

ROYAL BAFOKENG PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/015696/06)
JSE share code: RBP ISIN: ZAE000149936
("RBPlat" or "the Company" or "the Group")

ROYAL BAFOKENG PLATINUM LIMITED QUARTERLY REVIEW AND PRODUCTION REPORT FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2022 ("REPORTING PERIOD")

OVERVIEW

- Zero fatalities with improvements in all key safety metrics
- 11.4% increase in tonnes hoisted
- 8.7% increase in tonnes milled
- 7.5% increase in 4E metals in concentrate
- 171kt ore stockpile
- 13.2% increase in cash operating cost per 4E ounce

HEALTH AND SAFETY

The safety and wellbeing of our workforce forms the basis of creating a resilient operating culture and key to achieving our goal of zero harm. The essential key step to this is the elimination of fatal accidents and all our efforts are focused towards this goal.

As such we continue to focus on fostering a collaborative culture not only with our employees, but external stakeholders and the community at large to ensure we achieve improvement in all our key safety, health and environmental objectives.

No fatal accidents were recorded during the reporting period, with quarter-on-quarter improvements of 17.1%, 60.2% and 52.8% in our total injury (TIFR), lost time injury (LTIFR) and serious injury (SIFR) frequency rates respectively.

Notwithstanding the current low national Covid-19 infection and transmission rate environment, protecting the health of our employees, their families and community continues to be a priority for the business. To date more than 90% of the workforce has been fully vaccinated and our vaccine booster programme was initiated during the quarter.

Safety-related production losses stemming from Section 54 instructions issued to our operations during the quarter under review are estimated at 33kt or 3.7koz (4E).

PRODUCTION

A strong operational performance from BRPM and improved Styldrift performance yielded a 11.4% increase in hoisted tonnes for the reporting period compared to 2021. BRPM tonnes hoisted increased by 15.5% to 611kt and Styldrift by 6.8% to 500kt.

Total tonnes milled for the reporting period increased by 8.7% year-on-year to 1 119kt with UG2 contribution increasing by 33.1% to 346kt (2021: 260kt) and Merensky contribution increasing marginally to 773kt (2021: 769kt). UG2 accounted for 31% of tonnes milled.

The built-up head grade decreased by 1.0% year-on-year to 3.79g/t (4E), with the BRPM head grade increasing by 2.1% to 3.85g/t (4E) and the Styldrift head grade reducing by 4.6% to 3.72g/t (4E). The reduction in head grade is attributable to increased dilution currently being experienced in the Styldrift Merensky reef mining sections.

Milled volumes, built-up head grade and associated recoveries resulted in 6E and 4E metals in concentrate increasing by 7.7% and 7.5% respectively to 124.4koz and 110.6koz compared to the 2021 reporting period.

Closing surface stocks for the reporting period are estimated at 171kt, equating to a 13kt reduction in stocks from December 2021.

BRPM

Reef tonnes hoisted for the quarter amounted to 611kt (2021: 529kt), with Merensky contributing 294kt and UG2 317kt. Tonnes milled for the reporting period increased by 14.2% to 628kt, with Merensky tonnes milled equating to 282kt and UG2 tonnes milled 346kt UG2 (55% of tonnes milled).

The built-up head grade for the quarter was 3.85g/t (4E) compared to 3.77g/t (4E) achieved in the comparative period in 2021, equating to a 2.1% increase. The respective Merensky and UG2 4E built-up head grades for the reporting period were 3.91g/t and 3.79g/t.

Closing surface stocks are currently estimated at 54kt, amounting to a 26kt depletion of surface stocks from December 2021.

STYLDRIFT

Reef tonnes hoisted for the reporting period increased by 6.8% to 500kt, with tonnes milled increasing by 2.5% to 491kt.

The built-up head grade decreased by 4.6% to 3.72g/t (4E) compared to 2021. The decrease in head grade is directly attributable to higher on-reef dilution currently being experienced in the on-reef trackless development and stoping sections as they negotiate known localised geological structures and facies changes. The built-up head grade is expected to improve to around 3.90g/t as sections re-establish through these areas during the second quarter.

Securing ongoing improvements in operating efficiency and optimal utilisation of installed infrastructure through the business improvement programme initiated during 2021 remains the key operational focus to ensure steady state production levels are achieved in 2022.

An additional 13kt of surface stocks were accrued during the quarter with closing surface stocks estimated at 117kt.

