

MORE THAN > MINING


INTEGRATED
ANNUAL REPORT
2013





MORE
WANT
MINING





towards operational
excellence

build flexibility

grow organically

pursue value enhancing
opportunities

About our 2013 integrated annual report

This integrated annual report provides an overview of the material economic, environmental and social impacts of Royal Bafokeng Platinum (RBPlat) and the Bafokeng Rasimone Platinum Mine (BRPM) joint venture, which consists of BRPM and the Styldrift I and II projects.

RBPlat's mining operations and projects are located directly south of the Pilanesberg Igneous Complex, in the Western Limb of the Bushveld Igneous Complex in the North West Province of South Africa.

There have been no significant changes regarding the size, structure or ownership of RBPlat.

This is the fourth year RBPlat, which listed on the JSE in 2010, has published an integrated annual report. We have used the International Integrated Reporting Framework to assist us in showing the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social and financial issues.

Our approach to reporting is also aligned with our vision *To seek and deliver the good from mining* and our mission *To leave a lasting legacy of sustainable benefits for our stakeholders*.

We believe that reporting in an integrated manner can help our stakeholders make better informed decisions around investments and resource allocation.

In addition to adopting an integrated approach to our reporting, we have applied King III, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the JSE Limited Listings Requirements and have been guided by the Global Reporting Initiative's (GRI) G3 guidelines and its mining and metals sector supplement, in terms of measuring our progress towards sustainability. This report meets application level B+ of the GRI G3 guidelines. It also forms part of our Communication on Progress to the United Nations Global Compact. A summary of our compliance with the GRI and application of King III is published on our website.

Our annual financial statements, which are compliant with International Financial Reporting Standards (IFRS), start on page 156.

These were audited by PricewaterhouseCoopers Inc. (PwC) whose unqualified audit report appears on page 155. To ensure that we provide our stakeholders with reliable information on our sustainability performance, we also engaged the services of Gilden Assurance to supply independent third party assurance over selected sustainability information included in this report on page 139.

Establishing materiality

RBPlat defines material issues as those which have the potential to substantially impact on our ability to create and sustain value for our stakeholders. The process we adopted to determine the issues material to our business and our stakeholders is aligned with our organisational decision-making processes and our strategies. By applying the principle of materiality we determined which issues could influence the decisions, actions and performance of our organisation and its stakeholders. We refer you to the operating context and material issues on pages 8 and 20 of this report in which we describe the circumstances in which we operate, the key resources and relationships on which we depend, the key risks and opportunities we face and how material issues can affect our ability to create and sustain value over time.

Data measurement

We measure data at source (e.g. flow meters are used to measure water consumption, pump meters to measure diesel fuel, etc). Indicator-specific descriptions of data measurement occur throughout the report. Safety, health and environmental data is checked internally and signed off by the Safety Manager, the occupational medical practitioner (medical doctor) and the Safety, Health, Environment and Risk (SHER) Manager. Gilden Assurance undertook assurance on selected indicators related to RBPlat's material issues. Where we believe that a GRI G3 indicator is not applicable we have stated this in the GRI G3 Content Index available on our website. Where possible, we have defined data measurement by means of units of measure. No restatements were made during 2013.

Navigation icon

To ensure access to any additional information you may require, we have used the icon below to refer you to the relevant page.



Visit www.bafokengplatinum.co.za/a/s/sustainability_performance.pnp for the GRI G3 Content Index and www.bafokengplatinum.co.za/a/f/king-III-assessment-2014-pdf for RBPlat's King III application assessment.

Board approval

The RBPlat Board acknowledges its responsibility for ensuring the integrity of the integrated annual report and to the best of its knowledge and belief the RBPlat integrated annual report for 2013 addresses all material issues and presents fairly the integrated performance of the organisation and its impacts. The report has been prepared in line with best practice and the Board confirms that it has approved this integrated annual report and authorised it for release on 4 March 2014. See page 118 for an explanation of the approval process.

Give us your feedback

We would welcome your feedback on our reporting for 2013 and any suggestions you have in terms of what you would like to see incorporated in our report for 2014. To do so please contact Lindiwe Montshiwagae at lindiwe@bafokengplatinum.co.za.

I am privileged to have led the Board of RBPlat through its first four years of operation, to have overseen the initial development of its strategies and the unfolding of these strategies to create a sustainable business.



P34 LEADERSHIP REVIEW



P51 MANUFACTURED CAPITAL



P41 FINANCIAL CAPITAL



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AN OVERVIEW OF OUR BUSINESS

OUR VISION AND MISSION

- > To seek and deliver the good from mining
- > To leave a lasting legacy of sustainable benefits for our stakeholders

OUR PURPOSE

- > To create economic value for all our stakeholders



OUR BUSINESS MODEL

INPUTS

ACTIVITIES

OUTPUTS

OUTCOMES

FINANCIAL CAPITAL



- > Reinvested cash flow generated by our operations
- > Efficient systems, controls and processes
- > Equity funding
- > Debt funding

- > Appropriate and responsible allocation of financial capital to the various activities in the business
- > Metal sales
- > Financial accounting
- > Management accounting
- > Organic growth through project development
- > Social licence to operate

