ROYAL BAFOKENG
PLATINUM
MORE THAN MINING

2020

Condensed Consolidated Interim Results

for the six months ended 30 June

Our purpose

To **create economic value** for all our stakeholders **by delivering** ***More than mining.***

Our *More than mining* philosophy, which commits RBPlat to creating value for society, underpins our ability to create the social, human and intellectual capital we need to be sustainable and perform well in the future

Our mission

To leave a lasting legacy of sustainable benefits for our stakeholders

Our values

Safety and people first

Mining is a high-risk business and cannot succeed without total trust, respect, teamwork and an uncompromising commitment to safety and people first

Promises delivered

We do what we say we will do

Mutual interest and mutual rewards

We have mutual goals and mutual interest and we depend on each other to realise our vision and mission. We operate in good faith, openly and transparently

Forward-looking statements

This report contains certain forward-looking statements with respect to the results, operations and business of RBPlat and its subsidiary companies (the RBPlat Group). These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The Company undertakes no obligation to update publicly or to release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events. All forward-looking statements have not been reviewed or reported on by the Group's auditors.

Our strategic objectives

Strategy 2020

What we offer
Our strategy is to be a South African mining company producing PGMs and offering a clear value proposition to outperform the market. We aspire to achieve *More than mining* and are proud of our positive social impact as a transformation leader.

The market we operate in
We sell all our product to one major client who we rely on to process and market our product.

The way we work
Our performance-driven culture and our aspiration to achieve zero harm results in operational excellence. We manage our assets with high optionality and flexibility, which allows us to react quickly to changing market conditions. We grow organically through internal expansion and value enhancements. Within the industry we proudly contribute in leading industry roles both locally and internationally.

What we own
Our ore bodies are highly competitive and our processing plants are very efficient. We take pride in our people and our ability to use appropriate, proven technologies to our advantage. Our financial standing is very sound and we proudly represent the RBPlat brand.

More than mining

Strategic pillar 1:
Towards operational excellence

Strategic pillar 2:
Build flexibility to ensure sustainability

Strategic pillar 3:
Grow organically — positioning RBPlat to compete over the long term

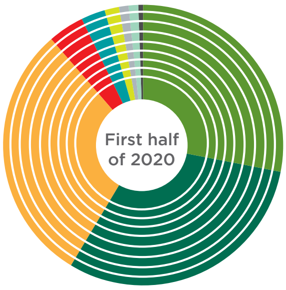
Strategic pillar 4:
Pursue value enhancing opportunities

Our business

Average basket price:

R43 680.9/
Pt oz
R28 388.8/
4E oz

Metal contribution to revenue



- Platinum (28.1%)
- Palladium (30.6%)
- Rhodium (30.0%)
- Nickel (4.2%)
- Gold (2.8%)
- Iridium (1.6%)
- Ruthenium (1.3%)
- Copper (1.1%)
- Cobalt (0.3%)

Royalty agreements with Impala Platinum Limited (Implats), give it the right to mine areas at the extremities of our ore bodies that are close to its shafts. These agreements have made it possible to bring forward cash flows from this Resource

What we own

- Competitive ore bodies in the form of shallow, long life Merensky and UG2 resources
- Efficient processing plants that provide us with operational flexibility
- Maseve Mine, with a resource of 4.15Mt, which is on care and maintenance

Our mines	BRPM	Styldrift
Type of operation	Conventional and hybrid mining with access via twin decline shafts (depth of less than 500m)	Mechanised bord and pillar mining, accessed via a vertical Main shaft (753m) and a vertical Services shaft (723m)
Resource	82.8Mt	262.4Mt (including Styldrift II)
Construction	Commenced in 1997 with steady state reached in 2001	Commenced in 2009. Ramp up to 230ktpm milestone initially scheduled for the third quarter of 2020 likely to be impacted by COVID-19
Shaft complexes	Twin decline shaft complexes: – **North shaft** – conventional mining Phases I and II, hybrid mining Phase III – **South shaft** – conventional mining Phases I and II	Twin vertical shaft system: – **Main shaft** of 10.5m diameter – **Services shaft** of 6.5m diameter
Average mining depth	450m	680m
Life of mine (LOM)	Current Merensky and UG2 resources support a remaining LOM of approximately 30 years	Current Merensky and UG2 resources support a LOM in excess of 40 years

Our concentrators	BRPM concentrator	Maseve concentrator
Type of operation	250ktpm capacity, traditional MF2 process with ultra-fine grinding circuit (IsaMill™) producing 2.7t of saleable concentrate per 100 tonnes of virgin rock processed	110ktpm capacity (upgradeable to 160ktpm), traditional mill float (MF1) process upgradeable to MF2 producing 2.6t of saleable concentrate per 100 tonnes of virgin rock processed
Treatment	Ore from BRPM North and South shafts and Styldrift	Ore from Styldrift and BRPM UG2 ore

Our product: PGM concentrate

Merensky reef prill split			
64.68% platinum	26.74% palladium	4.34% rhodium	4.24% gold
UG2 reef prill split			
59.16% platinum	29.28% palladium	11.00% rhodium	0.56% gold

Operating and financial statistics
for the six months ended

Description	Unit	30 June 2020	30 June 2019	% change
Safety				
Fatalities	number	**0.00**	1.00	100.0
LTIFR (/1 000 000 hrs)	rate	**1.75**	2.10	16.7
SIFR (/1 000 000 hrs)	rate	**0.72**	1.15	37.4
TIFR (/1 000 000 hrs)	rate	**5.55**	8.80	36.9
Production				
Total development	km	**15.0**	18.9	(20.6)
Working cost development	km	**13.6**	16.3	(16.6)
Capital development	km	**1.4**	2.6	(46.2)
BRPM development	km	**12.2**	15.6	(21.8)
Styldrift development	km	**2.8**	3.3	(15.2)
IMS Panel ratio – BRPM	ratio	**1.75**	2.05	(14.6)
IMS Panel ratio – Styldrift	ratio	**1.00**	0.50	100.0
Total tonnes hoisted	kt	**1 788**	1 816	(1.5)
BRPM	kt	**938**	1 095	(14.3)
Styldrift	kt	**850**	721	17.9
Merensky	kt	**1 474**	1 563	(5.7)
UG2	kt	**314**	253	24.1
Total tonnes milled	kt	**1 623**	1 869	(13.2)
BRPM	kt	**913**	1 112	(17.9)
Styldrift	kt	**710**	757	(6.2)
Merensky	kt	**1 319**	1 610	(18.1)
UG2	kt	**304**	259	17.4
UG2 percentage milled	%	**19**	14	35.7
Closing stocks (Surveyed)	kt	**172**	0	100
BRPM	kt	**28**	0	100
Styldrift	kt	**144**	0	100
Built-up head grade (4E)	g/t	**4.03**	3.99	1.0
BRPM	g/t	**4.06**	4.11	(1.2)
Styldrift	g/t	**3.98**	3.81	4.5
Merensky	g/t	**4.05**	3.99	1.5
UG2	g/t	**3.91**	3.96	(1.3)
Metals in concentrate[1]				
Total				
4E	koz	**173.5**	199.2	(12.9)
Platinum	koz	**112.7**	129.2	(12.8)
Palladium	koz	**46.0**	53.1	(13.4)
Rhodium	koz	**9.7**	10.7	(9.3)
Gold	koz	**5.1**	6.1	(16.4)
Iridium	koz	**3.2**	3.5	(8.6)
Ruthenium	koz	**16.6**	18.0	(7.8)
Nickel	t	**1 138**	1 312	(13.3)
Copper	t	**694**	806	(13.9)
Cobalt	t	**29**	33	(12.1)
BRPM				
4E	koz	**99.7**	123.6	(19.3)
Platinum	koz	**64.2**	80.1	(19.9)
Palladium	koz	**26.6**	33.0	(19.4)
Rhodium	koz	**6.5**	6.6	(1.5)
Gold	koz	**2.5**	3.8	(34.2)
Iridium	koz	**1.7**	2.0	(15.0)
Ruthenium	koz	**9.4**	11.0	(14.5)
Nickel	t	**529.2**	782.5	(32.4)
Copper	t	**330.8**	534.3	(38.1)
Cobalt	t	**13.3**	18.6	(28.5)
Styldrift				
4E	koz	**73.8**	75.6	(2.4)
Platinum	koz	**48.5**	49.1	(1.2)
Palladium	koz	**19.5**	20.1	(3.0)
Rhodium	koz	**3.3**	4.1	(19.5)
Gold	koz	**2.6**	2.2	18.2
Iridium	koz	**1.5**	1.4	7.1
Ruthenium	koz	**7.3**	7.0	4.3
Nickel	t	**608.3**	529.2	14.9
Copper	t	**363.4**	272.1	33.6
Cobalt	t	**15.6**	14.3	9.1

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

Operating and financial statistics continued

for the six months ended

Description	Unit	30 June 2020	30 June 2019	% change
Labour				
Total labour[2]	number	**10 248**	9 524	(7.6)
Working cost labour	number	**9 033**	8 522	(6.0)
Capital labour	number	**1 215**	1 002	(21.3)
Stoping crew efficiency — BRPM	m^2/crew	**341**	336	1.5
Enrolled	m^2/crew	**366**	377	(2.9)
Contractor	m^2/crew	**338**	329	2.7
Tonnes milled/TEC	t/emp	**30.0**	36.6	(18.0)
Operating costs				
Cash operating costs	Rm	**2 896**	2 631	(10.1)
BRPM	Rm	**1 445**	1 432	(0.9)
Styldrift	Rm	**1 451**	1 199	(21.0)
Cash operating cost/tonne milled	R/t	**1 784**	1 407	(26.8)
BRPM	R/t	**1 582**	1 288	(22.8)
Styldrift	R/t	**2 044**	1 583	(29.1)
Cash operating cost/4E ounce	R/oz	**16 685**	13 211	(26.3)
BRPM	R/oz	**14 490**	11 589	(25.0)
Styldrift	R/oz	**19 649**	15 865	(23.9)
Cash operating cost/Pt ounce	R/oz	**25 695**	20 355	(26.2)
BRPM	R/oz	**22 503**	17 877	(25.9)
Styldrift	R/oz	**29 920**	24 394	(22.7)
Operating cost — stock adjusted				
Cash operating cost/tonne milled	R/t	**1 629**	1 407	(15.8)
BRPM	R/t	**1 541**	1 288	(19.6)
Styldrift	R/t	**1 741**	1 583	(10.0)
Cash operating cost/4E ounce	R/oz	**15 237**	13 211	(15.3)
BRPM	R/oz	**14 122**	11 589	(21.9)
Styldrift	R/oz	**16 743**	15 865	(5.5)
Operating cost — COVID-19 and stock adjusted				
Cash operating cost/tonne milled	R/t	**1 390**	1 407	1.2
BRPM	R/t	**1 317**	1 288	(2.3)
Styldrift	R/t	**1 477**	1 583	6.7
Cash operating cost/4E ounce	R/oz	**12 921**	13 211	2.2
BRPM	R/oz	**11 915**	11 589	(2.8)
Styldrift	R/oz	**14 203**	15 865	10.5
Capital expenditure				
Total capital expenditure	Rm	**780**	621	(25.6)
Expansion capital	Rm	**555**	562	1.2
Replacement capital	Rm	**112**	6	(1 766.7)
SIB capital	Rm	**113**	53	(113.2)
SIB percentage of operating cost	%	**3.9**	2.0	(95.0)
Financial indicators				
Gross profit	Rm	**1 220.7**	48.9	2 396.3
BRPM	Rm	**1 072.6**	356.3	201.0
Styldrift	Rm	**189.4**	(265.5)	171.3
Gross profit margin	%	**26.5**	1.5	1 666.8
EBITDA	Rm	**2 087.8**	525.6	297.2
EBITDA margin	%	**45.3**	16.6	172.9
Average basket price	R/4E oz	**28 388.8**	16 024.1	77.2
Average R:US$ in revenue	R/US$	**17.53**	14.47	21.1
Basic HEPS/(HLPS)	cps	**335.3**	(70.8)	573.6
Net cash/(debt)	Rm	**701.8**	(284.6)	346.6
Environmental, social and governance				
Employees[3]	number	**10 275**	9 552	7.6
HDP[4] percentage of total discretionary expenditure	%	**84.7**	87.1	(2.8)
SLP expenditure	Rm	**47.1**[5]	29.3	60.8
GHG emission CO_2e (scope 1 and 2)	tCO_2e	**197 205**	202 243[6]	(2.5)
Water intensity	kl/t milled	**0.776**	0.751	3.3

[2] *Excludes corporate office employees*
[3] *Includes corporate office employees and capital labour*
[4] *Historically disadvantaged persons*
[5] *Included in SLP expenditure is R1.4 million relating to COVID-19*
[6] *This number is based on a revised audited figure at the end of 2019 (previously reported as 202 148)*

Key features of our performance

Financial capital

- **297.2% increase** in EBITDA to R2 087.8 million
- **573.6% increase** in basic headline earnings per share to 335.3 cents
- Net cash position of **R701.8 million**
- RPM deferred consideration **settled** in full

Manufactured capital

- **Strong performance** at BRPM and Styldrift hampered by **45 production days lost** due to COVID-19
- **12.9% decrease** in 4E ounce production to 173.5koz
- **10.1% increase** in total cash operating costs to R2 896 million

Human capital

- **37.4%** improvement in the SIFR
- **16.7%** improvement in the LTIFR
- Supported our employees and contractors by paying them salaries of approximately **R225 million** during the initial lockdown

Social capital

- Built the 200-bed **Royal Bafokeng Platinum Field Hospital** to treat our employees and community for COVID-19
- Provided food hampers to **1 175** households within our community
- Provided **hygiene care packages** to the community
- Donated **laptops** and **computer tablets** to learners and teachers in the community

Natural capital

- **Potable water cost saving** of R3.0 million by using our water treatment plant
- Due to the national lockdown and Eskom load curtailment **water treatment at the BRPM plant** decreased to 263.97Ml

Commentary

OVERVIEW

The sudden and unprecedented shock caused by the COVID-19 pandemic has impacted all areas of business and society, affecting our employees, their families, friends and loved ones. RBPlat implemented measures designed to manage the impact and spread of the virus by continuing our operations within the broader national guidelines, as well as our own health and safety framework, while also limiting the economic impact on our communities through our community support programme.