CONCENTRATING

Total tonnes milled for the reporting period increased by 90kt or 8.7% to 1 119kt compared to the corresponding 2021 period. The BRPM concentrator treated 603kt, the Maseve concentrator treated 406kt, and 110kt UG2 ore was toll treated.

Overall concentrator recovery reduced by 0.2% to 80.93% in line with the reduction in built-up head grade, variations in ore mix, increased contributions from lower recovery potential Maseve MF1 and toll treatment circuits. The completion of the MF2 upgrade to the Maseve concentrator, during the second quarter, will bring about an increase in recoveries.

The increase in milled volumes, lower built-up head grade and reduction in recoveries achieved during the quarter, yielded 6E and 4E metals in concentrate increases of 7.7% and 7.5% to 124.4koz and 110.6koz, respectively.

BRPM 6E and 4E metals in concentrate production increased by 16.6% and 16.3% to 71.1koz and 62.7koz respectively. Styldrift 6E and 4E metals in concentrate both decreased by 2.2% to 53.3koz and 47.9koz, respectively.

CASH OPERATING COSTS

Total cash operating costs increased by 21.7% to R2 022 million for the reporting period compared to 2021. The increase in expenditure is attributable to increased production and industry-related inflation. Overall unit cash cost per tonne milled and 4E ounce increased by 12.0% and 13.2% to R1 807 (2021: R1 614) and R18 282 (2021: R16 151) respectively.

BRPM cash operating costs increased by 22.7% to R1 012 million (2021: R825 million) in line with the increase in volumes and inflation related increases for labour, utilities and stores. Unit cash cost per tonne milled and 4E ounce increased by 7.5% and 5.4% to R1 611 (2021: R1 499) and R16 140 (2021: R15 318) respectively.

Styldrift cash operating costs increased by 20.7% to R1 010 million (2021: R837 million), in line with volumes and on-mine inflation related increases for labour, utilities and stores. The increase in surface stocks, continued high trackless fleet maintenance costs and lower grade has resulted in unit operating cost increases per tonne milled and 4E ounce of 17.8% and 23.6% to R2 057 (2021: R1 746) and R21 086 (2021: R17 066) respectively.

CAPITAL

Total capital expenditure for the quarter increased by 4.2% to R335.1 million compared to the comparative 2021 period. Expansion capital expenditure reduced by 43.4% to R66.0 million in line with project progress at the Maseve concentrator MF2 upgrade, the BRPM tailings storage facility expansion and Styldrift. Replacement capital expenditure for the quarter reduced by 2.6% to R137.3 million compared to 2021.

SIB capital expenditure increased by R67.7 million to R131.8 million in line with planned BRPM UG2 ore reserve development as well as Styldrift's trackless rebuild and strike conveyor extension requirements. SIB expenditure for the reporting period equated to 6.5% of cash operating costs.

FINANCIAL POSITION

As at 31 March 2022, the Company was in a net cash position of R6 508 million, compared to a net cash position of R4 898 million as at 31 December 2021. This was before the payment of the 2021 final dividend of approximately R1 500 million. At the end of the reporting period and in addition to the R6 508 million cash on hand, RBPlat had approximately R3 000 million of debt facilities available.

Description	Unit	Unaudited quarter ended 31 March 2022	Unaudited quarter ended 31 March 2021	Quarter 1 2022 vs. Quarter 1 2021 % Change
Safety				
TIFR (/1 000 000 hrs)	rate	7.02	8.47	17.1
SIFR (/1 000 000 hrs)	rate	0.17	0.36	52.8
LTIFR (/1 000 000 hrs)	rate	0.86	2.16	60.2
Production				
Total tonnes hoisted	kt	1 112	998	11.4
BRPM	kt	611	529	15.5
Styl drift	kt	500	468	6.8
Total tonnes delivered	kt	1 131	1 023	10.6
BRPM	kt	635	541	17.4
Styl drift	kt	496	482	2.9
Total tonnes milled	kt	1 119	1 029	8.7
BRPM	kt	628	550	14.2
Styl drift	kt	491	479	2.5
Merensky	kt	773	769	0.5
UG2	kt	346	260	33.1
% UG2 of total tonnes milled	%	31	25	24.0
BRPM concentrator	kt	603	593	1.7
Maseve concentrator	kt	406	338	20.1
Toll	kt	110	98	12.2
Closing surface stocks	kt	171	126	35.7
BRPM	kt	54	71	(23.9)
Styl drift	kt	117	55	112.7
4E built-up head grade	g/t	3.79	3.83	(1.0)
BRPM	g/t	3.85	3.77	2.1
Styl drift	g/t	3.72	3.90	(4.6)
Merensky	g/t	3.79	3.87	(2.1)
UG2	g/t	3.79	3.71	2.2
Concentrator recovery (4E)	%	80.93	81.11	(0.2)
BRPM concentrator	%	81.07	82.90	(2.2)
Maseve concentrator	%	80.81	78.75	2.6
Toll	%	78.96	80.66	(2.1)
Metals in concentrate produced				
Total				
6E ounces	koz	124.4	115.5	7.7
4E ounces	koz	110.6	102.9	7.5
Platinum	koz	71.2	66.3	7.4
Palladium	koz	29.5	27.5	7.3
Rhodium	koz	7.0	6.3	11.1
Gold	koz	2.9	2.8	3.6
Iridium	koz	2.3	2.1	9.5
Ruthenium	koz	11.5	10.5	9.5
Nickel	kt	0.606	0.613	(1.1)
Copper	kt	0.378	0.430	(12.1)