- > Cash flow generated by our operations
- > Cash flow generated by royalty agreements

- > Strong balance sheet
- > Able to fund our business and grow organically in a sustainable manner
- > Shareholder returns

NATURAL CAPITAL



- > Natural resources (minerals, water, land, air, biodiversity)

- > Securing mineral rights
- > Exploration
- > Identifying and mitigating the impact of our mining activities on the natural environment and ensuring they are not long term through effective environmental management
- > Environmental impact assessments
- > Emissions measured and monitored
- > Accurate assessment of resources and reserves

- > Properly disposed of all effluent and waste
- > Carbon footprint reduced
- > Rehabilitate and restore any disturbed land
- > Geological resource model and reserves
- > Resources and reserve statements

- > Increased sustainability through the availability of additional resources and reserves
- > The impact of our mining activities is mitigated

OUR VALUE CHAIN

- > Exploration
- > Project development
- > Mining
- > Concentrate production
- > People development
- > Suppliers
- > Refiners of our PGM concentrate and marketers of the end product
- > Purchasers of PGMs in the form of ETFs, the automotive, jewellery, electronic, chemical, dental and medical industries

MANUFACTURED CAPITAL



- > Mineral reserves and resources
- > Mining infrastructure above and below ground
 - Shafts
 - Concentrator plant
 - Tailings and storm water dams
- > Mining equipment and consumables
- > Utilities
- > Mining rights

- > Generation of reserves
- > Mining Merensky and UG2 ore
- > Grow our business organically through our investment in Styldrift I and II
- > Process the ore in our concentrator plant
- > Engineering
- > Safety, health, environment and risk (SHER) management
- > Mineral resource management

- > Merensky and UG2 ore
- > Greenhouse gas emissions
- > Waste material
- > Mine water
- > 4E PGM concentrate
- > Refined 4E PGMs from concentrate supplied to refiners

- > Saleable product that generates our revenue
- > Fully operating mines
- > Beneficiation of PGMs
- > Increased production through organic growth
- > Depletion of resources
- > Rehabilitation

HUMAN CAPITAL



- > Appropriate skills
- > Ethics and human rights
- > Workforce
- > Organisational structure

- > Training and development
- > Talent management
- > Performance management
- > Ongoing engagement with employees and organised labour
- > Develop labour structures

- > Skilled leaders and employees
- > Productivity

- > A workforce with the skills to maintain a profitable and sustainable business
- > Committed workforce
- > Reduced levels of industrial unrest
- > Safe working environment

SOCIAL AND RELATIONSHIP CAPITAL



- > Community relations – doorstep and extended communities
- > Employee relations
- > Organised labour
- > Ethics and human rights

- > Investing in communities
- > Meetings with communities and other relevant stakeholders
- > Signatory to the UNGC and developed a Code of Ethics. Both guide our approach to ethics and human rights
- > Social impact assessments

- > Socio-economic development
- > Infrastructure development
- > Community skills development
- > Enterprise development
- > Increased understanding between communities and RBPlat
- > Better working relations
- > Ethical behaviour and adherence to United Nations Global Compact (UNGC) human rights principles

- > More sustainable communities
- > Sustainable small businesses
- > Better community relations
- > An ethical business that respects the rights of its employees and the communities in which it operates



INTELLECTUAL CAPITAL

- > Risk management
 - > Reputation and brand
 - > Governance structures
 - > Geological model
 - > Cost management systems
 - > Research and development
 - > Project management systems
- > Industry benchmarking and research
 - > Enterprise risk management
 - > Governance
 - > Manage costs
 - > Research and develop new solutions
 - > Continuous reassessment of effectiveness of systems and processes
- > Risks and opportunities identified, mitigated and exploited
 - > Business well governed
 - > Accurate information and cost efficiencies
- > A well managed ethical business with access to accurate information
 - > Effective systems and processes
 - > Innovative ways of working
 - > Improved productivity and effectiveness
 - > Improved understanding of PGM industry

OUR STRATEGY

The four pillars of our strategy are designed to deliver earnings and growth for all of our stakeholders through responsible safe mining. We measure our progress against these strategies by continually monitoring our performance against our key financial and non-financial performance indicators.

Our strategies are underpinned by our aspiration of achieving *More than mining*.



Our Chief Executive Officer discusses our performance against these strategies on page 36 to 39.



OUR PEOPLE

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 interests and mutual rewards

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

RBPlat employs around 8 000 people (permanent employees and contractors).

Our investment in the safety, health, wellness, training and development of our employees, and our commitment to transparent engagement with them, contributes to us achieving our strategies through a productive, well-trained and engaged workforce.

BOARD OF DIRECTORS

Our Board of directors has a wide range of skills, knowledge and experience and is committed to effective corporate governance.

NON-EXECUTIVE DIRECTORS

By appointing strong, independent non-executive directors we benefit from their wide range of expertise and perspectives and the different thinking they bring to our Board's deliberations.

EXECUTIVE DIRECTORS



Steve Phiri
Chief Executive Officer



Martin Prinsloo
Chief Financial Officer



Nico Muller
Chief Operating Officer

SENIOR MANAGEMENT

The members of our senior management team have extensive knowledge of and experience in the platinum mining industry. The profiles of our directors and Executive Committee can be found on page 30 to 33.