RBPlat has adhered to strict protocols of good hygiene, appropriate personal protective equipment (PPE) including face masks, social distancing, screening, testing, contact tracing, isolation, quarantine and treatment, in its fight against COVID-19.

Our Maseve Mine South shaft change house has been converted into a 200-bed treatment facility, at a cost of approximately R10 million, to provide initial COVID-19 medical treatment to our employees and the community. In addition, we secured capacity with a nearby hotel which has been repurposed as an isolation and quarantine facility for our employees and the community.

No operational-related fatalities were recorded during the period, and all key safety metrics have improved year-on-year. We achieved improvements in the total injury frequency rate (TIFR), lost time injury frequency rate (LTIFR) and the serious injury frequency rate (SIFR) of 36.9%, 16.7% and 37.4%, respectively.

The impact of the shutdown due to the national lockdown on production and cost of mining and processing has been severe with necessary care and maintenance, shutdown and restart costs being incurred in the process. The return of our employees to the operations from 20 April 2020, together with the screening and testing resulted in limited production in April and the restrictions in production capacity in May led to a significant increase in unit cash costs for these months.

With the recommencement of operations at full capacity from the beginning of June, we continue to strictly adhere to protocols to minimise the risk of outbreaks at our operations and in the community, while operating our assets in an efficient and cost-effective manner to maintain production at sustainable economic capacity. Detailed post-lockdown measures were developed to ensure that all employees are continuously briefed and informed. We provided our employees with essential personal hygiene care packages and PPE. We ensured that social distancing is practised at all times and that all areas of work including confined areas such as mine cages, are sanitised continuously.

The global spread of COVID-19 and associated lockdowns had a significantly negative impact on both platinum group metals (PGM) production and demand during the first half of the year. A more diverse supply base has resulted in less production lost to COVID-19 shutdowns for palladium than platinum and rhodium. The significant decrease in automotive demand from lower sales of gasoline vehicles is likely to reduce the deficit the palladium market started the year with. Despite a large drop in automotive demand this year, the rhodium market remains tight as refined production has been similarly curtailed. The platinum market is forecast to be in a modest deficit for the 2020 year.

FINANCIAL CAPITAL

Notwithstanding the negative impact of the COVID-19 pandemic on our business, our headline earnings increased by 624.7% to R862.6 million in the first half of 2020 compared to a R164.4 million loss in the first half of 2019. Headline earnings per share improved to 335.3 cents year-on-year compared to a headline loss per share of 70.8 cents in the previous corresponding period. Basic earnings per share (EPS) was 338.0 cents compared to a basic loss per share of 70.8 cents for the period ended 30 June 2019.

During the first half of 2020 our earnings were mostly impacted by:

- significant improvement in the PGM market and a weaker South African rand
- strong operational performance offset by the impact of the global COVID-19 pandemic.

Revenue for the period increased by 45.6% to R4 606.0 million due to a strong PGM basket price compared to R3 163.0 million in 2019. The continued growth in our business was restricted by the national lockdown due to COVID-19, resulting in a decrease in 4E and platinum ounce production of 12.9% and 12.8%, respectively. The managed shutdown and subsequent ramp up of our operations as a result of the national lockdown, resulted in an effective loss of 45 days of production.

On 6 March 2020, Anglo American Platinum Limited (Amplats) announced the temporary shutdown of the Anglo Converter Plant (ACP) and declared force majeure, following damages to the plant. Subsequent to the initial suspension of concentrate deliveries to the Waterval Smelter complex in line with the force majeure declaration, an interim arrangement between Amplats and RBPlat was agreed to during the shutdown, with revised concentrate delivery and payment terms. Concentrate that was delivered to Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Amplats, up to the force majeure announcement, was bound by the terms as set out in the disposal of concentrate agreement (DOCA) with RPM. All subsequent concentrate deliveries to RPM during the shutdown period was subject to newly agreed payment terms, whereby RBPlat will continue to receive a significant majority of the related proceeds during 2020 with the outstanding payments being settled in full before 30 April 2021. Payment terms reverted to the original DOCA terms with the completion of repairs to ACP Phase B unit on 12 May 2020.

Platinum contributed 28.1% (2019: 41.3%) to the revenue of our operations in the reporting period, while palladium and rhodium contributed 60.6% (2019: 43.5%). The basket price per platinum ounce increased by 76.9% to R43 680.9 (2019: R24 693.5) mainly driven by an increase in palladium and rhodium prices and a weaker rand, with the average exchange rate received for the period improving by 21.1% to R17.53 per US dollar.

Cost of sales increased 8.7% to R3 385.3 million (2019: R3 114.1 million) which includes approximately R900 million of operating costs incurred during the months of April and May, which were heavily impacted by the managed shutdown and ramp up of our operations. During the reporting period, we incurred R23.4 million of operating costs relating to the well-being of and care for our employees and our community in response to the COVID-19 pandemic.

Styldrift's cost of sales increased by 14.9% year-on-year to R1 687.0 million (2019: R1 468.8 million), while BRPM's cost of sales increased by 3.3% year-on-year to R1 657.0 million (2019: R1 603.4 million).

Our administrative expenses increased 1.7% year-on-year to R178.4 million, which includes a 11.8% decrease in our corporate costs to R97.2 million, assisted by optimisation initiatives which commenced in 2019. Our industry membership and market development contributions increased by 79.7% to R28.4 million due to the increased ownership and growth of our business, together with the weaker exchange rate.

Other income increased by R322.9 million, or 286.3%, to R435.7 million mainly as a result of the R343.2 million exchange rate differences on the revaluation of concentrate sales and R23.9 million increase in Impala royalties to R84.8 million, partly offset by a R70.5 million reversal of a foreign exchange gain on the currency hedge relating to the proceeds of the gold streaming transaction.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 297.2% from R525.6 million to R2 087.8 million, with our EBITDA margin increasing to 45.3% from 16.6% in the previous comparative period. RBPlat’s consolidated gross profit increased by 2 396.3% to R1 220.7 million from R48.9 million in the comparative period. Supported by a strong pricing environment, BRPM reported a 201.0% growth in gross profit to R1 072.6 million while Styldrift reported a 171.3% growth in gross profit to R189.4 million.

Finance costs increased from R263.3 million in 2019 to R284.0 million in 2020, partly as a result of the interest on the gold streaming, amounting to R94.7 million which was offset by a saving of interest on the RPM deferred consideration amounting to R85.7 million following the settlement of the deferred consideration. In addition, interest on the PIC loan expensed increased to R55.7 million from R24.8 million in 2019 as a result of the cessation of capitalisation of borrowing costs in 2019 following the suspension of the construction of employee houses.

The growth in our business, improved market conditions as well as the gold streaming transaction contributed to a 2 307.3% increase in net cash inflow from operating activities to R3 861.3 million. Capital expenditure was the main contributor to net cash flow from investing activities of R775.0 million, a 15.4% increase from 2019. Free cash flow before growth capital, which is the basis of our dividend policy as announced at the 2019 full year results, was R1 539 million.

Net cash outflow from financing activities of R1 227.4 million was mainly due to the settlement of the RPM deferred consideration amounting to R1 851.2 million, offset by net proceeds from interest-bearing borrowings amounting to R630.8 million. The RPM deferred consideration was settled with the majority of the proceeds from the gold streaming transaction amounting to R2 093.5 million received in January 2020.

As at 30 June 2020, the Group had cash and cash equivalents of R2 673.1 million (2019: R675.1 million). This includes restricted cash of R143.5 million ringfenced for our employee home ownership scheme and R84 million earmarked for the payment of the convertible bond coupon. RBPlat was able to fund 100% (2019: 36.5%) of its capital expenditure for the reporting period, from cash generated by its operations. Net cash, calculated as cash and cash equivalents less interest-bearing borrowings, ended the period at R701.8 million (2019: net debt of R284.6 million), a 346.6% improvement from the 2019 comparative period.

Our capital allocation framework remains integrated into our strategy, budget, planning and management processes in order to balance risk and returns, especially in these uncertain times, in the application of financial capital in our business. We have enhanced our risk management process to closely monitor the financial health and liquidity of our business on a daily basis and have extensively stress-tested the business with various COVID-19 scenarios. Despite the current uncertainties, we are confident that our balance sheet remains robust to deliver shareholder value through our growth strategy and ultimately capital returns.

As stated in our 2019 full year results, the Board has adopted a policy of distributing a minimum of 10% free cash flow, before growth capital, while maintaining discretion to consider balance sheet flexibility and prevailing market conditions. This will be done through an annual dividend each financial year, with consideration also given to special dividends, where appropriate.

MANUFACTURED CAPITAL

Production

The impact of COVID-19 interruptions has resulted in an effective loss of 45 days of production on operations, yielding lower year-on-year performance in all key operational metrics. COVID-19-related losses are estimated at 480kt in milled production, equating to approximately 53.9koz 4E, with BRPM and Styldrift losses estimated at 234kt (27.5koz 4E) and 246kt (26.4koz 4E), respectively given pre-lockdown operational performance.

Total development decreased by 20.6% or 3.9km to 15.0km when compared to 2019, with BRPM development decreasing by 3.4km to 12.2km and Styldrift development decreasing by 0.5km to 2.8km.

Notwithstanding the impact of the pandemic on overall operational performance, total tonnes hoisted decreased by only 1.5% to 1 788kt compared to the first half of 2019. Styldrift tonnes hoisted increased by 17.9% or 129kt to 850kt as it continues with its ramp up, achieving a hoisting milestone of 210kt in June. The increase in tonnes hoisted at Styldrift assisted in off-setting the 14.3% or 157kt decline in BRPM tonnes hoisted of 938kt.

Total tonnes milled decreased by 13.2% to 1 623kt compared to the first six months of 2019. Styldrift’s attributable milled material declined by 6.2% to 710kt, while BRPM’s milled volumes ended 17.9% lower at 913kt. Merensky tonnes milled decreased by 18.1% to 1 319kt while UG2 tonnes milled increased by 17.4% to 304kt, in line with increased South shaft UG2 production volumes. UG2 milled volumes equated to 19% of total tonnes milled compared to 14% in the first half of 2019.

The overall built-up head grade increased marginally to 4.03g/t (4E) from 3.99g/t (4E) with increased stoping volumes from Styldrift off-setting a marginal 1.2% decrease in the BRPM 4E built-up head grade.

Overall concentrator recoveries declined marginally by 0.6% to 82.6%, in line with increased UG2 volumes treated and associated lower grade and recovery potential.

Lower milled volumes combined with the marginal increase in built-up head grade and lower concentrator recoveries yielded a 12.9% decline in 4E and a 12.8% decline in platinum ounce production, with 173.5koz 4E and 112.7koz platinum metals being produced, respectively.