Description	Unit	Unaudited quarter ended 31 March 2022	Unaudited quarter ended 31 March 2021	Quarter 1 2022 vs. Quarter 1 2021 % Change
BRPM				
6E ounces	koz	71.1	61.0	16.6
4E ounces	koz	62.7	53.9	16.3
Platinum	koz	39.9	34.2	16.7
Palladium	koz	16.7	14.5	15.2
Rhodium	koz	4.9	4.1	19.5
Gold	koz	1.2	1.1	9.1
Iridium	koz	1.4	1.2	16.7
Ruthenium	koz	7.0	5.9	18.6
Nickel	kt	0.220	0.226	(2.7)
Copper	kt	0.143	0.191	(25.1)
Styl drift				
6E ounces	koz	53.3	54.5	(2.2)
4E ounces	koz	47.9	49.0	(2.2)
Platinum	koz	31.3	32.1	(2.5)
Palladium	koz	12.8	13.0	(1.5)
Rhodium	koz	2.1	2.2	(4.5)
Gold	koz	1.7	1.7	0.0
Iridium	koz	0.9	0.9	0.0
Ruthenium	koz	4.5	4.6	(2.2)
Nickel	kt	0.386	0.387	(0.3)
Copper	kt	0.235	0.239	(1.7)
Cash operating costs*				
Total cash operating costs	R'm	2 022	1 662	(21.7)
BRPM	R'm	1 012	825	(22.7)
Styl drift	R'm	1 010	837	(20.7)
Total cash operating cost / tonne milled	R/t	1 807	1 614	(12.0)
BRPM	R/t	1 611	1 499	(7.5)
Styl drift	R/t	2 057	1 746	(17.8)
Total cash operating cost / 6E ounce	R/oz	16 254	14 390	(13.0)
BRPM	R/oz	14 233	13 525	(5.2)
Styl drift	R/oz	18 949	15 358	(23.4)
Total cash operating cost / 4E ounce	R/oz	18 282	16 151	(13.2)
BRPM	R/oz	16 140	15 318	(5.4)
Styl drift	R/oz	21 086	17 066	(23.6)
Total cash operating cost / Pt ounce	R/oz	28 399	25 059	(13.3)
BRPM	R/oz	25 363	24 121	(5.1)
Styl drift	R/oz	32 268	26 058	(23.8)
Capital expenditure				
Total capital	R'm	335.1	321.7	(4.2)
Expansion	R'm	66.0	116.7	43.4
Replacement	R'm	137.3	140.9	2.6
Stay-in-business (SIB)	R'm	131.8	64.1	(105.6)
BRPM	R'm	34.6	14.9	(132.2)
Styl drift	R'm	92.5	45.7	(102.4)
Maseve	R'm	0.1	-	(100.0)
Concentrators	R'm	4.6	3.5	(31.4)
BRPM SIB as a % of operating cost	%	3.4	1.8	(88.9)
Styl drift SIB as a % of operating cost	%	9.2	5.5	(67.3)

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

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

Johannesburg

25 April 2022

JSE Sponsor:
Merrill Lynch South Africa Proprietary Limited t/a BoFA Securities

For further information, please contact:
Thandeka Mthembu
Manager: Investor Relations
Tel: +27 (0) 10 590 4510
Email: thandekam@bafokengplatinum.co.za