799	141 132 832
Management incentive scheme	462 537	152 700
Weighted average number of ordinary shares in issue for diluted earnings per share	164 140 336	141 285 532
Profit attributable to owners of the Company R (million)	273.4	3 164.8
Basic earnings per share (cents/share)	167	2 242
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for diluted earnings per share.		
Diluted earnings per share (cents/share)	167	2 240
Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for diluted earnings per share.		
Headline earnings		
Profit attributable to owners of the Company is adjusted as follows:		
Profit attributable to owners of the Company R (million)	273.4	3 164.8
Adjustment net of tax:		
Profit on remeasurement of previously held interest in BRPM R (million)	–	(2 894.8)
Loss on disposal of property, plant and equipment R (million)	0.3	0.2
Headline earnings R (million)	273.7	270.2
Basic headline earnings (cents per share)	167	191
Diluted headline earnings (cents per share)	166	191

33. Events after the reporting date

There were no significant events post the date of the statement of financial position.

Company statement of financial position

As at 31 December 2011

		Company	
		2011	2010
	Notes	R (million)	R (million)
ASSETS			
Non-current assets			
Investments	2	6 819.2	6 819.2
Current assets			
Held-to-maturity investments	3	264.9	250.9
Prepayments		0.9	—
Intercompany loans		227.7	174.2
Current tax receivable	4	0.2	0.3
Cash and cash equivalents		580.1	598.8
		1 073.8	1 024.2
Total assets		7 893.0	7 843.4
EQUITY AND LIABILITIES			
Share capital	5	1.7	1.7
Share premium	5	7 819.8	7 819.8
Share-based payment reserve		40.8	11.6
Retained earnings/(loss)		30.0	(2.0)
		7 892.3	7 831.1
Current liabilities			
Accruals		0.7	12.3
Total equity and liabilities		7 893.0	7 843.4

	Company

Company statement of comprehensive income

For the year ended 31 December 2011

	Notes	2011 R (million)	2010 R (million)
Dividend income		14.0	0.9
Interest income		32.0	5.9
Other income		0.7	–
Administration expenses		(7.8)	(4.5)
Listing fees not capitalised to share premium		–	(3.8)
Profit/(loss) before tax		38.9	(1.5)
Income tax for the year	6	(6.9)	(0.5)
Profit/(loss) for the year		32.0	(2.0)
Other comprehensive income		–	–
Total comprehensive income		32.0	(2.0)

Company statement of changes in equity

For the year ended 31 December 2011

	Number of shares issued	Ordinary shares	"A" ordinary shares	Share premium	Share-based payment reserve	Retained earnings/ (loss)	Total
		R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
Balance at 31 December 2010	165 087 584	1.7	–	7 819.8	11.6	(2.0)	7 831.1
Share-based payment charge					29.2		29.2
Total comprehensive income for the year						32.0	32.0
Balance at 31 December 2011	165 087 584	1.7	–	7 819.8	40.8	30.0	7 892.3
Balance at 31 December 2009	137 057 500	1.4	–	6 817.8	–	(0.0)	6 819.2
Transactions with shareholders							
Shares issued							
Contingent consideration for 17% interest in BRPM	10 000 000	0.1	–	(0.1)	–	–	–
Shares issued on the listing of the Company	16 620 299	0.2	–	1 005.4	–	–	1 005.6
Capitalisation of listing transaction costs		–	–	(63.2)	–	–	(63.2)
	163 677 799	1.7	–	7 759.9	–	–	7 761.6
Issues of ordinary shares to Mahube Trust	563 914	0.0	–	36.7	–	–	36.7
Issue of "A" ordinary shares to Mahube Trust	845 871	–	0.0	23.2	–	–	23.2
Share-based payment charge		–	–	–	11.6	–	11.6
Total comprehensive loss for the year		–	–	–	–	(2.0)	(2.0)
Balance at 31 December 2010	165 087 584	1.7	0.0	7 819.8	11.6	(2.0)	7 831.1

Company cash flow statement

For the year ended 31 December 2011

		Company	
		2011	2010
	Notes	R (million)	R (million)
Cash generated by operations	7	9.6	16.5
Finance income		32.0	5.9
Tax paid		(6.8)	(0.8)
Net cash flow ulitised by operating activities		34.8	21.6
Increase in held-to-maturity investments		–	(250.9)
Net cash flow generated by investing activities		–	(250.9)
Issue of ordinary shares net of cost		–	1 002.3
Related party loans granted		(53.5)	(174.2)
Net cash flow (utilised)/generated by financing activities		(53.5)	828.1
Net (decrease)/increase in cash and cash equivalents		(18.7)	598.8
Cash and cash equivalents at beginning of year		598.8	–
Cash and cash equivalents at end of year		580.1	598.8

Notes to the Company financial statements

For the year ended 31 December 2011

1. General information, basis of preparation and accounting policies

The general information, basis of preparation and accounting policies are disclosed on pages 106 to 118 and the Directors' report are disclosed on pages 96 to 101.

Investment in subsidiaries

Investment in subsidiaries is accounted for at cost less any impairment provision in the Company's financial statements.

	Notes	Company 2011 R (million)	Company 2010 R (million)
2. Investment in subsidiaries			
Investments in unlisted companies at cost:			
Direct investments in subsidiaries consist of:			
1 000 ordinary shares with a par value of R1 each in Royal Bafokeng Platinum Management Services (Pty) Ltd (100% interest)		0.0	0.0
320 ordinary shares with a par value of R1 each in Royal Bafokeng Resources (Pty) Limited (100% interest)		6 819.2	6 819.2
		6 819.2	6 819.2

Indirect investment in subsidiaries consists of:

Bafokeng Rasimone Management Services (Pty) Ltd (100%)

All subsidiaries are incorporated in South Africa.

The 67% participation interest in the BRPM Joint Venture is held by Royal Bafokeng Resources (Pty) Ltd.

	Company 2011 R (million)	Company 2010 R (million)
3. Held-to-maturity investments		
Investment in vested rights of the NED investment Trust	250.0	250.0
Accrued dividends	14.9	0.9
	264.9	250.9

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust. RBPlat invested R250 million on 9 December 2010 on a 180 day notice period earning the following dividend yield:

- R200 million earning 62% of prime nominal annual compound semi-annually
- R50 million earning 61.57% of prime nominal annual compound quarterly.

For the year ended 31 December 2011 dividends of R14.0 million (2010: R0.9 million) accrued on the Nedbank preference shares.