Commentary continued

Eskom load curtailment and the five-day production loss at the BRPM concentrator in the first quarter, compounded by COVID-19-related disruptions on concentrator operations experienced during the ramp up post the initial lockdown, have resulted in 172kt of surface stocks being accumulated.

Our total labour complement increased by 724, a 7.6% increase compared to 2019, due to the onboarding of employees for the Styldrift ramp up and steady state operating requirements, together with concentrator and tailings project personnel. Working cost labour increased by 511 employees to 9 033, up 6.0% compared to the comparative 2019 period. Capital labour headcount increased by 213, or 21.3%, to 1 215 mainly for tailings dam and concentrator project resourcing requirements.

RBPlat's productivity, measured by tonnes milled per total employee costed (t/TEC), declined by 18.0% to 30.0 t/TEC.

Operating costs

Total cash operating costs increased by 10.1%, or R265 million, to R2 896 million when compared to the first six months of 2019 with the increase attributable to increased Styldrift ramp-up cash costs and industry-related inflation.

The impact of the national lockdown on production, increase in surface stocks and additional COVID-19-related costs incurred during the reporting period has resulted in an increase in unit cost per tonne milled of 26.8% to R1 784 (2019: R1 407) and an increase in unit cost per 4E ounce of 26.3% to R16 685 (2019: R13 211).

BRPM cash operating costs for the reporting period increased by 0.9% or R13 million to R1 445 million in line with reduced volumes and on-mine inflation. Eskom load curtailment during the first quarter and production losses associated with the national lockdown resulted in unit cash costs per tonne milled and per 4E ounce increasing by 22.8% and 25.0% to R1 582 and R14 490, respectively.

Styldrift cash operating costs increased by R252 million, or 21.0% to R1 451 million compared to the first half of 2019, in line with increased volumes and on-mine inflation. Increase in stocks due to lower BRPM concentrator primary mill availability in the first quarter, Eskom load curtailment and COVID-19 related disruptions at the concentrators combined with national lockdown production losses resulted in year-on-year increases in unit cash costs per tonne milled and per 4E ounce of 29.1% and 23.9% to R2 044 and R19 649, respectively.

COVID-19 and stock adjusted unit costs

Direct comparison of RBPlat's first half of 2020 performance to previous periods is challenging given the difficult operating environment in the second quarter of 2020. Stock adjusted and COVID-19 adjusted unit costs are therefore calculated to establish a more reasonable basis of comparison.

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

On a COVID-19 production loss and stock adjusted basis, unit costs per tonne milled and per 4E ounce, reduced by 1.2% to R1 390 (2019: R1 407) and 2.2% to R12 921 (2019: R13 211), respectively year-on-year.

BRPM's adjusted unit costs reflect year-on-year increases per tonne milled and per 4E ounce of 2.3% and 2.8%, respectively to R1 317 (2019: R1 288) and R11 915 (2019: R11 589).

Styldrift's adjusted unit costs reflect year-on-year improvements per tonne milled and per 4E ounce of 6.7% and 10.5%, respectively to R1 477 (2019: R1 583) and R14 203 (2019: R15 865).

PROJECTS

Styldrift

Steady progress was made during the reporting period notwithstanding the impact of the national lockdown on project development and construction activities. Where possible, construction and development activities not directly related to the establishment of the four spare IMS sections (4S and 5N) were redirected to support and prioritise the establishment of these sections necessary to secure the required flexibility to sustain 230ktpm.

A total of 2.3km of footprint development was completed. Key construction and development activities completed during the reporting period include:

- extension and commissioning of 642 level Merensky north dip belt and N4 section bulkhead
- 600 level 4S decline development and ledging
- 600 level north decline development progressing beyond the 5N section position.

Improvements in tip-to-face strike belt distances, trackless fleet availability and section flexibility continue to underpin improvements in production performance with the average tonnes hoisted per day increasing to 6.4kt in the second quarter compared to the 5.1kt achieved in the fourth quarter of 2019.

The 210kt hoisting milestone achieved in June further validates the technical robustness of the mine design, quality of the infrastructure and operational optimisation strategies implemented to date.

Given the impact of the pandemic on the project construction schedule to date and the risk of additional COVID-19 related disruptions during the second half, achieving the 230ktpm third quarter milestone is under pressure. Management will continue to responsibly manage and execute the project in the current COVID-19 operating environment to ensure the impact on milestone delivery is minimised.

Concentrating facilities upgrades

All key construction works to allow tailings deposition to commence on the Maseve tailings storage facility (TSF) was completed during the reporting period and tailings deposition commenced in July. Minor close-out-related works remain and are expected to be completed by August 2020. The expansion will extend the life of the facility by an additional 13 years.

Construction works on BRPM's TSF expansion are ongoing. Despite delays associated with the national lockdown and subsequent COVID-19 related disruptions, the TSF commissioning date remains the fourth quarter of 2021.

Manufacturing works on the 160ktpm MF2 upgrade are ongoing, however, the COVID-19 pandemic has negatively impacted key manufacturing and procurement processes related to the upgrade, specifically items being manufactured in Europe. The upgrade is now forecast for completion in May 2021 equating to a four-month delay.

Capital expenditure

Total capital expenditure for the period under review was R780 million, an increase of R159 million, or 25.6%, over the comparative period in 2019.

Overall expansion capital expenditure declined marginally by 1.2% to R555 million when compared to the first half of 2019. Reduction in Styldrift expenditure as the project nears completion was offset by plant and surface infrastructure expenditure required to meet the increasing processing requirements as Styldrift ramps up.

Replacement capital increased by R106 million to R112 million principally due to further development of the Styldrift North and South declines. Stay-in-business capital expenditure for the reporting period amounted to R113 million, an increase of 113.2% over the first half of 2019, equating to 3.9% of operating costs.

HUMAN CAPITAL

As a Company we place great emphasis on our value of 'safety and people first', therefore keeping our employees healthy and safe is of paramount importance. We implemented additional safety measures and protocols to safeguard our employees' health, as part of our COVID-19 action plan, which include:

- the enforcement of strict social distancing rules and practices
- the implementation of extensive training, awareness and communication programmes
- screening at all strategic access points to the operations
- dedicated hand sanitising points to and from key access areas
- ongoing disinfection of all turnstiles, cages, chairlifts, change houses, lamp rooms and traveling ways to and from these areas (including all hand rails leading to and from these areas)
- installation of ultra violet lights in all boardrooms and main meeting rooms
- a fully staffed and 24/7 operational clinic
- quarantine, isolation and treatment facilities for our employees.

To mitigate the impact COVID-19 had on the livelihood of our employees and their families during the initial lockdown, we took the decision to continue paying salaries including medical aid and the risk benefit portion of pension and provident fund contributions, and where applicable homeowners allowances and living-out allowances. A total of approximately R225 million was paid to our employees and contractors. The Executive Committee and senior management voluntarily waived 33% of their salaries during the lockdown period as a gesture of goodwill.

SOCIAL AND RELATIONSHIP CAPITAL

COVID-19 had an adverse social and economic impact on our community. At RBPlat, *'More than mining'* is a critical part of our Company ethos and we believe that it is imperative that we extend our support to our community during this time. We have worked closely with various stakeholders including our local leaders, the traditional leadership, the local municipality, and social workers to identify the most needy and vulnerable households in our community and to better understand their needs. Through this consultative process, we resolved to pledge an initial R3 million to support these doorstep community members and identified five key areas of focus which comprise: awareness campaigns; viral spread reduction and containment; nutritional support; education support; and quarantine, isolation and treatment facilities.

We provided the community with extensive information about COVID-19 through frequent engagement with community leaders, booklets, posters and banners. Hygiene care packages and community screenings were also provided as part of our viral spread reduction and containment strategy. These packages included sanitisers, soap, disposable and cloth face masks and in certain instances gloves were provided. Sanitiser canisters and face masks were also provided to the local taxi association which consists of five taxi ranks that are used by our employees to and from work and by the community at large. We have set ourselves a target of screening 10 000 households. In order to achieve that, we have trained community members to carry out the screening and provided temperature screening machines. As at the end of June, we had screened 2 789 households. We identified 1 175 households in our doorstep community to provide food hampers to over a three-month period. These were households headed by people with disabilities, child-headed households and the elderly. The closure of schools has put significant pressure on learners especially those in grade 12, and in order to support them we provided our maths and science grade 12 learners and teachers at the local high school, namely Charora High School, with computer tablets and e-learning material. We collaborated with the Royal Bafokeng Institute to provide software for the learning material as well as the supply of data. An additional 700 computer tablets will be provided for grade 7 and 12 learners and 160 laptops for teachers across six schools, this will be done in collaboration with our Canadian-based gold streaming partner, Triple Flag.

In a bid to alleviate pressure on stretched state resources we converted our Maseve Mine South shaft change house into a 200-bed hospital (the Royal Bafokeng Platinum Field Hospital). The R10 million facility caters for mild to moderate COVID-19 positive cases and is supported with all the medical facilities and healthcare professionals as required. The facility was handed over to the North West Provincial Department of Health on 1 July 2020. We also have a contractual agreement in place with a nearby hotel to use it as a quarantine and isolation facility which can accommodate up to 100 people, for our employees and community members that cannot quarantine or isolate at home.

Our Enterprise Supplier Development (ESD) programme and the operation of the SMME Hub, aimed at taking in existing and newly created SMMEs from the doorstep community and incubating them through various support programmes, is continuing to bear fruit even through the current challenges of the COVID-19 pandemic. Creative ways are being explored to continue with enterprise development work for the benefit of our local community businesses.

We have continued to provide business development support to MACHARORA-based companies, by transferring all face-to-face interactions to online platforms. As part of empowering MACHARORA businesses through our ESD business development support programmes, we introduced virtual training and equipped all participants with laptops and data to ensure that all planned ESD programmes continue within the current year. Sixty participants will be engaging in online training sessions from June 2020 until the end of the year. The laptops are to

Commentary continued

be used by participants for the duration of their respective programmes. At the end of each programme, all laptops are expected to serve the same benefit to the next intake of MACHARORA SMMEs.

NATURAL CAPITAL

As part of our environmental stewardship, we are committed to taking a precautionary approach towards the environmental impacts arising from all our operations and activities. Our ISO 14001 Environmental Management Systems enables us to continually identify the environmental impacts arising from our operations and assist us to ensure corrective and preventive measures are in place to mitigate our impacts. We are committed to ensure we prevent environmental pollution and continually improve on our environmental performance.

Our sustainability and stakeholder engagement frameworks are being implemented and provide guidance on the management of water, energy and climate change. As part of our Enterprise Risk Management, we have conducted a climate change risk assessment and are in the process of implementing the recommendations from our climate change vulnerability study and Task Force on Climate-related Financial Disclosures (TCFD) gap analysis conducted in 2019.

We achieved a B score for our voluntary disclosure for our climate change submission to the CDP in 2019 and exceeded the global metals and mining sector as well as the Africa regional average score of C. Our voluntary participation in the CDP allows RBPlat to measure its progress towards environmental stewardship and to benchmark and compare our progress against our peers. We are in the process of finalising the CDP 2020 disclosures and we will be submitting our disclosures before the end of August 2020.

Our Board approved new water and energy efficiency targets which include greenhouse gas (GHG) emission targets for five years from the year 2020 to 2024. In setting these targets, the year 2018 was used as a baseline and the aim is to achieve a 10% reduction against our baseline by the year 2024. The COVID-19 national lockdown and the slower than planned ramp up post the festive period shutdown had a significantly negative impact on our ability to achieve our efficiency targets. During the first half of the year, our operations achieved 0.776kl/tonne milled which is above the water efficiency target of 0.645kl/tonne milled and 115.35kWh/tonne milled which is above the energy efficiency target of 90.56kWh/tonne milled. We achieved 0.121kt/CO_2e which was slightly above our set target of 0.093kt/CO_2e for carbon intensity.

In addition to the impact of the COVID-19 national lockdown and the associated winding down of operations to ensure they were effectively and safely placed on care and maintenance, our total energy efficiency was impacted by lower production volumes due to Eskom load curtailment on our concentrator production during the first quarter of the year.

We reduced our potable water cost by R3.0 million during the first half of 2020 by using water from our water treatment plant, however, the use of treated water in the BRPM concentrator decreased to 263.97Ml (2019: 347.51Ml). The decrease in water treated was attributable to the national lockdown and the impact of Eskom load curtailment on the BRPM concentrator and the water treatment plant.