OUR MINING BUSINESS IMPACTS



Environment



Natural resources



Our people



Community

OUR BUSINESS

RBPlat is a black-owned and controlled mid-tier PGMs producer, which originates from a joint venture between Anglo American Platinum and Royal Bafokeng Holdings (RBH), known as the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture, which produced its first platinum concentrate in December 1999. We sell the concentrate we produce to Anglo American Platinum for beneficiation in its refineries.

Following a restructuring of the joint venture in December 2009, RBPlat obtained a 67% majority interest in the joint venture and took over operational control from 4 January 2010. RBPlat translated this interest into a public vehicle through our listing on the JSE Limited (JSE: RBP) on 8 November 2010. (You will find a detailed organogram of RBPlat's ownership structure at www.bafokengplatinum.co.za/a/structure.php)

The joint venture was formed to exploit PGMs in the Merensky and UG2 reefs on the Boschkoppie, Styl drift and Frischgewaagd farms in the Rustenburg area, which have been identified as hosting the last undeveloped Merensky reef on the

Western Limb of the Bushveld Complex. RBPlat's assets, situated on the northerly extent of the Western Limb, 120km from Johannesburg, 30km from Rustenburg and just 17km from Phokeng, in the North West province of South Africa, are the only significant shallow high grade Merensky resources and reserves still available for mining in South Africa.

Our existing operations

At BRPM the ore reserve is accessed via two twin decline shaft complexes, North and South shafts, at a depth of less than 500 metres. Our Phase II replacement project, which started in 2005 and was completed in 2012, extended BRPM's North and South shaft complexes from 5 level to 10 level. Our Phase III replacement project, which is currently 57% complete and is due to be completed by the third quarter of 2017, will deepen the North shaft infrastructure to the mine boundary, establish hybrid mining sections from 11 level to 15 level and provide access to 1.4 million PGM 4E ounces.

Our existing concentrator plant has a capacity of 2.4 million tonnes per annum (Mtpa) and produces approximately 180 000 platinum ounces in concentrate and 280 000 4E PGM ounces in concentrate per annum.

Organic growth

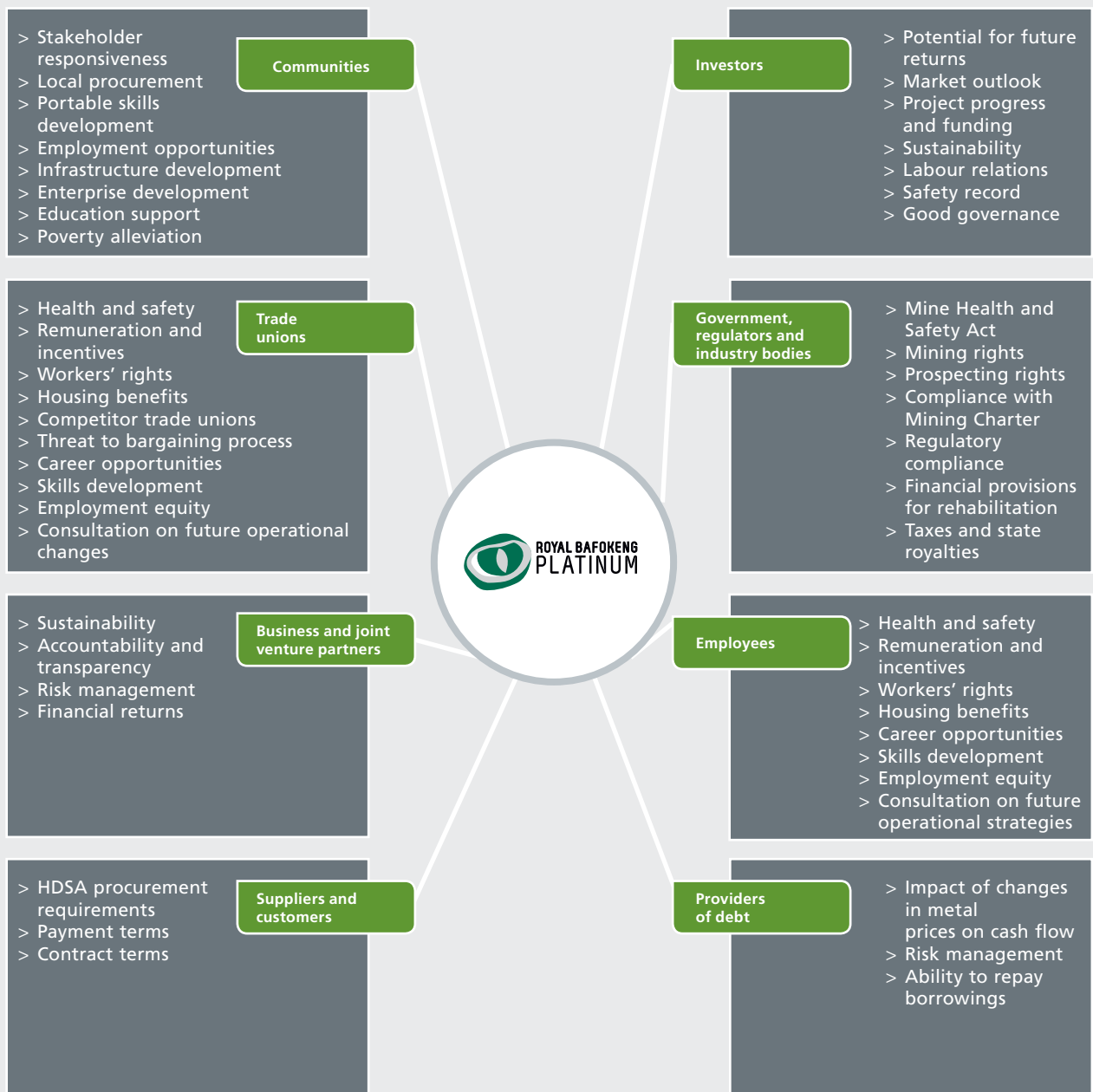
We are developing a new underground mine, Styl drift I, which is expected to reach steady state, employing mechanised mining, by 2018.