	Company 2011 R (million)	Company 2010 R (million)
4. Current tax receivable		
The movement in the balance can be explained as follows:		
Opening balance at 1 January	(0.3)	–
Income tax charge	6.9	0.5
Tax refund received	0.3	–
Payment made	(7.1)	(0.8)
Closing balance at 31 December	(0.2)	(0.3)

	Company	
	2011	2010
	R	R

5. Share capital and share premium

The authorised and issued share capital of the Company is as follows:

	2011 R	2010 R
Authorised share capital		
250 000 000 (2010: 250 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 500 000
1 500 000 (2010: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2010: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	15 000	15 000
1 500 000 (2010: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	15 000	15 000
Total authorised share capital	2 545 000	2 545 000
Issued ordinary share capital		
Opening balance 164 241 713 (2010: 137 057 500) ordinary shares with a par value of R0.01 each	1 642 417	1 370 575
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	–	100 000
16 620 299 ordinary shares issued as primary issue with listing of the Company	–	166 203
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	3 305	5 508
563 914 (2010: 563 914) ordinary shares issued to the Mahube Trust	–	5 639
Less: Treasury shares		
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	(3 305)	(5 508)
Total 164 241 713 (2010: 164 241 713) ordinary shares	1 642 417	1 642 417
Issued "A1", "A2", "A3" ordinary shares		
Opening balance 845 871 (2010: 0) "A1", "A2", "A3" ordinary shares with a par value of R0.01 each	8 459	–
845 871 "A1", "A2", "A3" ordinary shares issued to the Mahube Trust	–	8 459
Total 845 871 (2010:845 871) "A1" ordinary shares	8 459	8 459
Share premium	R (million)	R (million)
Opening balance	7 819.8	6 817.8
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	–	(0.1)
16 620 299 ordinary shares issued as primary issue with the listing of the Company	–	1 005.4
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	21.5	33.5
563 914 ordinary shares issued to the Mahube Trust	–	36.7
845 871 "A1" ordinary shares issued to the Mahube Trust	–	23.2
Capitalisation of listing transaction costs per share premium	–	(63.2)
Less: Treasury shares		
330 521 (2010: 550 848) ordinary shares issued as part of the management share incentive scheme	(21.5)	(33.5)
Total	7 819.8	7 819.8

The "A" ordinary shares were issued to the Mahube Trust as part of the employee share ownership plan and these "A" ordinary shares are not listed.

168 081 ordinary shares were issued on 18 February 2011 and 162 440 ordinary shares on 1 April 2011 as part of the Company's management staff incentive scheme.

6. Income tax expense

	2011 R (million)	2010 R (million)
Income tax	6.9	0.5
Tax rate reconciliation:		
Profit/(loss) before tax	38.9	(1.5)
Tax calculate at a tax rate of 28%	(10.9)	0.4
Non-deductible expenses	–	(1.2)
Non-taxable income	4.0	0.3
	(6.9)	(0.5)
Effective tax rate (%)	17.7	33.3

Notes to the Company financial statements (continued)

For the year ended 31 December 2011

	2011 R (million)	2010 R (million)
7. Cash generated by operations		
Profit/(loss) before tax	38.9	(1.5)
Finance income	(46.0)	(5.9)
Share-based payment expenses	29.2	11.6
(Decrease)/increase in accruals	(11.6)	12.3
Increase in prepayments	(0.9)	—
Cash generated by operations	9.6	16.5

Shareholder analysis

Royal Bafokeng Platinum Limited: Shareholder analysis tables

Register date: 31 December 2011
Issued share capital: 165 123 082 shares

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	2 843	72.03	991 952	0.60
1 001 – 10 000 shares	779	19.74	2 438 215	1.48
10 001 – 100 000 shares	245	6.21	7 858 363	4.76
100 001 – 1 000 000 shares	67	1.70	20 647 988	12.50
1 000 001 shares and over	13	0.32	133 186 564	80.66
Total	3 947	100.00	165 123 082	100.00

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Banks	33	0.84	11 009 076	6.67
Brokers	6	0.15	134 283	0.08
Close corporations	43	1.09	30 511	0.02
Endowment funds	49	1.24	322 465	0.20
Individuals	2 858	72.41	2 708 018	1.64
Insurance companies	35	0.89	3 228 803	1.96
Investment companies	9	0.23	2 109 234	1.28
Medical aid schemes	10	0.25	84 751	0.05
Mutual funds	134	3.39	18 189 233	11.02
Nominees and trusts	414	10.49	1 040 414	0.63
Other corporations	54	1.37	45 385	0.03
Own holdings	5	0.13	94 772 487	57.40
Pension funds	188	4.76	10 420 456	6.31
Private companies	97	2.46	195 547	0.12
Public companies	12	0.30	20 832 419	12.62
Total	3 947	100.00	165 123 082	100.00

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	12	0.30	116 168 293	70.35
Directors	3	0.08	477 174	0.29
Associates and Management	6	0.16	120 584	0.07
Own holdings	1	0.02	93 744 620	56.77
Employee share schemes	1	0.02	1 119 403	0.68
Strategic holdings (more than 10%) (RPM)	1	0.02	20 706 512	12.54
Public shareholders	3 935	99.70	48 954 789	29.65
Total	3 947	100.00	165 123 082	100.00

Beneficial shareholders holding of 5% or more	Number of shares	% of shares
Royal Bafokeng Platinum Holdings (Pty) Ltd	93 653 084	56.72
Rustenburg Platinum Mines Limited	20 706 512	12.54

Share price statistics

Opening share price	R65.50 on 3 January 2011
Closing share price	R55.00 on 30 December 2011
Average trading price	R61.31
Volume traded for the year under review	33 584 214
Share price high	R70.01
Share price low	R52.61
Market capitalisation at beginning of the year	R10 748 million
Market capitalisation at end of the year	R9 082 million

Disclaimer

Certain statements in this integrated annual report constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of RBPlat and its subsidiary companies, as well as the industry in which it operates, to be materially different from future results, performances, objectives or achievements expressed or implied by these forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', 'anticipates' or the negatives of this terminology. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events.

No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group.

Notice of annual general meeting

ROYAL BAFOKENG PLATINUM LIMITED
Incorporated in the Republic of South Africa
Registration number: 2008/015696/06
JSE share code: RBP and ISIN: ZAE000149936
Date of Incorporation: 1 July 2008
(RBPlat or the Company)

Notice is hereby given that the third annual general meeting of the Company will be held on Tuesday, 3 April 2012 at 10h00 in the Castello room at the Palazzo Hotel, Monte Casino Boulevard, Fourways. This document is important and requires your immediate attention. Shareholders' attention is drawn to the notes at the end of this notice, which contain important information with regard to shareholders' participation in the annual general meeting.

The Board of directors has determined, in accordance with Section 59 of the Companies Act No 71 of 2008 (the Act), that the record date for holders to be recorded as shareholders in the securities register maintained by the transfer secretaries of the Company in order to be able to attend, participate and vote at the annual general meeting is Friday 23 March 2012. The last date to trade to be able to attend, participate and vote at the annual general meeting is Friday 30 March 2012. The purpose of the annual general meeting is to conduct the following business and, if deemed fit to pass the resolutions contained herein with or without modification, in a manner required by the Act and the JSE Limited Listings Requirements (JSE Listings Requirements) on which the Company's ordinary shares are listed:

1. Ordinary resolution number 1

Adoption of the audited consolidated annual financial statements for the year ended 31 December 2011

"Resolved that the audited consolidated annual financial statements of the Company and its subsidiaries together with the reports of the directors, auditors and Audit and Risk Committee for the year ended 31 December 2011, be and are hereby adopted."

The financial statements of the Company relating to the financial year ended 31 December 2011 can be obtained from the (Company's website at www.bafokengplatinum.co.za).

2. Ordinary resolution number 2

Election of director

"Resolved that Ms MJ Vuso, who was appointed to the Board on 11 April 2011 and who retires in terms of the Memorandum of Incorporation, and being eligible, is hereby elected as an independent non-executive director of the Company."

3. Ordinary resolution number 3

Election of director

"Resolved that Prof. L de Beer, who was initially appointed as a director on 1 June 2010 and who retires by rotation in terms of the Memorandum of Incorporation as an independent non-executive director, and being eligible, is hereby re-elected as an independent non-executive director of the Company."

4. Ordinary resolution number 4

Election of director

"Resolved that Adv. KD Moroka, who was initially appointed as a director on 1 June 2010 and who retires by rotation in terms of the Memorandum of Incorporation as an independent non-executive director, and being eligible, is hereby re-elected as an independent non-executive director of the Company."