We are in the process of updating our water and energy strategies to enable us to identify projects and initiatives to meet our targets. Optimisation of compressed air generation and the maintenance of the distribution network remains a key focus area with specific emphasis on reducing air leaks. Our water balances are also being reviewed to ensure we optimise our consumption and minimise wastage.

RBPlat has diesel generators with a generating capacity of more than 10MW and is therefore registered as a category A data provider in terms of the National GHG reporting regulations of 3 April 2017. Considering this, we reported our GHG emissions to the Department of Environment, Fishery and Forestry during the first half of the year.

Our 2019 environmental closure liability assessments and the financial provision calculations conducted in line with the Mineral Petroleum Resources Development Act 28 of 2002, were approved by the Department of Mineral Resources and Energy (DMRE) and a top-up financial provisioning was submitted to the DMRE during the first half of the year.

CHANGES TO THE BOARD

RPM nominees, Dr Gordon Leslie Smith and Mr Avischen Moodley, who were appointed to the Board on 2 January 2019 as non-executive directors, resigned effective from 28 May 2020. Their resignation is due to the settlement of the deferred consideration in respect of the transaction with RPM. The Board wishes to thank them for their contributions while serving on the Board of the Company and wishes them well in their future endeavours.

MARKET REVIEW

Global refined platinum production is currently predicted to fall by approximately 14% year-on-year to 5.3Moz this year. The national lockdown led to PGM mines being closed at the end of March and the phased ramp up in mine output as the restrictions were subsequently eased is forecast to result in a decline in platinum output of approximately 17% to 3.7Moz. Other regions had less severe interruptions to production and therefore are expected to experience smaller declines in output.

The year started well with high PGM prices encouraging strong flows of scrapped autocatalysts through collection networks to refineries. However, the lockdowns in the US and Europe interrupted the scrapping of old vehicles and the collection of autocatalysts. The economic slowdown will also result in fewer vehicles being scrapped as cost sensitive consumers keep their old cars on the road for longer, therefore secondary supply is also forecast to be lower this year.

Platinum automotive demand is forecast to decline by over 20% as global sales of both diesel cars and commercial vehicles will be lower this year. Light duty diesel share of the Western Europe market has stabilised in 2020, helping to support platinum demand. The fuel efficiency benefits of diesel powertrains are helpful for automakers to meet the very challenging carbon dioxide emissions targets set for 2020.

With the lockdown measures imposed in many countries to try to control the spread of COVID-19, jewellery purchases declined. Many countries are suffering recessions resulting in consumer spending being curtailed across all the major platinum jewellery markets and demand is forecast to remain under pressure.

Industrial demand is predicted to decline but will be less severely impacted by the global economic slowdown than automotive or jewellery demand.

Overall platinum investment was positive in the first half of the year. Bar and coin purchases were robust particularly in Japan during March when the platinum price fell to its lowest level in almost 20 years. The first half saw net selling in platinum ETFs ending the six months just above 3.2Moz.

The platinum price strengthened to just above US$1 000/oz in January but ended June at US$814/oz having briefly fallen below US$600/oz in March in the midst of the COVID-19 induced market sell-off. The rand started the year at R14.01 per US dollar but depreciated sharply reaching R19.09 per US dollar in April before recovering as market sentiment improved, to end the half at R17.40 per US dollar. Our average exchange rate received for the period was R17.53 per US dollar.

Palladium mine supply is more diverse than for the other PGMs and with output in Russia so far unaffected by any shutdowns, global production is expected to decline by approximately 9% this year.

Automotive palladium demand is expected to fall sharply in 2020. However, tightening emissions legislation, particularly in China and Europe, has to some extent offset the impact of declining vehicle sales. Palladium demand has benefitted from the move by many regions in China to China 6 standards before the pandemic.

Palladium ETFs declined by 169koz in the first half of 2020. However, all of the decline was in the first quarter and holdings rose in the second quarter to approximately 500koz.

The palladium price reached a record high of US$2 795/oz in late February, but then dropped to a low of US$1 557/oz in March during the COVID-19 induced selling. It ended the first half at US$1 905/oz only slightly lower than where it started the year.

Rhodium was the strongest performing PGM in the first half of 2020. A deficit market and strong automotive demand drove the price to a new record high of US$13 800/oz in March. Even with the price volatility that followed, rhodium ended the half at US$8 000/oz, up 32% from the start of the year. Rhodium was the tightest market as cuts to supply matched lower demand.

MARKET OUTLOOK

Growth in autocatalyst demand for platinum, palladium and rhodium will depend on the pace of the recovery of automotive production and sales. The recovery in China is expected to be quicker than that in Europe or North America, supporting a faster recovery in demand for palladium and rhodium. Rhodium loadings in three-way catalysts have increased significantly in gasoline cars worldwide, but especially in China and Europe to comply with China 6 and RDE NO_x standards respectively. Platinum demand is muted by the protracted recovery in vehicle sales in Europe.

The threat from battery electric vehicles to gasoline and diesel vehicles with PGM-containing autocatalysts is expected to be limited in the near term. While many of the government-backed incentive schemes promote powertrain electrification as part of clean air policies, gasoline and diesel hybrids (with autocatalysts) are often partially subsidised and are more cost-effective and practical purchases for many consumers.

Jewellery demand is expected to improve during the second half but overall demand for the year is expected to be lower than in 2019.

The strong buying in platinum bars and coins in the first half of 2020, should support an overall positive market for investment this year.

The second half of the year may be less severely impacted by COVID-19 than the first half, but the recovery could be slow and uneven.

OUTLOOK AND COMPANY GUIDANCE

The ultimate duration of the COVID-19 pandemic is unforeseeable and our operating environment will remain unpredictable.

During the second half of the year we will continue to focus on sustaining and consolidating the gains made in our key injury frequency rates in support of creating a zero harm operating environment, while also ensuring the well-being of our employees and the community amidst the COVID-19 pandemic.

Effective resourcing and the ongoing alignment of our operations in line with the growing contribution of Styldrift and changes in the mining mix as BRPM extracts more lower grade UG2 remain key. We are committed to protecting and growing our financial capital in the short, medium and long term, through responsible investment in capital expenditure to increase profitability and grow the business.

To ensure the business remains financially robust in the current dynamic COVID-19 operating environment, we have developed a flexible response plan aimed at optimising cash flow through:

- reducing capital expenditure by deferring non-critical capital spend without impacting operational flexibility and asset integrity
- continuous optimisation of production and support services processes
- minimising supply chain disruptions to essential goods and services
- reducing controllable fixed costs during lockdown/restricted production periods
- continuing with development and construction activities to support the Styldrift 230ktpm milestone.

Visibility on how COVID-19 will affect operations in the second half of the year is limited and we have revised our guidance in line with our first half achievements and wider uncertainty around the future impact of the pandemic on our operations.

Group production guidance for 2020, is therefore revised to be between 3.55Mt and 3.80Mt at a 4E built-up head grade of 3.98g/t to 4.03g/t, yielding 380koz to 405koz 4E metals in concentrate. Unit cost guidance for the Group is forecast to be between R15 600 and R16 200 per 4E ounce.

Group capital expenditure for 2020, including escalation and contingencies, is forecast to be approximately R1.8 billion. Styldrift mining and infrastructure for the 230ktpm ramp-up footprint (R700 million), the Maseve plant expansion (R260 million), tailings storage facility upgrades (R250 million) and Styldrift replacement capital (R200 million) will be the main drivers. SIB expenditure for the Group is expected to be approximately 6% of total operating costs.

The contribution of UG2 mining at BRPM will increase to approximately 35% of our overall production during 2020.

Condensed consolidated interim statement of financial position

as at 30 June 2020

	Notes	**30 June 2020 reviewed R (million)**	30 June 2019 reviewed restated* R (million)	2020 vs 2019 % change	Year ended 31 December 2019 audited R (million)
ASSETS					
Non-current assets		**22 359.8**	21 722.6	2.9	22 160.7
Property, plant and equipment	4	**15 593.7**	14 843.7	5.1	15 367.4
Mining rights		**5 432.1**	5 589.0	(2.8)	5 502.7
Right-of-use assets		**23.8**	32.2	(26.1)	25.6
Environmental trust deposit and guarantee investments		**253.3**	235.5	7.6	245.9
Employee housing loan receivable		**715.8**	675.0	6.0	681.8
Employee housing benefit		**238.3**	243.1	(2.0)	235.2
Housing insurance investment		**44.6**	42.3	5.4	43.9
Deferred tax asset		**58.2**	61.8	(5.8)	58.2
Current assets		**7 129.9**	4 104.6	73.7	4 790.0
Employee housing benefit		**18.5**	17.9	3.4	17.5
Employee housing assets		**673.6**	750.9	(10.3)	702.6
Inventories		**468.1**	171.6	172.8	196.1
Trade and other receivables	5	**3 277.3**	2 488.9	31.7	2 984.9
Current tax receivable		**19.3**	0.2	9 550.0	4.2
Derivative financial asset	6	**–**	–	–	70.5
Cash and cash equivalents	9	**2 673.1**	675.1	296.0	814.2
Total assets		**29 489.7**	25 827.2	14.2	26 950.7
EQUITY AND LIABILITIES					
Total equity		**17 071.0**	15 990.6	3.1	16 186.6
Stated capital		**11 197.4**	11 118.8	0.7	11 125.1
Retained earnings		**5 608.9**	4 589.3	8.7	4 739.4
Share-based payment reserve		**264.7**	282.5	(6.3)	322.1
Non-current liabilities		**10 779.9**	8 481.9	(36.3)	9 024.5
Deferred tax liability		**4 243.2**	3 689.5	(36.1)	3 846.5
Convertible bond liability	10	**1 085.8**	1 018.1	(6.6)	1 049.5
PIC housing facility		**1 481.7**	1 431.1	(3.5)	1 440.9
Interest-bearing borrowings	11	**1 752.4**	959.1	(82.7)	1 305.5
RPM deferred consideration	12	**–**	1 074.4	100.0	1 073.4
Deferred revenue	13	**1 900.5**	–	(100.0)	–
Lease liabilities		**13.3**	22.4	40.6	16.2
Restoration, rehabilitation and other provisions		**303.0**	287.3	(5.5)	292.5
Current liabilities		**1 638.8**	1 354.7	(21.0)	1 739.6
Trade and other payables		**1 132.4**	686.8	(64.9)	923.1
Current tax payable		**–**	3.0	100.0	1.3
Current portion of PIC housing facility		**45.4**	–	(100.0)	42.2
Current portion of interest-bearing borrowings	11	**218.9**	0.6	(36 383.3)	–
Current portion of RPM deferred consideration	12	**–**	650.8	100.0	760.0
Current portion of deferred revenue	13	**228.4**	–	(100.0)	–
Current portion of lease liabilities		**13.7**	13.5	(1.5)	13.0
Total equity and liabilities		**29 489.7**	25 827.2	(14.2)	26 950.7

* *Refer to note 27 of the consolidated annual financial statements for the year ended 31 December 2019 for details of the restatement*

The notes on pages 16 to 30 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income

for the six months ended 30 June 2020

	Notes	For the six months ended 30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)	2020 vs 2019 % change	Year ended 31 December 2019 audited R (million)
Revenue	14	**4 606.0**	3 163.0	45.6	7 491.9
Cost of sales	15	**(3 385.3)**	(3 114.1)	(8.7)	(6 810.6)
Cost of sales excluding depreciation, amortisation and movement in inventories		**(3 015.3)**	(2 645.8)	(14.0)	(5 726.0)
Depreciation and amortisation		**(599.3)**	(504.0)	(18.9)	(1 095.7)
Increase in inventories		**229.3**	35.7	542.3	11.1
Gross profit		**1 220.7**	48.9	2 396.3	681.3
Other income		**435.7**	112.8	286.3	267.9
Administrative expenses		**(178.4)**	(175.4)	(1.7)	(337.2)
Corporate office		**(97.2)**	(110.2)	11.8	(187.3)
Housing project		**(16.5)**	(37.0)	55.4	(53.5)
Industry membership and market development		**(28.4)**	(15.8)	(79.7)	(16.6)
Maseve care and maintenance and other costs		**(36.3)**	(12.4)	(192.7)	(69.2)
Restructuring costs		**–**	–	–	(10.6)
Scrapping of non-financial assets		(4.0)	–	(100.0)	(58.9)
Finance income	16	**87.2**	62.0	40.6	124.1
Finance cost	16	**(284.0)**	(263.3)	(7.9)	(553.6)
Profit/(loss) before tax		1 277.2	(215.0)	694.0	123.6
Income tax (expense)/credit	17	**(407.7)**	50.6	(905.7)	(59.5)
Current tax expense		**(10.9)**	(19.1)	42.9	(47.2)
Deferred tax (expense)/credit		**(396.8)**	69.7	(669.3)	(12.3)
Net profit/(loss) for the period		**869.5**	(164.4)	628.9	64.1
Other comprehensive income		**–**	–	–	–
Total comprehensive profit/(loss) attributable to:		**869.5**	(164.4)	628.9	64.1
Owners of the Company		**869.5**	(164.4)	628.9	64.1
Basic EPS/(LPS) (cents/share)	21	**338.0**	(70.8)	577.4	26.3
Diluted EPS/(LPS) (cents/share)	21	**319.3**	(70.8)	551.0	26.3
Basic HEPS/(HLPS) (cents/share)	21	**335.3**	(70.8)	573.6	50.4
Diluted HEPS/(HLPS) (cents/share)	21	**316.9**	(70.8)	547.6	50.4