For information on our operations, the expansion of our concentrator plant and our R11 billion Styl drift I project, see page 56 to 63.

OUR STAKEHOLDERS AND RELATED MATERIAL ISSUES

Our stakeholders include our investors, potential investors, the communities in which we operate from whom we earn our licence to operate, our employees, trade unions, government, our business partners, suppliers, customers and providers of debt. Our majority shareholder is Royal Bafokeng Holdings (RBH).



OPERATING CONTEXT

THE GLOBAL PGM ENVIRONMENT



KEY INFLUENCES ON OUR GLOBAL ENVIRONMENT:

- > PGM PRICES
- > RAND/US\$ EXCHANGE RATE
- > GLOBAL EMISSIONS LEGISLATION
- > WORLD ECONOMIC GROWTH
- > SUPPLY AND DEMAND
- > RECYCLING

PGMs PLAY A SIGNIFICANT ROLE IN REDUCING AIR POLLUTION

PLATINUM

The automotive industry remains the major driver of platinum demand followed by the demand for jewellery in China

China is the world's
BIGGEST CONSUMER OF PLATINUM
(33% of new metal purchases in 2013)

Source: SFA (Oxford)

2013

In 2013, gross demand for platinum was up **1.7% to 7.67 million ounces (Moz)**, with the deficit in the platinum market increasing to **830 kilo ounces (koz)**.

The year saw strong offtake by exchange traded funds (ETF) investors, with ABSA bank's Newplat ETF peaking at **910koz** since its launch in April 2013 to make it the largest global platinum ETF. Net jewellery demand was up slightly by **20koz**. Supply fell by **4.5% to 5.59Moz**.

2014

The outlook for **2014 points to industrial demand remaining strong** and the new Euro 6 diesel emission standards in Europe should boost demand due to higher metal loadings per vehicle.

The outlook for jewellery demand is also robust, with potential for growth in platinum jewellery in both China and India. Sales of platinum ETFs are not expected to reach 2013's record level. **Prices are expected to remain flat in 2014** but are expected to rise from 2015. Primary platinum supply is unlikely to grow significantly in 2014.

Platinum group metals (PGMs) are critical to improving air quality. They have a unique set of properties that convert exhaust pollutant emissions from combustion engines to harmless compounds and accordingly have been the main metals used in catalytic converters to date. More vehicles globally must have cleaner emissions, so there will be a growing need for PGMs in future. Several other metals are good oxidation catalysts in other environments but do not have the thermal durability and resistance to poisoning necessary to survive in the harsh autocatalytic conditions.

Platinum has the widest range of end uses, with autocatalysts comprising 43% of consumption and jewellery 37% in 2013. Chinese jewellery now makes up 26% of total platinum demand and India, the world's largest gold jewellery market, is fast warming to platinum. Platinum is the metal of choice in a wide range of smaller industrial markets too.

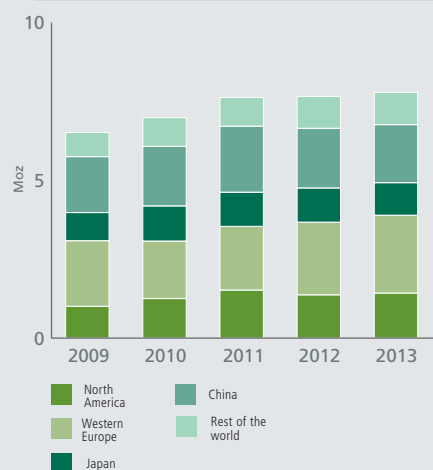
Palladium demand is increasingly dominated by its use in autocatalysts, where it forms the bulk of all light-duty gasoline autocatalysts and also plays an increasing role in diesel autocatalysts, while rhodium is almost entirely used in autocatalysts.

GROSS DEMAND FOR PLATINUM BY INDUSTRY



Source: SFA (Oxford)

GROSS GLOBAL PLATINUM DEMAND BY REGION



Source: SFA (Oxford)

PLATINUM SUPPLY BY REGION



Source: SFA (Oxford)

PLATINUM JEWELLERY GROSS DEMAND



Source: SFA (Oxford)

The opportunities for growth in China's platinum jewellery market are considerable. Chow Tai Fook, the world's largest jewellery retailer, is continuing its aggressive expansion plans with 360 new stores in the pipeline for 2014.