5. Ordinary resolution number 5

Election of director

"Resolved that Mr DC Noko, who was initially appointed as a director on 1 June 2010 and who retires by rotation in terms of the Memorandum of Incorporation as an independent non-executive director, and being eligible, is hereby re-elected as an independent non-executive director of the Company."

6. Ordinary resolution number 6

Election of director

"Resolved that Mr SD Phiri, who was initially appointed as a director on 1 April 2010 and who retires by rotation in terms of the Memorandum of Incorporation as an executive director, and being eligible, is hereby re-elected as an executive director of the Company."

A brief biography of each director offering themselves for election and/or re-election is set out on pages 22 and 23 of the integrated annual report which is attached to this notice issued to shareholders on 28 February 2012.

7. Ordinary resolution number 7

Re-appointment of auditors

"Resolved that upon the recommendation of the Audit and Risk Committee of the Board of directors, PricewaterhouseCoopers Inc. (PwC) be and is hereby appointed as the independent external auditor of the Company until the next Annual General Meeting and that Mr Andries Rossouw of PwC be and is hereby appointed as the designated auditor to hold office for the ensuing year."

8. Ordinary resolution number 8

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board of directors, Prof. L de Beer as an independent non-executive director be and is hereby re-elected as a member and the Chair of the Audit and Risk Committee of the Board of directors."

9. Ordinary resolution number 9

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board of directors, Mr RG Mills as an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee of the Board of directors."

10. Ordinary resolution number 10

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board of directors, Mr DC Noko as an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee of the Board of directors."

11. Ordinary resolution number 11

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board of directors, Prof. FW Petersen as an independent non-executive director be and is hereby re-elected as a member of the Audit and Risk Committee of the Board of directors."

12. Ordinary resolution number 12

Election of Audit and Risk Committee member

"Resolved that upon the recommendation of the Remuneration and Nomination Committee of the Board of directors, Ms MJ Vuso as an independent non-executive director be and is hereby elected as a member of the Audit and Risk Committee of the Board of directors."

13. Ordinary resolution number 13

Control of authorised unissued shares

"Resolved that the entire current authorised but unissued ordinary share capital of the Company as at the date of this Annual General Meeting be placed under the control of the directors of the Company and that the directors be granted a general authority to allot and issue up to 5% (five percent) (excluding any shares issued in terms of ordinary resolution number 14) of such authorised but unissued ordinary share capital on such terms and conditions as the Board of directors may at its discretion determine, subject to the limitations and provisions of the Memorandum of Incorporation of the Company, the Act and the JSE Listings Requirements, as applicable from time to time."

14. Ordinary resolution number 14

Issuing shares for cash

"Resolved that subject to the passing of ordinary resolution number 13, the directors of the Company be and are hereby authorised, until the earlier of the date of the next annual general meeting of the Company or the date 15 (fifteen) months from the date of this meeting, to allot and issue all or any of the authorised but unissued shares in the capital of the Company (including options and convertible securities) (equity securities) for cash subject to the Memorandum of Incorporation of the Company, the Act, and the JSE Listings Requirements, as applicable from time to time, and on the following basis:

(a) the allotment and issue of equity securities for cash shall be made only to persons qualifying as public shareholders as defined in the JSE Listings Requirements and not to related parties;

(b) equity securities which are the subject of issues for cash:

  i. in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's current number of equity securities in issue of that class;

  ii. of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;

  iii. the number of securities which may be issued (the 10% limit referred to in paragraph 14(b)(i) above) shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities) at the date of such application, less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year plus any securities of that class to be issued pursuant to (A) a rights issue which has been announced, is irrevocable and is fully underwritten or (B) acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;

(c) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price on the JSE Limited of such equity securities over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;

14. Ordinary resolution number 14 (continued)

(d) after the Company has issued equity securities for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of equity securities of that class in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including number of securities to be issued as well as the average discount to the weighted average traded price of the equity securities over the 30 business days prior to the date that the issue is agreed in writing between the issuer and the party/ies subscribing for the securities and the effect of the issue on the net asset value and earnings per share of the Company; and

(e) the equity securities which are the subject of the issue for cash are of a class already in issue or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

In terms of the JSE Listings Requirements, a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at this annual general meeting, is required to approve the above resolution.

15. Ordinary resolution number 15

Approval of remuneration policy

"Resolved that the remuneration policy of the Company be and is hereby approved through a non-binding advisory vote, (excluding the remuneration of non-executive directors) as set out in the Remuneration section contained in the integrated annual report on pages 30 to 31."

16. Special resolution number 1

Financial assistance to related or inter-related parties

"Resolved as a special resolution that to the extent required in terms of, and subject to the provisions of Section 45 of the Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the next 2 (two) years commencing on the date on which this special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in such section of the Act to any 1 (one) or more companies or corporations which are within the RBPlat Group (such related or inter-related companies or corporations hereinafter being referred to as "Group") on such terms and conditions as the directors of the Company, or any one or more persons authorised by the directors of the Company from time to time for such purpose, deems fit."

To the extent that special resolution number 1 is adopted by the shareholders of the Company, the directors of the Company will be able to adopt a resolution (the Section 45 Board Resolution) authorising the Company to provide, at any time from time to time during the 2 (two) year period commencing on the date on which special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in Section 45 of the Act to any one or more related or inter-related companies or corporations within the Group.

The Section 45 Board Resolution will always be subject to the directors being satisfied that (a) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in Section 45 (3) (b)(i) of the Act and that (b) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in Section 45 (3) (b)(ii) of the Act.

To the extent that the Section 45 Board Resolution contemplates that such financial assistance (including the lending of money, guaranteeing a loan or other obligation and securing any debt or obligation in terms of Section 45 of the Act) provided for in that resolution and any other during the same financial year will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company shall, within 10 business days after the adoption of the Section 45 Board Resolution provide notice thereof to the shareholders of the Company. Such notice will also be provided to any trade union representing employees of the Company. In any other case, the Board will provide the shareholders with written notice of a Section 45 Board Resolution within 30 business days of the end of the financial year.

Purpose of special resolution number 1

The purpose of this special resolution is to grant the directors of the Company the authority to authorise the Company to provide direct or indirect financial assistance as contemplated in Section 45 of the Act to any one or more related or inter-related companies or within the Group.

17. Special resolution number 2

General authority to repurchase shares

"Resolved as a special resolution that pursuant to article 5.2 of the Memorandum of Incorporation of the Company, the directors be and are hereby authorised, by way of a general authority to repurchase issued ordinary shares in the share capital of the Company or to authorise a subsidiary company to purchase such shares in the Company, at such price and on such terms as the directors may from time to time determine subject to the Memorandum of Incorporation, the Act and the JSE Listings Requirements, as applicable from time to time and provided that:

(a) any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited);

(b) this general authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution number 2;

(c) an announcement will be published as soon as the Company or any of its subsidiaries have repurchased or acquired the relevant ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each

3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements;

(d) acquisitions of shares by the Company or a subsidiary of the Company in aggregate in any one financial year may not exceed 20% of the Company's ordinary issued share capital; and that the number of shares purchased and held by a subsidiary/(ies) of the Company shall not exceed 10% in the aggregate of the number of issued shares of the Company at the relevant times;

(e) ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares;

(f) at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any repurchase;

(g) any such general repurchase will be subject to exchange control approval which maybe required at that point in time;

(h) the Company and/or its subsidiaries undertake that they will not enter the market to repurchase the Company's ordinary shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with Schedule 25 of the JSE Listings Requirements;

(i) the Company and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the Securities Exchange News Service (SENS) prior to the commencement of the prohibited period;

(j) in the case of a derivative (as contemplated in the JSE Listings Requirements), the price of the derivative shall be subject to the limitations set out in paragraph 5.83(a) of the JSE Listings Requirements; and

(k) a resolution of the Board of directors of the Company and its subsidiaries that they authorised the repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and the Group."