The notes on pages 16 to 30 form an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

for the six months ended 30 June 2020

	Number of shares	Stated capital R (million)	Share-based payment reserve R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Total R (million)
2019						
Restated balance at 1 January 2019 (audited)	207 999 586	10 063.1	338.2	4 753.7	15 155.0	15 155.0
Share-based payment charge	–	–	0.5	–	0.5	0.5
2016 BSP shares vested in April 2019	1 449 783	56.2	(56.2)	–	–	–
Issue of shares^	46 777 694	1 029.1	–	–	1 029.1	1 029.1
Costs relating to issue of shares capitalised	–	(29.6)	–	–	(29.6)	(29.6)
Total comprehensive loss	–	–	–	(164.4)	(164.4)	(164.4)
Restated balance at 30 June 2019 (reviewed)	256 227 063	11 118.8	282.5	4 589.3	15 990.6	15 990.6
Share-based payment charge	–	–	39.6	–	39.6	39.6
Total comprehensive income	–	–	–	228.5	228.5	228.5
Share options exercised	321 107	6.3	–	–	6.3	6.3
Deferred tax on final valuation of acquisition of non-controlling interest	–	–	–	(78.4)	(78.4)	(78.4)
Balance at 31 December 2019 (audited)	256 548 170	11 125.1	322.1	4 739.4	16 186.6	16 186.6
2020						
Share-based payment charge	**–**	**–**	**14.9**	**–**	**14.9**	**14.9**
2017 BSP shares vested in April 2020	**1 424 636**	**72.3**	**(72.3)**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**–**	**869.5**	**869.5**	**869.5**
Balance at 30 June 2020 (reviewed)	**257 972 806**	**11 197.4**	**264.7**	**5 608.9**	**17 071.0**	**17 071.0**

^ 46 777 694 shares were issued under the rights offer

Condensed consolidated interim statement of cash flows

for the six months ended 30 June 2020

	Notes	For the six months ended 30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)	2020 vs 2019 % change	Year ended 31 December 2019 audited R (million)
Cash flows from operating activities					
Cash generated by operations	18	**1 764.0**	234.0	653.8	1 154.5
Proceeds from the gold streaming transaction	13	**2 093.5**	–	100.0	–
Interest paid		**(44.0)**	(99.3)	55.7	(173.0)
Interest received		**74.5**	55.0	35.5	109.2
Dividend received		**0.6**	0.2	200.0	0.2
Tax refund received		**–**	–	–	0.2
Income tax paid		**(27.3)**	(29.5)	7.5	(63.5)
Net cash flow generated by operating activities		**3 861.3**	160.4	2 307.3	1 027.6
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**0.5**	0.7	(28.6)	0.9
Acquisition of property, plant and equipment		**(773.1)**	(641.7)	(20.5)	(1 695.3)
Acquisition of employee housing assets		**–**	(28.7)	100.0	(48.4)
Acquisition of housing insurance investment		**–**	–	–	2.8
Employee housing loan receivable repayments		**2.2**	2.8	(21.4)	–
Increase in environmental trust deposits and investments		**(4.6)**	(4.4)	(4.5)	(11.8)
Net cash flow utilised by investing activities		**(775.0)**	(671.3)	(15.4)	(1 751.8)
Cash flows from financing activities					
Drawdown of PIC housing facility		–	75.0	(100.0)	85.0
Proceeds from interest-bearing borrowings	11	**1 112.3**	175.5	533.8	841.0
Repayment of interest-bearing borrowings	11	**(481.5)**	(941.4)	48.9	(1 264.3)
Repayment of RPM deferred consideration	12	**(1 851.2)**	–	(100.0)	–
Principal elements of lease payments		**(7.0)**	(6.1)	(14.8)	(12.6)
Proceeds from issue of shares		–	1 029.1	(100.0)	1 029.1
Costs relating to share issue		–	(29.6)	100.0	(29.6)
Proceeds for share options exercised		–	–	–	6.3
Net cash flow generated by financing activities		**(1 227.4)**	302.5	(505.8)	654.9
Net increase/(decrease) in cash and cash equivalents		**1 858.9**	(208.4)	992.0	(69.3)
Cash and cash equivalents at beginning of period		**814.2**	883.5	(7.8)	883.5
Cash and cash equivalents at end of period		**2 673.1**	675.1	296.0	814.2

The notes on pages 16 to 30 form an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2020

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are prepared in accordance with and contain information required by the International Financial Reporting Standard (IFRS), IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the provisions of the Companies Act of South Africa and the JSE Limited Listings Requirements. The interim report does not include all the notes typically included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial statements for the year ended 31 December 2019 and any public announcements made during the interim reporting period.

The condensed consolidated interim financial statements were prepared under the supervision of the Financial Director, Hanré Rossouw.

2. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared under the historical cost convention. The principal accounting policies used by the Group are in terms of IFRS and consistent with those applied in the previous period.

3. INDEPENDENT REVIEW BY THE AUDITORS

These condensed consolidated interim financial statements have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified conclusion thereon. A copy of the auditor's report on the condensed consolidated interim financial statements is available for inspection at the Company's registered office, together with the financial statements identified in the auditor's report.

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R (million)	Furniture, fittings and computer equipment R (million)	Mining assets (including decommissioning asset) R (million)	Capital work-in-progress R (million)	Plant and machinery R (million)	Vehicles and equipment R (million)	Total R (million)
2020							
At 1 January 2020 (audited)	**532.1**	**36.6**	**9 107.6**	**1 169.4**	**4 464.2**	**57.5**	**15 367.4**
Additions	**2.0**	**1.9**	**112.2**	**495.5**	**161.5**	**–**	**773.1**
Disposal	**–**	**–**	**–**	**–**	**(5.3)**	**–**	**(5.3)**
Depreciation	**(9.5)**	**(14.0)**	**(127.0)**	**–**	**(378.3)**	**(12.7)**	**(541.5)**
Transfers	**0.9**	**16.7**	**196.0**	**(624.1)**	**400.1**	**10.4**	**–**
At 30 June 2020 (reviewed)	**525.5**	**41.2**	**9 288.8**	**1 040.8**	**4 642.2**	**55.2**	**15 593.7**
Cost or valuation	**597.1**	**117.1**	**13 338.4**	**1 063.2**	**6 753.8**	**120.2**	**21 989.8**
Accumulated depreciation and impairment	**(71.6)**	**(75.9)**	**(4 049.6)**	**(22.4)**	**(2 111.6)**	**(65.0)**	**(6 396.1)**
At 30 June 2020 (reviewed)	**525.5**	**41.2**	**9 288.8**	**1 040.8**	**4 642.2**	**55.2**	**15 593.7**
2019							
At 1 January 2019 (audited)	318.9	36.6	2 908.1	9 717.1	1 678.0	2.9	14 661.6
Additions	5.7	1.3	367.3	823.5	488.4	9.1	1 695.3
Change in estimate of decommissioning assets	–	–	(11.0)	–	–	–	(11.0)
Disposal	–	–	–	–	(0.6)	–	(0.6)
Depreciation	(19.8)	(27.4)	(272.0)	–	(635.3)	(23.4)	(977.9)
Transfers	227.3	26.1	6 115.2	(9 371.2)	2 933.7	68.9	–
At 31 December 2019 (audited)	532.1	36.6	9 107.6	1 169.4	4 464.2	57.5	15 367.4
Cost or valuation	596.3	243.5	13 184.4	1 191.8	6 284.2	114.5	21 614.7
Accumulated depreciation and impairment	(64.2)	(206.9)	(4 076.8)	(22.4)	(1 820.0)	(57.0)	(6 247.3)
At 31 December 2019 (audited)	532.1	36.6	9 107.6	1 169.4	4 464.2	57.5	15 367.4

Styldrift continues to incur costs under capital work-in-progress mainly in order to reach 230ktpm capacity while BRPM and Styldrift continues to incur stay-in-business (SIB) capital expenditure necessary to sustain operations.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. On this basis, R9.8 million (2019: R3.4 million) of the convertible bond interest expense, R39.3 million (2019: R48.7 million) of the term debt and revolving credit facility interest expense was capitalised.

4. PROPERTY, PLANT AND EQUIPMENT continued

IMPAIRMENT

An impairment review of property, plant and equipment is carried out by comparing the carrying amount thereof to its recoverable amount when there is an indication that these assets may be impaired.

The recoverable amount of property, plant and equipment is determined as the higher of the fair value less cost to sell and its value in use. For mining assets this is determined based on the fair value which is the present value of the estimated future cash flows arising from the use of the asset.

Where the recoverable amount is less than the carrying amount, the impairment charge will reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated over the remaining useful life of property, plant and equipment.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The recoverability of the BRPM and Styldrift mining assets was assessed using the higher of fair value less cost to sell or value in use methodology based on the net present value of the current life of mine plan and an in situ value for 4E resource ounces outside the life of mine plan. The present value of the current life of mine plan and the in situ value of the 4E resource ounces outside the life of mine plan is an area of significant judgement. Refer to determination of recoverable amounts below for detail of assumptions and estimates used in our impairment assessment.

DETERMINATION OF THE RECOVERABLE AMOUNT

IFRS require long-lived assets to be assessed for impairment when there is an indication of impairment. Management performed an assessment of whether or not there were any impairment indicators using the guidance in IAS 36: *Impairment of Assets* and noted that the net asset value of RBPlat exceeded its market capitalisation, while the global COVID-19 pandemic presents a significant adverse change to the market and economic environment.

For the purpose of assessing impairment of long-lived assets, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units or CGUs plus the allocation of corporate assets) being BRPM and Styldrift. For BRPM and Styldrift, the recoverability of the non-financial assets was assessed using the higher of fair value less cost to sell or value in use methodology based on a combination of the valuation performed on the discounted cash flow basis and the valuation of the outside life of mine (LOM) ounces.

The discounted cash flow analysis used latest board-approved business plans that includes forecasts of production output and costs, capital expenditure and commodity price and exchange rate forecasts. The discount rate used for each CGU was adjusted to reflect specific risks relating to the CGU where cash flows have not been adjusted for the risk. The valuation of outside LOM ounces was independently conducted by SRK Consulting based primarily on the review of comparable market transaction, with an updated analysis performed given the changing external environment.

The above valuation estimates are subject to risks and uncertainties, including the achievement of business plans and variation in future metal prices and exchange rates, which could affect the recoverability of the mining assets.

Key assumptions to impairment testing

The following key assumptions were used in the Styldrift and BRPM impairment assessment:
- Long-term real platinum price of US$907 per ounce (2019: US$924 per ounce)
- Long-term real palladium price of US$1 347 per ounce (2019: US$1 372 per ounce)
- Long-term real gold price of US$1 258 per ounce (2019: US$1 281 per ounce)
- Long-term real rhodium price of US$4 491 per ounce (2019: US$4 573 per ounce)
- A long-term real rand:US$ exchange rate of R14.52:US$ (2019:R14.91:US$)
- A real post-tax discount rate range of 8% to 9% (2019: 8% to 9%)
- Life of mine of 30 years (2019: 30 years)
- Independent valuation of outside LOM ounces at US$3.47 — US$9.64/4E ounce (2019: US$4.3 — US$15.5/4E ounce)
- Production volumes are based on a detailed life of mine plan and updated with most recent forecast, including COVID-19 scenarios
- Quantum of resources outside the life of mine are based on the mineral resources statement signed off by the competent person
- Ability of RBPlat to continue as a going concern post COVID-19

The impairment assessment of the recoverable amount of the BRPM and Styldrift CGUs indicated that no impairment of carrying amounts is required. A sensitivity analysis of production, costs, price forecasts or valuation of the outside LOM ounces, showed sufficient headroom in the carrying amounts with a 10% negative move in any of these variables.