OPERATING CONTEXT (continued)

THE GLOBAL PGM ENVIRONMENT

PALLADIUM

Demand growth for palladium is based on strong new car sales growth led by China



2013

Total palladium demand grew by **0.6% to 9.46Moz** in 2013. The gap between palladium supply and demand increased during 2013 with primary supplies declining to **6.27Moz** due to lower Russian stock sales.

Recycling grew by **8.1% to 2.11Moz**. A return to boom conditions in the Chinese car market lifted global palladium usage in autocatalysts by **4.9% to 6.95Moz**.

2014

Higher demand for palladium from the automotive industry is expected to continue in 2014, while the reduction in primary supply in the absence of Russian stock sales will be partially offset by additional recycling.

Palladium demand is increasingly dominated by autocatalysts, as the largely gasoline markets in the faster growing countries catch up rapidly with emissions legislation.

RHODIUM

Autocatalyst demand returns to growth

Global gross demand for **RHODIUM ROSE BY 4.5%** to 960koz, the highest since 2008

Source: SFA (Oxford)

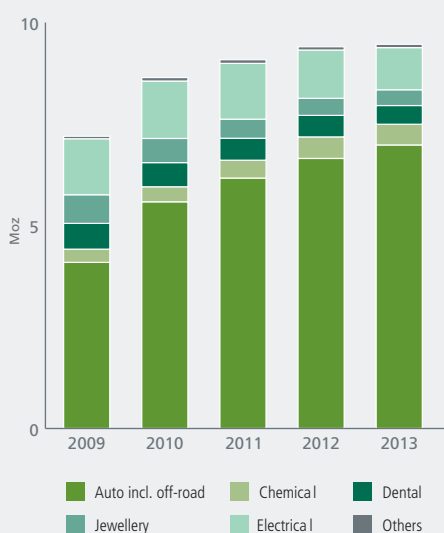
2013

In 2013, global demand for rhodium rose by **4.5% to 960koz**. While supply decreased by **9.1% to 680koz** as UG2 production was trimmed further, the market remains closely balanced and is currently well stocked. The reduction in the basket price, combined with rising unit costs, has resulted in an unsustainable erosion of margins for a number of smaller-scale, narrow-reef UG2 producers.

2014

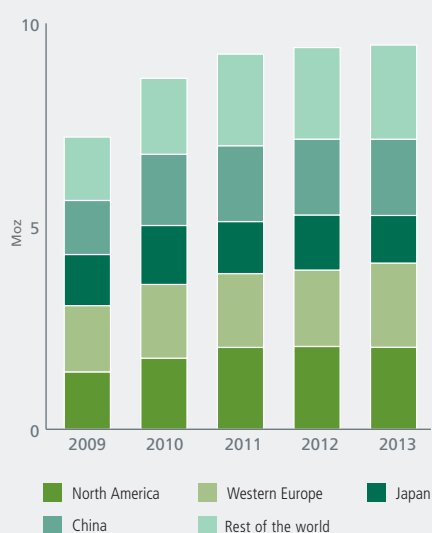
The introduction of **Euro 6 legislation for new models from September 2014** will result in the measurable use of rhodium in diesel catalysts for the first time. Historically, the use of rhodium in light duty diesel vehicles has been almost non-existent because it is mainly used in light duty gasoline vehicles. Supplies of rhodium are expected to show a modest increase during 2014 with the increased recoveries from scrapped autocatalysts being a major contributor to this increase.

GROSS DEMAND FOR PALLADIUM BY INDUSTRY



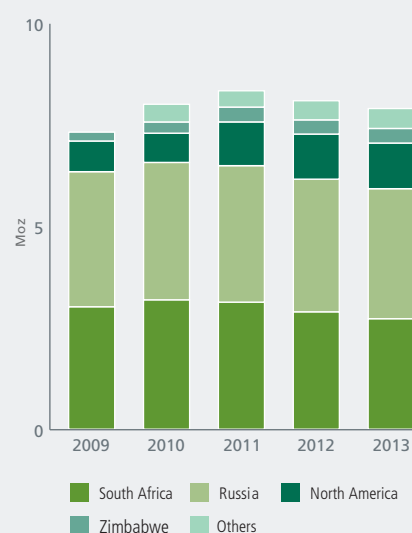
Source: SFA (Oxford)

GROSS DEMAND FOR PALLADIUM BY REGION



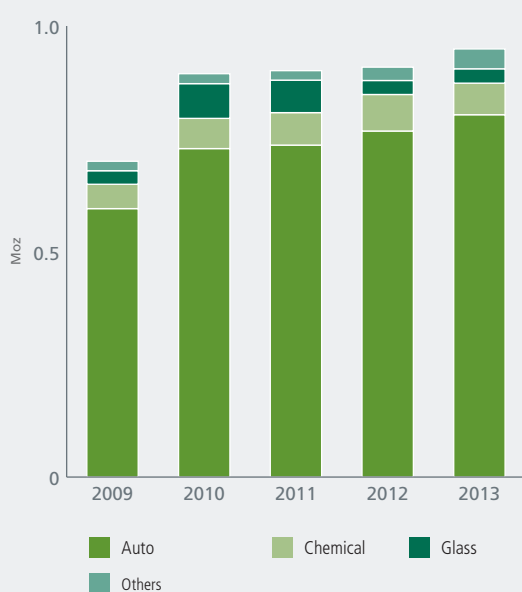
Source: SFA (Oxford)