Statement by the Board of directors of the Company

The directors, pursuant to the JSE Listings Requirements, hereby state that:

(a) they have no specific intention at present for the Company or its subsidiaries to repurchase any of the shares of the Company as contemplated in this special resolution number 2 but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders; and

(b) they will not effect a general repurchase unless for a period of 12 months after the date of the general repurchase, in determining the method by which the Company intends to repurchase its securities, the maximum number of securities to be repurchased and the date on which such repurchase will take place, they are of the opinion that:
  - the Company and the Group will be able, in the ordinary course of business, to pay its debts;
  - the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group;
  - the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes; and
  - the working capital of the Company and the Group will be adequate for the ordinary business.

JSE Listings Requirements disclosures

The directors, whose names are set out on pages 22 to 23 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regards, and that this resolution contains all information required by law and the JSE Listings Requirements.

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on pages 22 to 23 of this integrated annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, which may have, or have had a material impact on the Group's financial position over the recent past, being at least the previous 12 (twelve) months.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of section 11.26 of the JSE Listings Requirements for purposes of the general authority contemplated above:

- Directors and management — pages 22 to 24
- Major beneficial shareholders — page 143
- Directors' interests in shares — page 100
- Share capital of the Company — page141

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of the Company and its subsidiaries since 31 December 2011 and the issuing of this notice to shareholders.

17. Special resolution number 2 (continued)

General authority to repurchase shares (continued)

Purpose of special resolution number 2

The purpose of the special resolution is to grant the Company's directors a general authority, up to and including the date of the following annual general meeting of the Company, to approve the Company's acquisition of shares in itself, or to permit a subsidiary of the Company to acquire shares in the Company.

18. Special resolution number 3

Non-executive directors' fees

"Resolved as a special resolution that in terms of Section 66(9) of the Act, the level of non-executive directors' fees per annum be and is hereby approved on the basis set out as follows with effect from 1 April 2012:

	Per annum	
	2012	2011
	R	R
Board Chairman (all inclusive fee)	1 269 730	1 190 000
Board member	250 745	235 000
Audit and Risk Committee Chairman	189 926	178 000
Audit and Risk Committee member	99 675	90 000
Remuneration and Nomination Committee Chairmen	128 040	120 000
Remuneration and Nomination Committee member	96 030	90 000
Safety, Health and Sustainable Development Committee Chairman	129 600	120 000
Safety, Health and Sustainable Development Committee member	97 200	90 000

In addition to the above fees, a director will receive a fee of R15 000 per day for ad hoc meetings attended where services of a specialised nature requiring specific skills are required.

Purpose of special resolution number 3

The purpose of proposing special resolution number 3 is to ensure that the level of annual fees paid to non-executive directors remains competitive to enable the Company to attract and retain persons of the calibre required to make a meaningful contribution to the Company, having regard to the appropriate capability, skills and experience required.

An independent peer-related benchmarking exercise was conducted in December 2011, the results of which showed that following a CPI related increase, the proposed fees, if adopted, would ensure a market-related fee was being paid. A slightly higher than inflation increase was applied to the Audit and Risk Committee members increase as well as the Sustainable Development Committee. In respect of the Audit and Risk Committee members the fees paid were below the market median and therefore adjusted accordingly. The Safety, Health and Sustainable Development Committee would operate as the statutory Social and Ethics Committee with added responsibility and hence the fee adjustment reflected this accordingly.

It was however noted that in all instances the Board committees were in fact two committees rolled into one although just one fee is paid to its Chairmen and members. Hence it was agreed that the proposed fees adopted by the Board were reasonable.

The Board, on recommendation of the Remuneration and Nominations Committee, recommends that the level of annual fees paid to non-executive directors as proposed be approved and become effective from 1 April 2012.

Voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the annual general meeting or may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their Central Securities Depository Participant (CSDP) or broker with their instructions for voting at the annual general meeting should they wish to vote. If your CSDP or broker, does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the annual general meeting or to appoint a proxy to do so the CSDP or broker will assume that you or your proxy will not be attending the annual general meeting. If you wish to attend the annual general meeting or to appoint a proxy to do so you must obtain a letter of representation signed by your CSDP or broker prior to the annual general meeting.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the annual general meeting and wish to have representation at the meeting must complete and submit to the Transfer Secretaries, the form of proxy attached in accordance with the instructions contained therein by no later than 10h00 on Friday, 30 March 2012. The completion of the form will not preclude the shareholder from subsequently attending the annual general meeting.

Shares held by a share trust or scheme will not have their votes at the annual general meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Please note that unlisted securities and shares held as treasury shares may also not vote.

Identification

In terms of section 63(1) of the Act, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote whether as a shareholder or as a proxy for a shareholder has been reasonably verifed. Acceptable forms of identification include identity documents, driver's licenses and passports.

Electronic participation by shareholders

Should any shareholder (or any representative or proxy for a shareholder) wish to participate in the annual general meeting by way of electronic participation, that shareholder should make application in writing (including details as to how the shareholder or its representative, including its proxy, can be contacted) to so participate to the transfer secretaries at least 5 (five) business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholders (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Act, and for the transfer secretaries to provide the shareholder (or its representative or proxy) with details as to how to access any electronic participation to be provided. The Company reserves the right to elect not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so.

By order of the Board of directors

LC Jooste
Company Secretary
16 February 2012

Registered office
The Pivot, No. 1 Monte Casino Boulevard
Block C, 4th Floor, Fourways, Johannesburg 2021
PO Box 2283
Fourways
2055
South Africa

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
South Africa
2001

PO Box 61051
Marshalltown
2017

Explanatory notes

1. Adoption of the annual financial statements (Ordinary resolution number 1)

At the annual general meeting, the directors must present to shareholders for adoption the annual financial statements for the year ended 31 December 2011, in terms of the Memorandum of Incorporation of the Company, the Act and the JSE Listings Requirements.

2. Election and re-election of directors (Ordinary resolution numbers 2 to 6)

In accordance with the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements, one-third of the directors must retire by rotation and directors appointed by the Board of directors during the year must at each annual general meeting offer themselves for re-election and election, respectively.

A brief biography of the directors offering themselves for re-election is contained on page 22 and 23 of the integrated annual report. The Board of directors of the Company with the assistance of the Remuneration and Nomination Committee have reviewed the composition and performance of the Board of directors in accordance with corporate governance guidelines and transformation requirements and have recommended the re-election of the directors offering themselves for re-election.

3. Reappointment of the independent external auditor (Ordinary resolution number 7)

PricewaterhouseCoopers Inc (PwC) have agreed to continue in office and as such the reappointment of PWC has been endorsed and is recommended by the Board of directors in terms of the Company's Memorandum of Incorporation and the Act.

Notice of annual general meeting (continued)

Explanatory notes (continued)

3. Reappointment of the independent external auditor (Ordinary resolution number 7) (continued)

The Audit and Risk Committee of the Company has assessed the performance and independence of the external auditors and is satisfied that no governance guidelines have been breached. A non-audit service policy is in place to ensure the independence of the external auditor is maintained.