Further COVID-19-related scenarios were also modelled to analyse potential business interruptions caused by the pandemic. The base case scenario considered some production losses around the expected peak infection rate in August and September, while the most extreme scenario considered significant disruptions in the second half of 2020 with the equivalent of four months' production loss, with continued disruptions into 2021. The analysis showed sufficient headroom in the carrying value of the assets, even in the most extreme scenario modelled.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

5. TRADE AND OTHER RECEIVABLES

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
Trade receivables (RPM concentrate debtors)	**2 936.1**	2 840.4
Impala royalty receivable	**39.2**	51.9
VAT receivable	**90.2**	29.1
Styldrift deposit	**28.5**	27.9
Maseve restricted cash	**28.4**	28.4
Deposit paid for mining equipment	**35.2**	–
North West Department of Education restricted cash	**70.6**	–
Other receivables	**49.1**	7.2
Closing balance	**3 277.3**	2 984.9

The North West Department of Education restricted cash relates to money received from the Department of Education to fund part of the costs of building of the school at Waterkloof Hill Estate which was developed as part of the RBPlat employee housing ownership scheme. The balance of the cost will be funded by RBPlat Group. The cash was not received for the benefit of RBPlat and does not constitute RBPlat's cash and cash equivalents.

6. DERIVATIVE FINANCIAL ASSETS

In 2019, the Group entered into a currency option contract with a zero cost collar of a floor of R14.500 and a cap of R15.515 to hedge US$140 million against fluctuations in the rand to US$ exchange rate for the gold streaming transaction. This contract was classified as a derivative. The transaction closed on 30 January 2020.

Derivatives are only used for economic hedging purposes and not as speculative investments. The derivative was not designated as hedging instruments in a hedge, and was classified as 'held for trading' for accounting purposes and accounted for at fair value through profit or loss. As at 31 December 2019, the hedge was presented as current assets as it was expected to be settled within 12 months after the end of the reporting period.

Amounts disclosed in the financial statements are as follows:

	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
Statement of financial position		
Derivative financial asset	**–**	70.5
Statement of comprehensive income		
Net fair value (loss)/gain on derivative held for trading	**(70.5)**	70.5

7. CAPITAL COMMITMENTS

Capital commitments relate to the Styldrift and BRPM Phase III projects.

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
Contracted commitments	**776.6**	922.8
Approved expenditure not yet contracted for	**1 819.3**	1 394.4
Total	**2 595.9**	2 317.2

8. CONTINGENCIES

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
8.1 Guarantees issued		
Royal Bafokeng Resources Proprietary Limited (RBR), a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Eskom guarantee to secure power supply for the Styldrift project	**17.1**	17.1
Eskom early termination guarantee for the Styldrift project	**17.5**	17.5
Eskom connection charges guarantee for the Styldrift project	**40.0**	40.0
Eskom security guarantee for power supply to the Styldrift project	**42.7**	42.7
DMRE guarantee for environmental rehabilitation liability	**1.3**	1.3
Rental guarantees	**0.8**	0.8
Total bank guarantees issued	**119.4**	119.4
DMRE guarantee for the Styldrift project	**47.9**	47.9
DMRE guarantee for environmental rehabilitation liability	**320.5**	318.1
Total insurance guarantees issued	**368.4**	366.0
Maseve Investments II Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Eskom to secure power supply for Maseve	**28.4**	28.4
Total cash-backed bank guarantees issued	**28.4**	28.4

8.2 Contingencies

RBR is committed to remediate groundwater and soil pollution where RBR operates. The 2017 ground water flow model simulations indicate that the pollution does not extend into or affect nearby township areas/groundwater users until 2075 if no intervention is put in place. Based on the groundwater model update, a project was initiated in 2018 to monitor the groundwater movement on a continuous basis using borehole loggers, to accurately quantify the size and the rate of movement of the pollution plume. The outcome of this project highlighted that the ground water levels decreased gradually showing that the aquifer is in a steady state and that there is no evidence of artificial recharge. A ground water specialist has been appointed to develop the ground water remediation strategy to enable us to better understand the costs associated with the remediation activities.

The rate of pollution plume movement could not be accurately monitored due to limited pumping of water from the open-cast pit. This is mainly due to the closed loop system in our operations. RBR is continuing to conduct groundwater monitoring through existing boreholes and will close the monitoring network gaps by constructing additional boreholes as per the project recommendations to enable the groundwater database to be fully updated and comprehensive. Other methods of containing the plume such as pump testing of the boreholes around the BRPM tailings storage facility to assess the likely success of localised abstraction are being investigated.

8.3 Contingent liability — Maseve acquisition

Post-implementation of the Maseve transaction, Africa Wide Mineral Prospecting Land Exploration Proprietary Limited (Africa Wide), which held 17.1% of the shares in Maseve prior to the implementation of the share transaction, instituted legal proceedings against PTM, RBPlat and Maseve, in terms of which it seeks to have the Maseve transaction declared unlawful and invalid, or alternatively to be paid an increased amount for its Maseve shares, which it argues were undervalued. On 20 September 2018, we advised security holders that PTM legal advisers and senior counsel were of the view that the claim of Africa Wide, was weak and that there are strong prospects of success on this matter. The matter is ongoing.

9. CASH AND CASH EQUIVALENTS

RBPlat had cash and cash equivalents on hand at 30 June 2020 of R2 673.1 million. Included in the R2 673.1 million cash balance is restricted cash of R143.5 million ring-fenced for the RBPlat housing project and R84 million earmarked for the payment of the convertible bond coupon. The Group has R3 008 million debt facilities (excluding PIC housing facility). During 2020, the debt facilities were restructured and R500 million was reallocated from the revolving credit facility (RCF) to the general banking facility (GBF), with the total remaining unchanged. The debt facilities comprise a seven-year term debt facility of R750 million bearing interest at JIBAR plus a margin of 3.7%, a five-year RCF of R750 million bearing interest at JIBAR plus a margin of 3.75%, a five-year RCF of R500 million bearing interest at JIBAR plus a margin of 3.25% and a one-year GBF of R1 008 million bearing interest at prime less 1%. R750 million of the term debt was drawn as at 30 June 2020, with R46.9 million repaid, thus reducing the facility to R703.1 million. R1 250 million of RCF was drawn as at 30 June 2020. R119.4 million of the GBF was utilised for guarantees as at 30 June 2020.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

10. CONVERTIBLE BOND LIABILITY

RBPlat issued 120 000 7% senior unsecured convertible bonds for R1.2 billion on 15 March 2017. Shareholders' approval for the conversion of the convertible bonds was obtained on 8 May 2017. The bonds are convertible into ordinary shares of RBPlat at the option of the holder at a conversion price of R40.7896 (initial conversion price of R42.9438). The conversion price is subject to customary adjustments for reconstructions of equity. These customary adjustments maintain the relative rights of the bondholders. Interest on the bonds is payable semi-annually in arrears on 16 March and 16 September of each year for five years ending 16 March 2022.

The bonds are listed on the JSE main board under stock code RBPCB.

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
10.1 Convertible bond equity		
Opening balance at 1 January	**202.4**	202.4
Net equity recognised as per statement of changes in equity	**202.4**	202.4
10.2 Convertible bond liability		
Opening balance	**1 049.5**	986.7
Plus: Interest*	**78.3**	146.8
Less: Interest paid	**(42.0)**	(84.0)
Convertible bond liability at 30 June	**1 085.8**	1 049.5

* *In 2020, R9.8 million (2019: R3.4 million) of the interest was capitalised at RBPlat Group level*

The carrying amount of the liability portion at initial recognition was measured as the difference between the cash proceeds and the fair value of the embedded derivative. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds using the effective interest rate method.

11. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are made up of drawdowns on existing facilities. As at 30 June 2020, RBR fully utilised R750 million of its term debt, R1 250 million of its revolving credit and R119.4 million of the general banking facilities was utilised for guarantees.

The following covenants are applicable to the existing facilities:

Financial covenants

RBR shall ensure that the following financial covenants will be met:
- Cumulative debt service coverage ratio (DSCR) shall exceed 1.25 times for measurement periods ending between 2017 and 2020
- DSCR shall exceed 1.25 times for measurement periods ending between 2021 and 2023
- Cumulative loan life coverage ratio (LLCR) shall exceed 1.50 times for measurement periods ending between 2017 and 2020
- LLCR shall exceed 1.75 times for measurement periods ending between 2021 and 2023
- Net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) shall not exceed 2.00 times
- Net debt to equity shall not exceed 1.00 times
- Interest cover ratio is at least 4.00 times

Bond repayment covenant

RBR shall ensure that on the fourth anniversary of financial close:
- The DSCR exceeds 1.50 times
- The LLCR exceeds 2.00 times
- Net debt to EBITDA shall not exceed 1.25 times

As at 30 June 2020, none of the covenants were breached.

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
Opening balance at 1 January	**1 305.5**	1 715.9
Drawdowns during the period	**1 112.3**	841.0
Repayments	**(481.5)**	(1 264.3)
Interest capitalised	**80.9**	137.5
Interest paid	**(49.7)**	(137.5)
Unwinding of transaction costs capitalised	**3.8**	12.9
Closing balance	**1 971.3**	1 305.5
Split between:		
Non-current portion of interest-bearing borrowings	**1 752.4**	1 305.5
Current portion of interest-bearing borrowings	**218.9**	–
	1 971.3	1 305.5

12. RPM DEFERRED CONSIDERATION

In 2018, RBPlat acquired the remaining 33% participating interest in the BRPM JV from RPM. The purchase consideration was funded by a combination of cash, proceeds from a capital raise and the remaining balance was deferred.

In terms of the agreement with RPM, the deferred consideration escalates at a rate equal to the interest rate charged by lenders to RBR, on the enlarged debt plus a premium of 2%. The deferred consideration is repayable in three annual payments, each equal to one-third of the deferred consideration plus interest accrued up to payment date, with the first payment due on the first business day following 18 months from the effective date, and the second and third payment are due on the first and second anniversary thereof, respectively. The transaction effective date was 11 December 2018.

At the Group's election, all or part of the deferred consideration may be settled through the issue of a variable number of RBPlat shares to RPM.

On 30 January 2020, the full outstanding balance of the deferred consideration was settled with the proceeds from the streaming transaction (refer to note 13).

as at	**30 June 2020 reviewed R (million)**	31 December 2019 audited R (million)
Opening balance at 1 January	**1 833.4**	1 621.6
Interest capitalised	**17.8**	211.8
Less: Repayment	**(1 851.2)**	–
Closing balance	**–**	1 833.4
Split between:		
Non-current portion of RPM deferred consideration	**–**	1 073.4
Current portion of RPM deferred consideration	**–**	760.0
	–	1 833.4

13. DEFERRED REVENUE

RBPlat, entered into a gold streaming agreement through its wholly owned subsidiary, RBR, with Triple Flag Mining Finance Bermuda Limited (Triple Flag). In terms of the agreement, the Company received an advance payment of US$143.5 million (US$145 million net of US$1.5 million transaction fees) equating to R2 093.5 million, in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Impala royalty areas), payable over the life of mine (the 'Stream'). In addition to the advance payment (refer to note 14), RBPlat receives 5% cash (variable consideration) from Triple Flag based on the prevailing Reference Gold Price (daily gold market price immediately following the date of delivery) for each ounce of gold delivered. The contract will be settled by RBPlat delivering gold credits to Triple Flag representing the underlying refined gold which has been mined. One gold credit is equivalent to one ounce of gold.

In terms of this agreement, 70% of the payable gold will be delivered to Triple Flag until 261 000 ounces have been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the life of mine. The delivery of the payable gold will be for an initial term of 40 years, which shall be automatically extended for successive ten-year periods, unless there has been no exploration or mining activity.

The advance payment received is recognised as a contract liability (deferred revenue) under IFRS 15: *Revenue from Contracts with Customers*. RBPlat's management identified a significant financing component related to the streaming arrangement resulting from the difference in the timing of the advance consideration received and the transfer of control of the promised gold to Triple Flag. Interest expense on deferred revenue is recognised as finance cost.

Significant accounting estimates and judgements

The advance payment received from Triple Flag on the gold streaming transaction has been accounted for as a contract liability (deferred revenue) in the scope of IFRS 15. It has been determined that the contract is not a financial instrument because the contract will be settled by RBPlat delivering gold credits to Triple Flag representing the underlying refined gold which has been mined, rather than cash or financial assets. It is the intention of RBPlat to satisfy the performance obligations under the streaming arrangement through RBPlat's production and revenue will be recognised over the duration of the contract as RBPlat satisfies its obligation to deliver gold ounces. As the contract is long term in nature and RBPlat received a portion of the consideration from Triple Flag at inception of the contract, it has been determined that the contract contains a significant financing component under IFRS 15. RBPlat, therefore, made a critical estimate of the discount rate that should be applied to the contract liability over the life of the contract.