PALLADIUM SUPPLY BY REGION



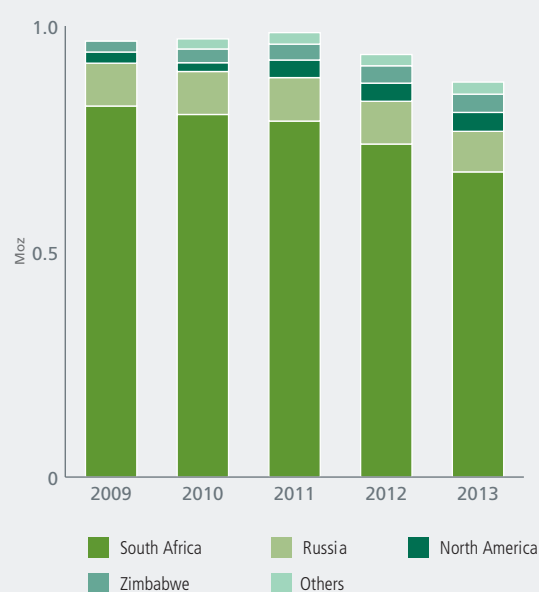
Source: SFA (Oxford)

GROSS RHODIUM DEMAND BY INDUSTRY



Source: SFA (Oxford)

RHODIUM SUPPLY BY REGION



Source: SFA (Oxford)

OPERATING CONTEXT (continued)

GLOBAL ECONOMIC CONDITIONS

Demand for virgin PGMs affected by global economic conditions

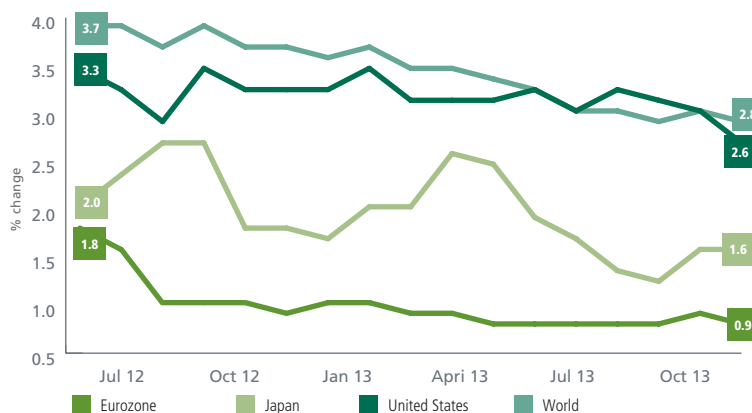


LEGISLATION

The roll-out of global emissions legislation continues relatively unabated, underpinning PGM demand. China is still in the process of adopting western style emissions legislation, which bodes well for PGMs in the region.

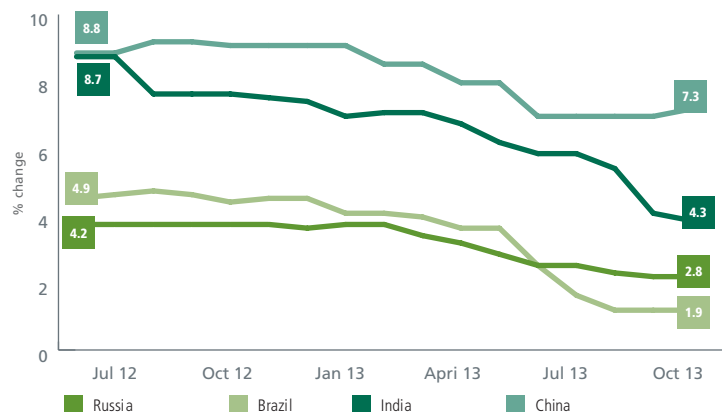
Demand for platinum and palladium used in autocatalysts is set to grow in the future with platinum demand forecast to be up 1.7Moz between 2013 and 2025. Rhodium demand is slowly recovering. At current prices, rhodium remains the most cost-effective, reliable and convenient solution for complying with legislation requiring the avoidance of NOx production.