4. Election of Audit and Risk Committee members (Ordinary resolution numbers 8 to 12)

In terms of the Act, shareholders of a public company shall elect the members of an Audit Committee at each annual general meeting. The Nomination Committee has, in accordance with the provisions of the King Code and Report on Governance for South Africa (King III), satisfied itself that the independent non-executive directors offering themselves for election as members of the Company's Audit and Risk Committee:

- are independent non-executive directors as contemplated in King III and the JSE Listings Requirements;
- are suitably qualified and experienced;
- have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance processes (including information technology governance) within the Company;
- collectively possess skills which are appropriate to the Company's size and circumstances, as well as its industry;
- have an understanding of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice and other financial and sustainability reporting standards, regulations and guidelines applicable to the Company; and
- adequately keep up to date with key developments affecting their required skills set.

For further details regarding the Audit and Risk Committee, please refer to page 28 of this integrated annual report.

5. Control of unissued shares (Ordinary resolution number 13)

In terms of the Memorandum of Incorporation, the shareholders have to approve the placement of unissued shares under the control of the directors. The existing authorities granted by the shareholders at the previous annual general meeting held on 5 April 2011 expire at the annual general meeting to be held on Tuesday, 3 April 2012, unless renewed. The authorities will be subject to the Act and the JSE Listings Requirements.

6. Issue of shares for cash (Ordinary resolution number 14)

In terms of the JSE Listings Requirements, a 75% majority of the votes cast at a shareholders' meeting have to approve a general issue of ordinary shares in the share capital of the Company for cash.

The directors are of the view that it would be advantageous to have the authority to issue ordinary shares for cash in order to enable the company to take advantage of any business opportunity which might arise in the future.

7. Approval of remuneration policy (Ordinary resolution number 15)

In terms of King III, shareholders should annually, through a non-binding advisory vote, endorse the Company's remuneration policy at the annual general meeting allowing shareholders to express their views on the remuneration policies adopted and the implementation thereof.

8. Financial assistance to related or inter-related parties (Special resolution number 1)

In terms of Section 44 and 45 of the Act, shareholders are required to approve by way of a special resolution any director or related or inter-related party loans. Given that such financial assistance exists between the companies within the Group and may be required in future, shareholders are requested to consider and grant such general authority which shall be renewed every 2 (two) years.

9. General authority to purchase shares (Special resolution number 2)

The effect of special resolution number 2 and the reason therefor is to grant the company or any of its subsidiaries a general approval in terms of the Memorandum of Incorporation, the Act and the JSE Listings Requirements, to acquire the Company's shares, which general approval shall be valid until the earlier of such next annual general meeting of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting.

The directors are of the opinion that it would be in the best interests of the Company to approve this general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

10. Directors' fees (Special resolution number 3)

After considering a report from the Remuneration and Nomination Committee based on market research pertaining to fees paid to non-executive directors and in terms of King III and the Act, the shareholders of the Company are required to approve by special resolution the fees to be paid to non-executive directors with effect from 1 April 2012.

Ordinary resolutions numbers 1 through 15 (excluding resolution 14) each require a 50% majority of the votes cast by shareholders present or represented by proxy at the annual general meeting. In terms of the JSE Listings Requirements, ordinary resolution number 14 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this annual general meeting in order for this ordinary resolution to become effective.

Special resolutions numbers 1 through 3 each requires a 75% majority of the votes cast by shareholders present or represented by proxy at the annual general meeting.

Glossary of terms and acronyms

Term/abbreviation	Explanation
4E	Four elements. The grade at BRPM is measured as the combined content of the four most valuable precious metals: platinum, palladium, rhodium and gold
ABAS	Anglo American Business Assurance Services
ABET	Adult basic education and training
AIDS	Acquired Immune Deficiency Syndrome
Anglo American Platinum	Anglo American Platinum Limited
ART	Antiretroviral treatment
Au	Gold
Base metal	A common metal that is not considered precious, such as copper, nickel, tin or zinc
BC	Bushveld Complex
BRMS	Bafokeng Rasimone Management Services (Pty) Ltd
BRPM	Bafokeng Rasimone Platinum Mine situated on the Boschkoppie farm
BSP	Bonus share plan
Cadsmine	Mine design software package proprietary to Anglo American Platinum
CD4 count	HIV infects and destroys a type of white blood cell called a CD4 cell (sometimes called a T-cell). When the immune system loses too many CD4 cells, it becomes weak and is unable to fight off germs. At this point the HIV+ person is at risk of contracting infections, called AIDS-related opportunistic infections (OIs), which can cause serious illness or death. The number of CD4 cells gives a picture of the health of the immune system. A normal CD4 cell count is about 500 – 1 500 cells per cubic millimetre of blood. CD4 cell counts usually fall as HIV disease progresses. A CD4 cell count can help a healthcare provider tell whether the HIV disease is progressing and the individual concerned should start HIV treatment
CED	Community enterprise development
Commercial Committee	This committee monitors the concentrate mass and contained metals in concentrate and the applicable prices for the concentrate despatched from RBPlat's Boschkoppie concentrator
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base metal and precious metal minerals, these minerals are treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
Cu	Copper
DEA	Department of Environmental Affairs
Debt:equity ratio	Interest-bearing borrowings, including the short-term portion payable, as a ratio of shareholders' equity

Term/abbreviation	Explanation
Decline	A generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef
DMR	Department of Mineral Resources
DWA	Department of Water Affairs
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employment equity	Percentage of historically disadvantaged South African managers in core and support functions – 2011 targets in terms of the Mining Charter
Employees who tested HIV positive	The number of employees that have been identified as HIV positive as indicated by the test results in the reporting period. The HIV positive rate is calculated as a percentage for the people that tested positive over the number that tested for HIV in the reporting period.
EMS	Environmental Management System
EPS	Earnings per share
Fatality	Death resulting from an accident
Flotation	In the flotation process, milled ore mixed with water (pulp) is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (water-loving). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the 'concentrate' and a waste pulp stream, called 'tailings'
GJ	Gigajoules (10^9 joules)
Greenfield project	A project situated on a previously undeveloped mineral resource
Greenhouse gas emissions scope 1 and 2	As per the the Greenhouse Gas Protocol (GHG Protocol) was jointly convened in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) protocol: scope 1 – LPG, acetylene gas consumption, the combustion of lubrication oil, explosives, generators (petrol and diesel), company-owned vehicles (petrol and deisel) Scope 2 – electricity
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise-level, sustainable development reports
g/t	Grams per tonne, the unit of measurement of grade
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
IAS	International Accounting Standards

Term/abbreviation	Explanation
IASB	International Accounting Standards Board
HIV	Human Immunodeficiency Virus
HRD	Human resource development
IFRS	International Financial Reporting Standards
IMA	Immediately available ore reserves, which is ground available for mining without any further development
IMS	Immediately stopable faces which are fully-equipped spare mining faces that can be mined immediately
Incidence rate of TB	Total number of employees, including contractors, who tested infected with TB over the amount that did TB testing in the reporting period expressed as a percentage
Indicated Mineral Resource	"An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed." (SAMREC 2007)
Inferred Mineral Resource	"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geologically or through analysis of grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability." (SAMREC 2007)
In situ	The original, natural state of the ore body before mining or processing of the ore takes place
ISO 14001	ISO 14001 is applicable to any organisation that wishes to establish, implement, maintain and improve an environment management system and to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004 by making a self-determination and self-declaration, or seeking confirmation of its conformance by parties having an interest in the organisation, such as customers, or seeking confirmation of its self-declaration by a party external to the organisation, or seeking certification/registration of its environmental management system by an external organisation
Joint Evaluation Committee	This committee determines the transfer weights and qualities in terms of the weight, sample and assay of the concentrate RBPlat despatches from its concentrator
Kotula	Anglo American Platinum's employee share ownership plan
koz	Thousand ounces
kt	Thousand tonnes
ktpm	Thousand tonnes per month
LED	Local economic development