Inputs to the model to unwind the advance received to revenue

The advance received has been recognised on the statement of financial position as deferred revenue. The deferred revenue will be recognised as revenue in profit or loss as the gold ounces are delivered to Triple Flag relative to the expected total amount of gold ounces to be delivered over the term of the arrangement. The deferred revenue will be recognised as revenue in profit or loss based on the metal ounces in relation to the expected total amount of gold credits to be delivered over the term of the arrangement. Each period management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and, therefore recognised as revenue. To the extent that the life of mine changes or other key inputs are changed, these changes are recognised prospectively as a cumulative catch-up in revenue in the year that the change occurs.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

13. DEFERRED REVENUE continued

Key inputs

Key inputs	Estimate at period end	
Estimated financing rate over life of arrangement	11.9%	Although there is no cash financing cost related to this arrangement, IFRS 15 requires RBPlat to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations.
Remaining life of stream	33 years	The starting point for the life of mine is the approved life of mine plan for the operations (excluding Styldrift II and the Impala Royalty Areas) with a portion of resources included beyond the current life of mine plan. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the life of mine is updated to include a conversion of resources to reserves. As such, RBPlat's management have determined that it is appropriate to additionally include 56% of gold in outside LOM resources.
Gold entitlement percentage	70.00%	The gold entitlement percentage will be 70% up to 261 000 ounces and thereafter 42% for the remainder of the life of mine.
Monthly cash percentage	5.00%	The monthly cash payment to be received is 5% of the market price of the gold ounce delivery to Triple Flag.
Commodity price on initial recognition	Commodity-and-exchange-adjusted spot price from inception	The stand-alone selling price of each ounce will be the spot price at inception adjusted for expected commodity and US$:R exchange rate forward curves over the life of the arrangement. Therefore, the stand-alone selling price of each ounce of gold delivered through gold credits at the date of the delivery will be the commodity-and-exchange-adjusted spot price from inception. This estimated stand-alone selling price is estimated at inception and is not revisited in the future if the commodity price or exchange rate per ounce changes.

Any changes to the ounces delivered key inputs could significantly change the quantum of the cumulative revenue amount recognised in profit or loss.

The following table summarises the changes in deferred revenue:

as at	30 June 2020 reviewed R (million)	31 December 2019 audited R (million)
Deferred revenue advance received	2 093.5	–
Interest charge	94.7	–
Deferred revenue recognised during the period	(59.3)	–
Closing balance	**2 128.9**	–
Split between:		
Non-current portion of deferred revenue	1 900.5	–
Current portion of deferred revenue	228.4	–
	2 128.9	–

14. REVENUE

Revenue from disposal of concentrate

Revenue from contracts with customers is recognised when the separate performance obligations are satisfied, which is when control of the promised goods or services is transferred to the customer.

Revenue transactions for the sale of concentrate are governed by the disposal of concentrate agreement (DOCA) between RBR and RPM. RBR is a wholly owned subsidiary of Royal Bafokeng Platinum Limited (RBPlat). The ordinary business activities of the RBPlat Group is the production and sale of concentrate.

Control passes to RPM when RBR delivers the concentrate at the designated delivery point. The performance obligation will be the bundle of concentrate sold and delivered to RPM. This is a single performance obligation in terms of IFRS 15, seeing as RBR is required to deliver the sold concentrate to RPM in terms of the DOCA. In terms of the DOCA, the commodity prices (platinum group metals (PGMs)) used in the calculation of the concentrate payments are based on the average daily PGM prices and average spot exchange rate for the third month following the month of delivery. The amount of revenue recognised at the designated point of delivery is based on the average daily PGM prices and average spot exchange rate at the date of delivery.

14. REVENUE continued

Provisional pricing arrangements introduce an element of variability into the sales contract. The DOCA contains the following categories of variability:

- Non-market variability – the changes in pricing based on the results of the quantity or quality of the commodity as concluded in the final evaluation (that is any difference between the initial and final assay)
- Market variability – pricing based on average market price at the end of each month

Variability in the DOCA arises from both market price and physical attributes. The non-market variability is accounted for within the scope of IFRS 15 and is considered to be variable consideration. RBR estimates the amount of contained metal in the concentrate which has been delivered to RPM. The final quantity of contained metal will only be confirmed once the final assay has been completed and this usually happens the month after the delivery month. Based on history, the changes between the initial assay and final assay are not significant, consequently the variable consideration is not considered to be constrained. The changes in the PGM prices create market variability which are out of the scope of IFRS 15. As a result, the changes in the PGM prices are reflected as other revenue within the revenue note to the interim financial statements and not revenue from contracts with customers.

On 6 March 2020, Amplats announced the temporary shutdown of the Anglo Converter Plant (ACP) and declared force majeure, following damages to that plant. Subsequent to the initial suspension of concentrate deliveries to the Waterval Smelter complex in line with the force majeure declaration, an interim arrangement between Amplats and RBPlat was agreed to, with revised concentrate delivery and payment terms during the shutdown. Concentrate that was delivered to RPM, up to the force majeure announcement, was bound by the terms as set out in the DOCA with RPM. All subsequent concentrate deliveries to RPM during the shutdown were subject to newly agreed payment terms, whereby RBPlat will continue to receive a significant majority of the related proceeds during 2020 with the outstanding payments being settled in full before 30 April 2021. Payment terms reverted to the original DOCA terms with the completion of repairs to ACP Phase B unit on 12 May 2020.

Revenue from gold streaming

In January 2020, the streaming transaction between RBPlat and Triple Flag closed following the fulfilment of the conditions precedent. Refer to note 13 for more details.

In terms of this agreement, 70% of the payable gold will be delivered to Triple Flag until 261 000 ounces has been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the life of mine. The delivery of payable gold will be made by allocating gold ounces to Triple Flag's account for an initial term of 40 years, which shall be automatically extended for successive ten-year periods, unless there has been no exploration or mining activity. Each refined ounce of gold is identified as a separate performance obligation.

In addition to the advance payment received (refer to note 13), RBPlat receives 5% cash (variable consideration) from Triple Flag based on the prevailing Reference Gold Price (daily gold market price immediately following the date of delivery) for each gold ounce delivered. For the percentage of each delivery that will be settled in cash, the cash price to be received for that delivery will be the allocated transaction price as all the variability can be allocated only to that delivery. The contract will be settled by RBPlat delivering gold ounces to Triple Flag representing the underlying refined, mined gold.

The transaction price, being the advance payment and the cash payment to be received, is recognised as revenue when the gold ounces are allocated to the appropriate Triple Flag account. It is from this date that Triple Flag has effectively accepted the gold, has physical control of the gold and has the risk and reward associated with the gold (i.e. control has transferred).

At contract inception an estimate must be made of the LOM and the ounces to be delivered in order to determine the appropriate performance obligations and allocation of the transaction price to those performance obligations. The revenue for the delivery of gold ounces will be recognised in terms of an appropriate model that takes into consideration (a) the fact that a commodity should have a different value in future as a result of commodity price and exchange rate curves; and (b) that the transaction price has already taken this into account by accounting for the significant financing component. Practically this means that each ounce of gold delivered through gold credits is assumed to have a unique stand-alone selling price based on commodity price forecasts.

for the six months ended	**30 June 2020 reviewed R (million)**	30 June 2019 reviewed R (million)
Revenue from disposal of concentrate		
Revenue from contract with customers	**4 447.0**	3 086.4
Other revenue	**95.9**	76.6
	4 542.9	3 163.0
Revenue from gold streaming		
Revenue from contract with customers	**63.1**	–
Total	**4 606.0**	3 163.0

Revenue from gold streaming includes R3.8 million relating to the variable consideration.

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

15. COST OF SALES

for the six months ended	30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)
Labour	1 204.5	978.0
Utilities	203.5	196.5
Contractor costs	508.9	551.7
Movement in inventories	(229.3)	(35.7)
Materials and other mining costs	917.3	867.8
Materials and other mining costs	978.6	905.0
Elimination of intergroup charges	(61.3)	(37.2)
Depreciation	528.5	445.3
Amortisation	70.8	58.7
Share-based payment expense	13.5	10.8
Social and labour plan expenditure	45.7	29.3
COVID-19-related expenses	23.4	–
State royalties	23.0	15.6
Gold streaming credits	77.4	–
Other	(1.9)	(3.9)
Total cost of sales	3 385.3	3 114.1

Gold streaming cost of sales relates to gold streaming arrangement with Triple Flag. Refer notes 13 and 14.

16. NET FINANCE COSTS

16.1 Finance income consists of the following:

	30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)
Interest received on environmental trust deposits	5.0	4.8
Interest received on cash and cash equivalents	40.1	19.1
Interest received on employee housing receivable	41.5	37.9
Dividend income on investments	0.6	0.2
Total finance income	87.2	62.0

16.2 Finance cost consist of the following

	30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)
Interest expense – RPM deferred consideration	(17.9)	(103.6)
Interest expense – PIC housing facility	(55.7)	(43.8)
Interest expense – convertible bond	(78.3)	(73.4)
Interest expense – long-term borrowings	(80.6)	(69.8)
Interest expense – short-term borrowings	(0.3)	(0.2)
Interest expense – lease liability	(1.5)	(2.0)
Interest expense – gold streaming	(94.7)	–
Unwinding of discount on decommissioning and restoration provision	(4.1)	(3.6)
Less: Capitalisation of interest expense – convertible bond	9.8	7.1
Less: Capitalisation of interest expense – interest-bearing borrowings	39.3	7.0
Less: Capitalisation of interest expense – PIC housing facility	–	19.0
Total finance cost	(284.0)	(263.3)
Net finance costs	(196.8)	(201.3)

17. INCOME TAX (EXPENSE)/CREDIT

for the six months ended	30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)
Income tax expense	**(10.9)**	(19.1)
Current year	**(10.9)**	(19.1)
Deferred tax (expense)/credit	**(396.8)**	69.7
Current year	**(396.8)**	69.7
Total income tax (expense)/credit	**(407.7)**	50.6
Tax rate reconciliation:		
Profit/(loss) before tax	**1 277.2**	(215.0)
Tax expense calculated at a tax rate of 28% (2019: 28%)	**(357.6)**	60.2
Non-taxable income – dividends	**0.2**	0.1
Non-taxable income – stream revenue	**10.3**	–
Non-deductible other – reversal of derivative gain	**(19.7)**	–
Non-deductible expenses – interest on gold streaming	**(26.5)**	–
Non-deductible expenses – legal fees	**(0.5)**	(1.0)
Other non-deductible expense	**–**	(0.2)
Tax losses not recognised	**(13.9)**	(8.5)
	(407.7)	50.6
Effective tax rate (%)	**31.9**	23.5

18. CASH GENERATED FROM OPERATIONS

Cash generated by operations is calculated as follows:		
Profit/(loss) before tax	**1 277.2**	(215.0)
Adjustment for:		
Depreciation of property, plant and equipment	**541.5**	458.3
Depreciation of right of use assets	**6.9**	7.2
Amortisation of mineral rights	**70.8**	58.7
Amortisation of employee housing benefit and fair value adjustment to loan	**(2.7)**	21.5
Amortisation of debt funding fees	**3.8**	9.1
Scrapping of non-financial assets	**4.0**	0.3
Unwinding of deferred revenue	**(59.3)**	–
Share-based payment expense	**14.9**	0.6
Change in estimate of restoration provision taken to the statement of comprehensive income	**1.2**	1.8
Fair value adjustment – derivative gain	**70.5**	–
Fair value adjustment – housing insurance investment	**(0.7)**	(2.4)
Fair value adjustment – environmental guarantee investments	**(2.7)**	(3.0)
Deferred rental income – RBRP	**(0.2)**	(0.3)
Equity-linked return on BRPM environmental trust deposits	**(0.1)**	(1.1)
Loss/(profit) on sale of property, plant and equipment and other assets	**0.9**	(0.1)
IFRS 16 modification	**(0.2)**	–
Finance cost	**284.0**	263.3
Finance income	**(87.2)**	(62.0)
	2 122.6	536.9
Changes in working capital	**(358.6)**	(302.9)
Increase in inventories	**(272.1)**	(41.4)
Increase in trade and other receivables	**(300.6)**	(260.4)
Increase/(decrease) in trade and other payables	**214.1**	(1.1)
Cash generated by operations	**1 764.0**	234.0

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

19. RELATED PARTY TRANSACTIONS

RBR balances at 30 June

The Group's largest shareholder is Royal Bafokeng Platinum Holdings Proprietary Limited (incorporated in South Africa), which owns 39.97% (2019: 40.21%) of RBPlat's shares. 60.03% is widely held and includes shares held by employees and RBPlat shares schemes.

for the six months ended	30 June 2020 reviewed R (million)	30 June 2019 reviewed R (million)
Fellow subsidiary of holding company (RBH) transactions		
Royal Marang Hotel for accommodation and conferences	**0.1**	0.1
RBH transactions		
Fees paid for non-executive directors	**0.2**	0.3

20. DIVIDENDS

No dividends have been declared or proposed in the current period (2019: nil).