2014 REAL GDP FORECAST FOR THE DEVELOPED WORLD (REVISED DOWNWARDS DUE TO SLOWER THAN EXPECTED RECOVERY)



Source: SFA (Oxford), Oxford Economics

2014 REAL GDP FORECAST FOR EMERGING MARKETS (REVISED DOWNWARDS DUE TO SLOWER THAN EXPECTED RECOVERY)



Source: SFA (Oxford), Oxford Economics

GLOBAL EMISSIONS LEGISLATION

Emissions standards	2005	2006	2007	2008	2009	2010	2011	2012	
US EPA									
Light-duty vehicles (LDV)	Tier 2								
Heavy-duty vehicles (HDV)	US 2004	US 2007				US 2010			
Non-road	Tier 4						Tier 4 – big equipment		
Japan									
LDV and HDV	Japan 2005				Japan 2009				
Non-road									
European Union (53% diesel car market)									
LDV	Euro 4				Euro 5 – DPF for diesel				
HDV	Euro 4				Euro 5				
Non-road	Tier 3a						Tier 3b		
South Korea (22% diesel car market)									
LDV and HDV	Euro 4					Euro 5 – DPF for diesel			
Non-road									
India (40% diesel car market)									
LDV and HDV cities	Euro 3					Euro 4			
LDV and HDV national	Euro 2					Euro 3			
Thailand (12% diesel car market)									
LDV	Euro 2	Euro 3							
HDV	Euro 2				Euro 3				
Brazil									
LDV				PL-4		PL-5			
HDV			PP-5			PP-6			PP-7
Russia									
LDV and HDV			Euro 2		Euro 3		Euro 4		
China									
LDV and HDV (Beijing)	China 2	China 3					China 4		
LDV and HDV (national)	China 2				China 3				

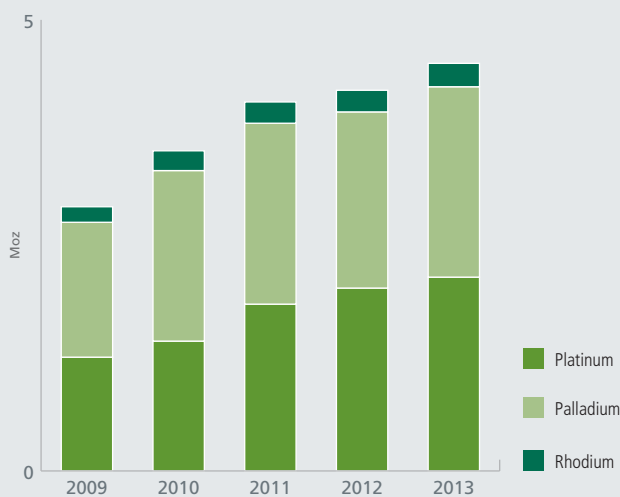
Source: SFA (Oxford)

RECYCLING



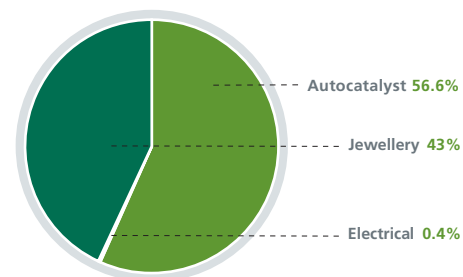
The growth of European and Chinese platinum recycling
LIFTS GLOBAL RECYCLING RATES TO 5% A YEAR
 from 2013 to 2020 to potentially breach
 3 million ounces by 2020.

PGM RECYCLING

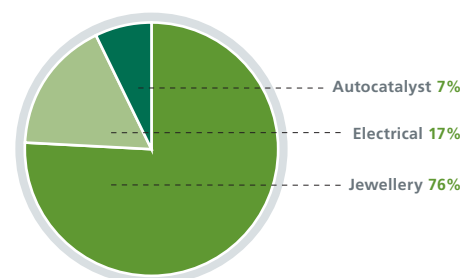


Source: SFA (Oxford)

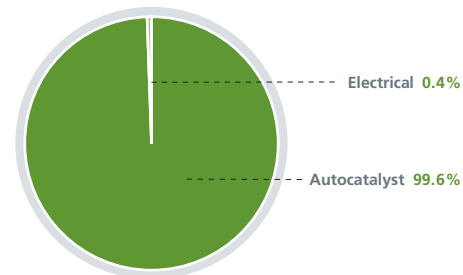
PLATINUM RECYCLING – 2013



PALLADIUM RECYCLING – 2013



RHODIUM RECYCLING – 2013



Source: SFA (Oxford)

	2013	2014	2015	2016	2017	2018	2019	2020
		California LEV III			Tier 3	Pd impact		
Thrifting								
			Phase in					Tier 5??
Thrifting				Japan 2016 (diesel, Nox)				
			Tier 4		Proposed			
		Euro 6		Gasoline PN – Pt filter				Euro 7??
Euro 6 →			Phase in – DOC + DPF					
			Tier 4 – SCR/DOC/DPF					
		Euro 6						
			Tier 4					
							Euro 5??	
							Euro 4??	
Euro 4 – boosts Pt loadings						Euro 5 ??		
Euro 4						Euro 5 ??		
PL-6 (no DPF)							PP-7??	
							PP-8??	
		Euro 5					Euro 6??	
China 5								
		China 4 (might be delayed again)						

OPERATING CONTEXT (continued)

THE SOUTH AFRICAN PGM ENVIRONMENT

PGM INDUSTRY DYNAMICS

- > Contribution to South Africa's mining revenue down 1% year-on-year
- > Depletion of Merensky reef