Term/abbreviation	Explanation
LTIFR	Lost time injury frequency rate, which is the number of lost time injuries per 200 000 hours worked
MACHARORA	Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations
Mahube Trust	Royal Bafokeng Platinum Mahube Trust
Mass pull	The mass of concentrate expressed as a percentage of total plants feed
Merensky Reef	The Merensky Reef is a layer in the Bushveld Complex (BC) containing one of the world's largest concentrations of platinum group metals (PGMs)
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Moz	Million ounces
Measured Mineral Resource	"A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity." (SAMREC 2007)
Mineral Reserve	"A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life of Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed." (SAMREC 2007)
Mineral Resource	"A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories." (SAMREC 2007)
MSDS	Material Safety Data Sheets
Mt	Million tonnes
Net asset value	Total assets less all liabilities, including deferred taxation, which equates to shareholders' equity
Net asset value as a percentage of market capitalisation	Shareholders' equity expressed as a percentage of market capitalisation
Ni	Nickel

Term/abbreviation	Explanation
NIHL	Noise-induced hearing loss
NUM	National Union of Mineworkers
Number of days without injury during the year	The number of calendar days on which no injury was reported or recorded at the BRPM Clinic. This can be for a specific area or the total mine depending on the area being reported on in the reporting period
Number of employees counselled (HIV counselling is compulsory for all employees during initial and periodic medical surveillance examination)	The number of employees that received HIV counseling before deciding if they are going to accept undergoing the HIV test.
Number of employees currently on antiretroviral treatment (ART)	The number of employees that have been identified to be HIV positive as indicated by the HIV test results and where the CD4 count is 350 or below.
Number of employees tested and were infected with TB	The total number of employees that have been identified as TB-infected as indicated by the test results in the reporting period
Number of fatalities	Any death resulting from an unexpected and unplanned occurrence, including acts of violence on the premises of the Company. Deaths arising out of or in connection with work, irrespective of the time between the injury and the occurrence of the death
OEM	Original equipment manufacturer
OHSAS 18001	OHSAS 18001 is an Occupational Health and Safety Assessment series for health and safety management systems. It is intended to help organisations control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which businesses can be certified and assessed
PAYE	Pay-as-you-earn
Pd	Palladium
PGE	Platinum group elements
PGM	Platinum group metals, six elemental metals of the platinum group nearly always found in association with each other. Some texts refer to PGE. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium
PPA	Purchase price allocation
PPE	Property, plant and equipment
Probable Mineral Reserve	"A 'Probable Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007)

Term/abbreviation	Explanation
Proven Mineral Reserve	"A 'Proven Mineral Reserve' is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007).
Pt	Platinum
RBA	Royal Bafokeng Administration
RBH	Royal Bafokeng Holdings (Proprietary) Limited
RBN	Royal Bafokeng Nation
RBPH	Royal Bafokeng Platinum Holdings (Proprietary) Limited
RBPlat	Royal Bafokeng Platinum Limited
RBPlat's GRI application level assertion	Application B+ as per the GRI definition
RBP MS	Royal Bafokeng Platinum Management Services (Proprietary) Limited
RBR	Royal Bafokeng Resources (Proprietary) Limited
RCF	Revolving credit facility
Rh	Rhodium
RPM	Rustenburg Platinum Mines Limited
SAMREC	South African Code for the reporting of exploration results, Mineral Resources and Mineral Reserves
SDL	Skills development levy
Section 54	In terms of Section 54 of the Mine Health and Safety Act, No 29 of 1996, if an inspector of mines believes that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health or safety of persons at the mine including instructing that operations at the mine or a part of the mine be halted.
Section 55	If an inspector believes that an owner or manager has failed to comply with the provisions of this Act, the inspector may instruct that owner or manager in writing to take any steps that the inspector considers necessary to comply with the provision; and specifies in the instruction
SENS	Stock Exchange News Service
SIB	Stay-in-business capital expenditure
SIFR	Number of serious injuries per 200 000 hours worked
SLP	Social and labour plan
SMME	Small, Medium and Micro Enterprises
STC	Secondary tax on companies
Stoping	Operations directly associated with the extraction of reef

Term/abbreviation	Explanation
Tailings	That portion of the ore from which most of the valuable material has been removed by concentrating and that is therefore low in value but still available for future extraction pending technology development
TAWUSA	The Togetherness Amalgamated Workers Union of South Africa
Total energy consumption	Energy from electricity purchased, plus energy from fossil fuels consumed
tpm	Tonnes per month
UASA	United Associations of Trade Unions South Africa
UG2 Reef (Upper Group 2)	A chromite layer in the Bushveld Complex, often containing economic values of PGMs
UIF	Unemployment insurance fund
VAT	Value added tax
VCT	Voluntary counselling and testing
Water used for non-primary activities	Water used for non-primary activities is total new or makeup water entering the operation and use for non-primary activities, excluding internally recycled water. Non-primary activities are those activities in which the operation engages which are not required for the product of their products.
Water used for primary activities	Water used for primary activities consists of total new or make-up water entering the operation and used for the operation's primary activities. This definition excludes internally recycled water and mine dewatering discharged to surface and not used for any primary activities. Primary activites are those in which the operation engages to produce their products.

GRI content index

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES					
Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
1. Strategy and analysis					
1.1	Statement from the most senior decision-maker of the organisation.	Fully	1		
1.2	Description of key impacts, risks, and opportunities.	Fully	7, 8 – 11		
2. Organisational profile					
2.1	Name of the organisation.	Fully	front and inside front cover		
2.2	Primary brands, products, and/or services.	Fully	Page 1 – 3		
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	3		
2.4	Location of organisation's headquarters.	Fully	inside back cover		
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Page 3 – 5		
2.6	Nature of ownership and legal form.	Fully	3		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	3, 59		
2.8	Scale of the reporting organisation.	Fully	3, 14 – 19, 43 – 53		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	3		
2.10	Awards received in the reporting period.	Fully	62		
3. Report parameters					
3.1	Reporting period (e.g. fiscal/calendar year) for information provided.	Fully	IFC		
3.2	Date of most recent previous report (if any).	Fully	IFC		
3.3	Reporting cycle (annual, biennial, etc.)	Fully	IFC		
3.4	Contact point for questions regarding the report or its contents.	Fully	IFC		
3.5	Process for defining report content.	Fully	IFC		
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	1		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	None		
3. Report parameters					
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	1 and 112 – Note 2.2 of Group accounting policies		

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES					
Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	IFC		
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	In relevant sections of the report, as necessary. Page 58, 76 – 77		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	No significant changes		
3.12	Table identifying the location of the Standard Disclosures in the report.				
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	IFC		
4. Governance, commitments and engagement					
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	21		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	22		
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	20		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	1, 26		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	30 – 31		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	26		
4. Governance, commitments and engagement					
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	20, 26, 28		
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	3, 27		