21. BASIC AND HEADLINE EARNINGS/(LOSS)

for the six months ended	30 June 2020 reviewed	30 June 2019 reviewed
Basic profit/(loss) — Attributable to owners of the Company R (million)	**869.5**	(164.4)
Adjustments net of tax R (million)	**(6.9)**	–
Headline earnings/(loss) R (million)	**862.6**	(164.4)
Weighted average number of ordinary shares in issue for basic and headline earnings per share	**257 260 488**	232 246 550
Weighted average number of ordinary shares in issue for diluted earnings and diluted headline earnings per share	**287 765 976**	321 543 833
Basic earnings/(loss) per share (cents/share)	**338.0**	(70.8)
Diluted earnings/(loss) per share (cents/share)#	**319.3**	(70.8)
Headline earnings/(loss) per share (cents/share)	**335.3**	(70.8)
Diluted headline earnings/(loss) per share (cents/share)#	**316.9**	(70.8)

The effects of anti-dilutive potential ordinary shares are ignored in the calculation of diluted loss per share and diluted headline loss per share

22. FINANCIAL RISK MANAGEMENT

Fair value determination

The following table presents the financial assets and financial liabilities measured at fair value as well as the financial assets and financial liabilities measured at amortised cost but for which fair value disclosures are provided at 30 June:

	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2020			
At fair value			
Environmental trust deposits[1]	–	**10.5**	**–**
Environmental guarantee investment[1]	–	**87.3**	**–**
Housing insurance investment[2]	–	**–**	**44.6**
RPM concentrate debtors[4]	–	**2 936.1**	**–**
At amortised costs			
Employee housing loan receivable[3]	–	**–**	**715.8**
Impala royalty receivables	–	**39.2**	**–**
Other receivables (excluding VAT)	–	**106.0**	**–**
Environmental trust deposits	–	–	**155.5**
Financial liabilities at amortised cost			
Convertible bond liability[3]	–	–	**1 085.8**
PIC housing facility[3]	–	–	**1 527.1**
Interest-bearing borrowings[3]	–	–	**1 971.3**
Lease liabilities[3]	–	–	**27.0**
2019			
At fair value			
Environmental trust deposits[1]	–	10.4	–
Environmental guarantee investment[1]	–	84.9	–
Housing insurance investment[2]	–	–	43.9
RPM concentrate debtors[4]	–	2 840.4	–
Derivative financial assets[5]	–	70.5	–
At amortised costs			
Employee housing loan receivable[3]	–	–	681.8
Impala royalty receivables	–	51.9	–
Other receivables (excluding VAT)	–	63.4	–
Environmental trust deposits	–	–	150.4
Financial liabilities at amortised cost			
Convertible bond liability[3]	–	–	1 049.5
PIC housing facility[3]	–	–	1 483.1
Interest-bearing borrowings[3]	–	–	1 305.5
RPM deferred consideration[3]	–	–	1 833.4
Lease liabilities[3]	–	–	29.2

[1] *This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (SWIX 40) on the JSE*
[2] *The fair value was determined using market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments*
[3] *The fair value was determined using a discounted cash flow model*
[4] *The fair value was determined using the commodity prices and foreign exchange rates*
[5] *The fair value was determined using a valuation model based on observable exchange rates*

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

23. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee of the Company that makes strategic decisions.

The Group is currently operating two mines, namely BRPM and Styldrift. These operations are located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and 17 kilometres from Phokeng. BRPM and Styldrift (Styldrift I and II) are shown as separate segments. In addition, due to the different nature and significance of the employee home ownership scheme, it was decided to show housing as a separate segment. Currently Styldrift I and II are aggregated into a single reportable segment as it is one mining right. The Styldrift II pre-feasibility study has been completed. Once the feasibility study is completed it will move into development phase and may then be reported on as a separate segment. The holding company and its other subsidiaries, including RBR corporate function are aggregated and shown as corporate office segment.

Segmental statement of comprehensive income

	For the six months ended 30 June 2020							For the six months ended 30 June 2019						
	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Consolidation adjustments R (million)	Total R (million)	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Consolidation adjustments R (million)	Total R (million)
Revenue	**2 729.6**	**1 876.4**	**4 606.0**	**35.8**	**1 324.4**	**(1 360.2)**	**4 606.0**	1 959.7	1 203.3	3 163.0	79.3	57.8	(137.1)	3 163.0
Cost of sales	**(1 657.0)**	**(1 687.0)**	**(3 344.0)**	**(28.0)**	**(1 334.5)**	**1 321.2**	**(3 385.3)**	(1 603.4)	(1 468.8)	(3 072.2)	(79.3)	(74.1)	111.5	(3 114.1)
Cash cost of sales excluding depreciation and amortisation	**(1 532.2)**	**(1 525.9)**	**(3 058.1)**	**(28.0)**	**(1 261.1)**	**1 331.9**	**(3 015.3)**	(1 455.5)	(1 214.9)	(2 670.4)	(79.3)	(15.4)	119.3	(2 645.8)
Depreciation	**(164.2)**	**(351.0)**	**(515.2)**	**–**	**(2.8)**	**(10.7)**	**(528.7)**	(163.2)	(274.3)	(437.5)	–	–	(7.8)	(445.3)
Amortisation	**–**	**–**	**–**	**–**	**(70.6)**	**–**	**(70.6)**	–	–	–	–	(58.7)	–	(58.7)
Movement in inventories	**39.4**	**189.9**	**229.3**	**–**	**–**	**–**	**229.3**	15.3	20.4	35.7	–	–	–	35.7
Gross profit/(loss) per segment and total	**1 072.6**	**189.4**	**1 262.0**	**7.8**	**(10.1)**	**(39.0)**	**1 220.7**	356.3	(265.5)	90.8	–	(16.3)	(25.6)	48.9
Other income	**322.3**	**171.0**	**493.3**	**3.9**	**(67.4)**	**5.9**	**435.7**	91.0	13.3	104.3	5.0	4.3	(0.8)	112.8
Administrative expenses	**–**	**–**	**–**	**(16.5)**	**(169.4)**	**7.5**	**(178.4)**	(11.7)	–	(11.7)	(37.0)	(101.6)	(25.1)	(175.4)
Scrapping of non-financial assets	**–**	**–**	**–**	**(4.0)**	**–**	**–**	**(4.0)**	–	–	–	–	–	–	–
Net finance (cost)/income	**(44.1)**	**(44.8)**	**(88.9)**	**(11.9)**	**(105.9)**	**9.9**	**(196.8)**	5.6	2.5	8.1	15.5	(232.9)	8.0	(201.3)
Profit/(loss) before tax per segment and total	**1 350.8**	**315.6**	**1 666.4**	**(20.7)**	**(352.8)**	**(15.7)**	**1 277.2**	441.2	(249.7)	191.5	(16.5)	(346.5)	(43.5)	(215.0)
Taxation							**(407.7)**							50.6
Profit/(loss) after tax							**869.5**							(164.4)
Attributable to owners of the Company							**869.5**							(164.4)

23. SEGMENTAL REPORTING continued

Segmental statement of financial position

	As at 30 June 2020							As at 31 December 2019						
	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Consolidation adjustments R (million)	Total R (million)	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Consolidation adjustments R (million)	Total R (million)
Non-current assets	4 510.8	11 183.4	15 694.2	1 001.7	17 852.2	(12 188.3)	22 359.8	4 522.9	10 899.0	15 421.9	964.1	21 107.0	(15 332.3)	22 160.7
Allocation of mineral rights	649.9	4 782.2	5 432.1	–	(5 432.1)	–	–	669.3	4 833.4	5 502.7	–	(5 502.7)	–	–
Non-current assets after allocation of mineral rights	5 160.7	15 965.6	21 126.3	1 001.7	12 420.1	(12 188.3)	22 359.8	5 192.2	15 732.4	20 924.6	964.1	15 604.3	(15 332.3)	22 160.7
Current assets	2 685.0	1 599.2	4 284.2	755.8	2 003.0	86.9	7 129.9	2 410.9	1 350.8	3 761.7	751.0	210.7	66.6	4 790.0
Total assets per statement of financial position	7 845.7	17 564.8	25 410.5	1 757.5	14 423.1	(12 101.4)	29 489.7	7 603.1	17 083.2	24 686.3	1 715.1	15 815.0	(15 265.7)	26 950.7
Non-current liabilities	1 059.3	973.3	2 032.6	1 579.6	7 197.2	(29.5)	10 779.9	103.2	25.3	128.5	1 533.6	7 391.6	(29.2)	9 024.5
Current liabilities	4 689.7	767.2	5 456.9	80.4	1 079.3	(4 977.8)	1 638.8	7 642.5	590.1	8 232.6	81.6	1 552.7	(8 127.3)	1 739.6
Total liabilities per statement of financial position	5 749.0	1 740.5	7 489.5	1 660.0	8 276.5	(5 007.3)	12 418.7	7 745.7	615.4	8 361.1	1 615.2	8 944.3	(8 156.5)	10 764.1

Segmental statement of cash flows

	For the six months ended 30 June 2020						For the six months ended 30 June 2019					
	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Total R (million)	BRPM mining segment R (million)	Styldrift mining segment R (million)	RBR operations segment R (million)	RBPlat housing R (million)	RBPlat corporate R (million)	Total R (million)
Net cash flow generated/(utilised) by operating activities	2 666.9	1 685.7	4 352.6	11.9	(503.2)	3 861.3	374.8	(103.2)	271.6	(10.4)	(100.8)	160.4
Net cash flow generated/(utilised) by investing activities	(239.7)	(545.7)	(785.4)	2.2	8.2	(775.0)	(89.3)	(535.9)	(625.2)	(25.9)	(20.2)	(671.3)
Net cash flow generated/(utilised) by financing activities	(2 084.9)	(1 140.0)	(3 224.9)	–	1 997.5	(1 227.4)	(519.0)	639.1	120.1	75.0	107.4	302.5
Net increase/(decrease) in cash and cash equivalents	342.3	–	342.3	14.1	1 502.5	1 858.9	(233.5)	–	(233.5)	38.7	(13.6)	(208.4)
Cash and cash equivalents at beginning of period	594.8	–	594.8	129.4	90.0	814.2	639.0	–	639.0	67.6	176.9	883.5
Cash and cash equivalents at end of period	937.1	–	937.1	143.5	1 592.5	2 673.1	405.5	–	405.5	106.3	163.3	675.1

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2020

24. SUBSEQUENT EVENTS

No material events occurred from the reporting date to the date of signature of these condensed consolidated interim financial statements.

25. GOING CONCERN

The going concern basis of accounting has been adopted in preparing the financial statements.

Management has assessed the going concern assumption taking into account the impact of the coronavirus (COVID-19), which took into account cash flow analysis, operational analysis and available funding facilities. The cash flow analysis considered all factors impacting the ability of the Group to generate or preserve cash. Such factors included limitations of COVID-19 on production and the resulting sales, fixed costs (those costs that do not change with the volume of production), capital expenditure plans that would require funding as well as available facilities. The result of the analysis was that the Group will have sufficient cash resources to sustain operations. An analysis of the potential impact of COVID-19 on funding covenants was also considered and management is of the view that funding covenants will not breached. Therefore, the directors have no reason to believe that the Group will not be a going concern in the foreseeable future.

This assessment is, however, inherently uncertain as it is based on assumptions, significant judgements and expectation of future events. Contingency plans are being formulated to deal with the potential eventualities and developments.

Corporate information

SHAREHOLDERS' DIARY

Financial year-end:

31 December of each year

Interim period-end:

30 June of each year

ADMINISTRATION

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
JSE Share code: RBP
ISIN: ZAE000149936
JSE Bond code: RBPCB
ISIN: ZAE000243853

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