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES					
Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	26		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	1, 21, 30		Performance of senior management and Exco is evaluated in terms of achievement of strategic objecives, which includes safety and transformation performance.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	8		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	56		
4.13	Memberships in associations (such as industry associations) and/or national/ international advocacy organisations in which the organisation: *Has positions in governance bodies; *Participates in projects or committees; *Provides substantive funding beyond routine membership dues; or *Views membership as strategic.	Fully	87		
4.14	List of stakeholder groups engaged by the organisation.	Fully	86 – 91		
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	86		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	86		
4. Governance, commitments and engagement					
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	86		
STANDARD DISCLOSURES PART II: DISCLOSURES ON MANAGEMENT APPROACH (DMAS)					
DMA EC	Disclosure on management approach EC				
Aspects	Economic performance	Fully	78 – 82		
	Market presence	Fully	84		
	Indirect economic impacts	Fully	75, 79		
DMA EN	Disclosure on management approach EN				
Aspects	Materials	Fully	56, 57		
	Energy	Fully	56, 57		
	Water	Fully	56, 58		
	Biodiversity	Fully	56, 58		
	Emissions, effluents and waste	Fully	56, 58		

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES					
Profile disclosure	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
	Products and services	Fully	59		
	Compliance	Fully	56		
	Transport	Not	59		RBPlat is a localised operation, with all transportation taking place within a 50 km radius
	Overall	Fully	56		
DMA LA	Disclosure on aanagement approach LA				
Aspects	Employment	Fully	66, 67		
	Labour/management relations	Fully	66, 67		
	Occupational health and safety	Fully	64, 65		
	Training and education	Fully	68, 69		
	Diversity and equal opportunity	Fully	67		
DMA HR	Disclosure on management approach HR				
Aspects	Non-discrimination	Fully	27		
	Freedom of association and collective bargaining	Fully	64		
	Child Labour	Fully	27		
	Forced and compulsory Labour	Fully	27		
DMA SO	Disclosure on management approach SO				
Aspects	Community	Fully	72		
	Corruption	Fully	27		
	Compliance	Fully	27		
DMA PR	Disclosure on management approach PR				
Aspects	Customer health and safety	Fully	62		
	Compliance	Fully	61		

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
Economic					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	Fully	82,83		
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	56		
Market presence					
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	66		
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	72,, 73		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	66		
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	73		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.				
Environmental					
Materials					
EN1	Materials used by weight or volume.	Fully	57		
EN2	Percentage of materials used that are recycled input materials.				
Energy					
EN3	Direct energy consumption by primary energy source.	Fully	57		
EN4	Indirect energy consumption by primary source.	Fully	57		
EN5	Energy saved due to conservation and efficiency improvements.				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	57		
Water					
EN8	Total water withdrawal by source.	Fully	58		
EN9	Water sources significantly affected by withdrawal of water.	Fully	58		
EN10	Percentage and total volume of water recycled and reused.	Fully	58		
Biodiversity					

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	56		The operations of the BRPM JV are not in or adjacent to protected areas and areas of high biodiversity value outside protected areas
EN13	Habitats protected or restored.				
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Fully	58		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	58		
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	57		
EN17	Other relevant indirect greenhouse gas emissions by weight.				
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.				
EN19	Emissions of ozone-depleting substances by weight.				
EN20	NOx, SOx and other significant air emissions by type and weight.				
EN21	Total water discharge by quality and destination.				
EN22	Total weight of waste by type and disposal method.	Fully	59		
EN23	Total number and volume of significant spills.	Fully	Page 59. No significant spills took place during the reporting period		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally.	Not	59		
Products and services					
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not			As raw material, our products are not packaged.
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	59		
Labour practices and decent work					
Employment					
LA1	Total workforce by employment type, employment contract and region.	Fully	69		Please note there are no part-time employees
LA2	Total number and rate of employee turnover by age group, gender and region.	Fully	66 + 69		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	69		

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
Labour/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	69		
Occupational health and safety					
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region.	Partially	63	Absenteeism information not provided	
LA8	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	64		
LA9	Health and safety topics covered in formal agreements with trade unions.				
Training and education					
LA10	Average hours of training per year per employee by employee category.	Fully	69		
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	68		
LA12	Percentage of employees receiving regular performance and career development reviews.	Partially	68	Accurate data not available	
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Partially	20, 67,68	Employee age groups not provided	
LA14	Ratio of basic salary of men to women by employee category.				
Social: Human rights					
Investment and procurement practices					
HR4	Total number of incidents of discrimination and actions taken.	Fully	31		
Freedom of association and collective bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.	Fully	66		Our operations are not at risk of incidents of child labour as we follow the labour laws of South Africa which prohibit the employment of children. By empowering communities and conributing to their social and economic development we aim to uplift them and eliminate child labour

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
Child Labour					
HR6	Operations identified as having significant risk for incidents of child Labour and measures taken to contribute to the elimination of child Labour.	Fully	GRI Index		Our operations are not at risk of incidents of child labour as we follow the labou laws of South Africa which prohibit the employment of children. By empowering communities and conributing to their social and economic development we aim to uplift them and eliminate child labour
Forced and compulsory Labour					
HR7	Operations identified as having significant risk for incidents of forced or compulsory Labour and measures to contribute to the elimination of forced or compulsory Labour.		GRI Index		Our operations do not have a significant risk of forced or compulsory labour and our Ethical Principles, which include complying with the laws of South Africa indicate to our suppliers and contractors that we require them to adhere to the South African Bill of Human Rights
Society					
Community					
SO1	Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Fully	72		
Public policy					
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Fully	31		
Anti-competitive behaviour					
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	Fully	31		
Compliance					
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	31		
Social: Product responsibility					
Customer health and safety					
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	59		

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS					
Performance Indicator	Description	Reported	Cross-reference/ Direct answer	If applicable, indicate the part not reported	Explanation
Product and service labelling					
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.				
Marketing communications					
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	Fully	59		
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	31		
MM1	Amount of land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Fully	58		
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria and the number (percentage) of those sites with plans in place	Fully	58		
MM3	Total amounts of overburden, rock, tailings and sludges presenting potential hazards	Partially	58	Quantities not provided	
MM4	Number of strikes and lockouts exceeding one week's duration, by country	Fully	67		
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and their outcomes		GRI Index		
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; describe the associated risks and the actions taken to manage and mitigate these risks		GRI Index		
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process		GRI Index		
MM10	Number and percentage of operations with closure plans	Fully	56		

Mining Charter scorecard

RBPlat performance against the scorecard for the Broad-based Socio-economic Empowerment Charter for the South African mining industry in 2011

Element	Description	Measure	Compliance Target by 2014	Target for 2011	Progress
Reporting	Has the company reported the level of compliance with the Charter for the Calendar year	Documentary proof of receipt from the department	Annually	Annually	Achieved
Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	26%	15%	67%
		Full shareholder rights	26%	15%	67%
	Number of employees in company accommodation at the end of current calendar year				74
Housing and living conditions	Number of employees who share rooms with other employees at the end of the current calendar year	Percentage reduction of occupancy rate towards 2014 target.	Occupancy rate of one person per room	25%	0
Procurement and Enterprise Development	Procurement spent from BEE entity	Capital goods	40%	10%	68%
		Services	70%	40%	80%
		Consumable goods	50%	15%	47
	Multinational suppliers contribution to the social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	0,59%	Not yet available
Employment Equity	Diversification of the workplace to reflect the country's demographics to attain competitiveness.	Top management (Board)	40%	20%	60%
		Senior management (Exco)	40%	20%	50%
		Middle management	40%	30%	54%
		Junior management	40%	40%	81%
		Core skills	40%	20%	
Human Resource Development	Learnerships				R4.7 million
	Artisans and apprentices				R4.1 million
	ABET training				R12.3 million
	Other training initiatives				R2.3 million
	Bursaries and scholarships				R14.6 million
	Total HRD expenditure				R38 million
	Development of requisite skills, including support for South African based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of payroll (excluding skills levy)	5%	3,5%	6.4%
Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Up-to-date project imple-mentation	Implementation of projects will serve to enhance relationships amongst stakeholders leading to communities owing patronage to projects.	Not yet available
Mine community development		Did the company consider the profiles or relevant communities and identify credible leaders of the communities?			Yes

Element	Description	Measure	Compliance Target by 2014	Target for 2011	Progress
		Did the company consult with such leaders prior to the implementation of projects?			Yes
		Did the company consult with the leaders to identify projects within the needs analysis and prioritise such projects?			Yes
		Did the company consult with the relevant ward/ municipality to determine the possibility of partnerships in respect of identified projects and the ward/municipality's integrated development plan (IDP)?			Yes
		Has provision been made for the transfer of skills and capacity building within the relevant community?			Yes
Sustainable development and growth	Improvement of the industry's environmental management	Implementation of approved EMPs.	100%		
	Assess performance towards achievement of the objectives, targets and actions of the EMP	Is the company in compliance with the requirements of MPRDA Regulation 55 on Monitoring and Performance assessments of Environmental Management Programme/ Plan			Yes
		If the company received feedback from DMR in relation to compliance to regulation55, has the company acted thereon?			No feedback yet
	Monitor and evaluate environmental changes and update the EMP	Are all mining activities and relataed activities included in the existing approved EMPs and amendments in terms of the MPRDA?			Yes
	Undertake environmental compliance auditing	Have compliance audits been conducted			Yes
Sustainable development and growth	Periodic assessment of the adequacy of financial provision	Are all closure liability assessments done for all operations?			Yes
		Is the closure liability adequately funded as per the prescribed method of financial provision in terms of the MPRDA?			Yes
	Implementation of the approved rehabilitation plan	Progress towards implementation of the rehabilitation plan and concurrent rehabilitation			All are up to date. Delayed closure of 2 UG2 pits, but DMR and DWA aware of the current situation

Element	Description	Measure	Compliance Target by 2014	Target for 2011	Progress
	Implementation of approved closure plan	Progress towards implementation of the closure plan			In the process and assessments already conducted
	Implementation of culture transformation framework				Culture transformation framework signed
	Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	100%	Annual progress achieved against commitments in the tripartite action plan on health and safety.	
		Percentage of employees embarking on OHS representation training			MQA moratorium meant training target of 2% of employees could not be met
		Percentage of leading practices from MOSH learning hub investigated for implementation			Hearing protection selection tool and training videos as issued by MOSH is used at BRPM
		Percentage of research findings from MHSC investigated for implementation			NIIHL 3,4 and 5 will be investigated for implementation
		Percentage of mandatory occupational health report submitted	100%	100%	100%
		Health adherence to HIV/ AIDS and TB guidelines	100%	100%	100%
	Utilisation of South African based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	25%	Not yet available

Form of proxy

Royal Bafokeng Platinum Limited (RBPlat or the Company)
(Incorporated in the Republic of South Africa)
(Registration number: 2008/015696/06) (Share code: RBP) (ISIN: ZAE000149936)

Form of proxy for the third annual general meeting to be held on Tuesday, 3 April 2012 at 10h00. For use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

Holders of dematerialised ordinary shares other than "own name" registration must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP to issue them with the necessary authorisation to attend the annual general meeting in person or provide their CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person but wish to be represented thereat.

I/We,

of (address)

being registered holder/s of ordinary shares in the issued share capital of the Company hereby appoint:

1. or failing him/her

2. or failing him/her

the chairman of the annual general meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held on Tuesday, 3 April 2012 at 10h00 for the purpose of considering and, if deemed appropriate, to pass with or without modification the resolutions to be proposed at the meeting or at any adjournment thereof in respect of the shares registered in my/our name(s), in accordance with the following instructions:

		Number of ordinary shares		
		In favour	Against	Abstain
1. Ordinary resolution no. 1	To receive and adopt the annual financial statements for the year ended 31 December 2011			
2. Ordinary resolution no. 2	To elect Ms MJ Vuso as a director of the Company			
3. Ordinary resolution no. 3	To re-elect Prof. L de Beer as a director of the Company			
4. Ordinary resolution no. 4	To re-elect Adv. KD Moroka as a director of the Company			
5. Ordinary resolution no. 5	To re-elect Mr DC Noko as a director of the Company			
6. Ordinary resolution no. 6	To re-elect Mr SD Phiri as a director of the Company			
7. Ordinary resolution no. 7	To appoint the independent external auditor of the Company and the individual designated auditor			
8. Ordinary resolution no. 8	To re-elect Prof L de Beer as the Chair and member of the Audit and Risk Committee			
9. Ordinary resolution no. 9	To re-elect Mr RG Mills as a member of the Audit and Risk Committee			
10. Ordinary resolution no. 10	To re-elect Mr DC Noko as a member of the Audit and Risk Committee			
11. Ordinary resolution no. 11	To re-elect Prof FW Petersen as a member of the Audit and Risk Committee			
12. Ordinary resolution no. 12	To elect Ms MJ Vuso as a member of the Audit and Risk Committee			
13. Ordinary resolution no. 13	To place under the control of directors the authorised but unissued ordinary share capital of the Company			
14. Ordinary resolution no. 14	To grant the directors a general authority to authorise the issue of shares for cash			
15. Ordinary resolution no. 15	To approve the remuneration policy of the Company			
16. Special resolution no. 1	To grant the directors a general authority to authorise the provision of financial assistance to related or inter-related companies or corporations whether directly or indirectly			
17. Special resolution no. 2	To grant the directors a general authority to authorise the Company or its subsidiaries to repurchase shares in its own share capital			
18. Special resolution no. 3	To approve the fees of the non-executive directors			

Please indicate with an "X" in the spaces provided above how you wish to vote. If no indication is given the proxy will vote at his/her discretion or abstain from voting.

Any member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Every person present and entitled to vote shall, on a show of hands, have one vote only, but on a poll, every share shall have on vote. Voting will be conducted by poll.

Signed at on 2012

Signature or assisted by (where applicable)

Notes to the form of proxy

1. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided and any such proxy need not be a shareholder of the Company. Should a proxy not be specified, this will be exercised by the chairperson of the annual general meeting.
2. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form, unless previously recorded by the Company or waived by the Chairman of the annual general meeting.
3. This proxy form should be completed and returned to the Company's transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), so as to reach them by not later than Friday 30 March 2012 at 10h00.
4. The completion and lodging of this proxy shall not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. The Chairperson of the meeting may reject or accept a proxy which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
6. Any alteration or correction made to this form of proxy must be signed in full.
7. An "X" must be inserted in the relevant space according to how a shareholder wishes his/her votes to be cast. However, if a shareholder wishes to cast his/her votes in respect of a lesser number of ordinary shares than he/she owns in the Company, the number of shares held in respect of which a shareholder wishes to vote must be inserted. Failure to comply with the above will be deemed to authorise the Chairman of the general meeting, if he is the authorised proxy, or any other proxy, to vote or abstain from voting at the general meeting as he/she deems fit in respect of all the relevant shareholders' votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by that shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of the votes exercisable by the shareholder or by his/her proxy.

Administration and Company information

Shareholders' diary

Financial year-end
31 December of each year

Interim period-end
30 June of each year

Integrated annual report and financial statements (mailed to shareholders)
28 February 2012

Administration

Company registered office
Royal Bafokeng Platinum Ltd
Registration number: 2008/015696/06
Share code: RBP
ISIN: ZAE000149936

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Public Officer
Martin Prinsloo
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Independent external auditors
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Transfer Secretaries
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