2000	
Merensky (70%)	UG2 (30%)
2012	
Merensky (30%)	UG2 (70%)

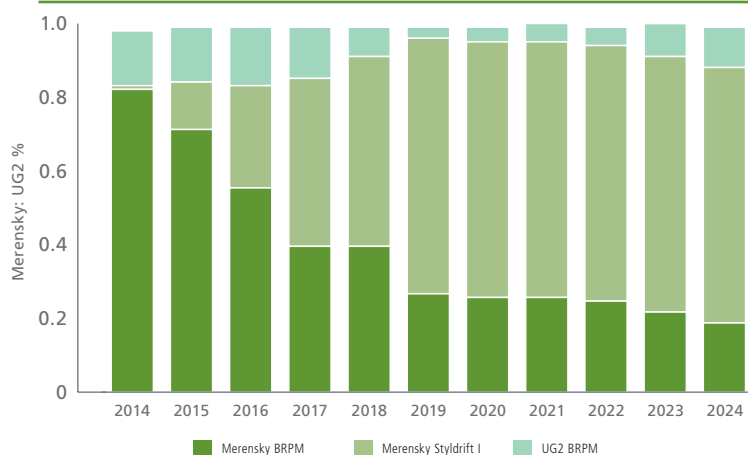
Source: Chamber of Mines – 21 January 2013, RSA PGM Mining Sector Briefing Note

- > Industry average head grade reduced by approximately 40%
- > Platinum production per employee reduced by approximately 40%

22% DIFFERENCE
IN REVENUE FROM AN AVERAGE
UG2 PRILL SPLIT COMPARED TO
REVENUE FROM THE BRPM JV
PRILL SPLIT

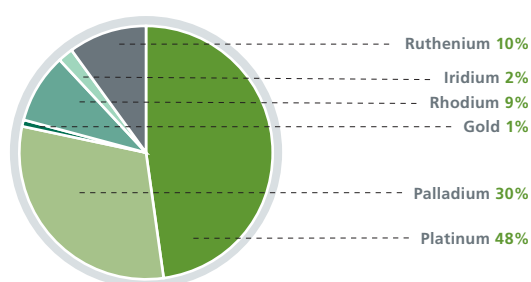
RBPLAT'S POSITION

RBPLAT'S LONG-TERM MERENSKY CONTRIBUTION

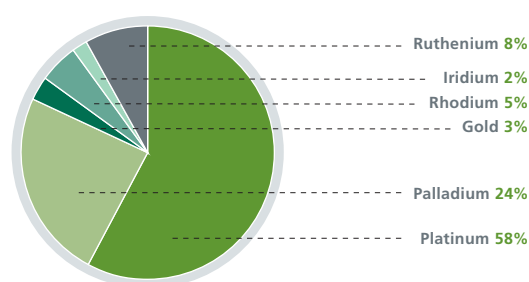


- > High grade Merensky
- > Platinum production per employee of 29.34 ounces
- > Platinum:palladium ratio of 2.3:1
- > High base metal revenue contribution
- > Low cost mechanised mining will make up 50% of production by 2018

INDUSTRY AVERAGE UG2 PRILL SPLIT – R9 179 PER 6E OZ



BRPM JV PRILL SPLIT – R11 176 PER 6E OZ



PGM INDUSTRY DYNAMICS

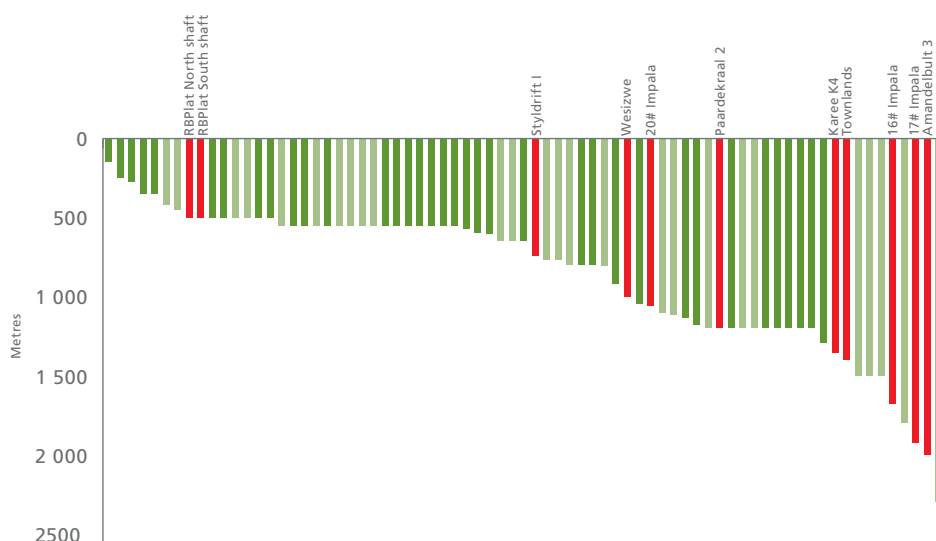
> Deepening mines with most new shafts at an average depth of 1 500 metres

RBPLAT'S POSITION

> RBPlat's high grade Merensky resources and reserves at shallow depths:

- BRPM – 500 metres
- Styldrift I – 740 metres

INDUSTRY PLATINUM MINE SHAFT DEPTH



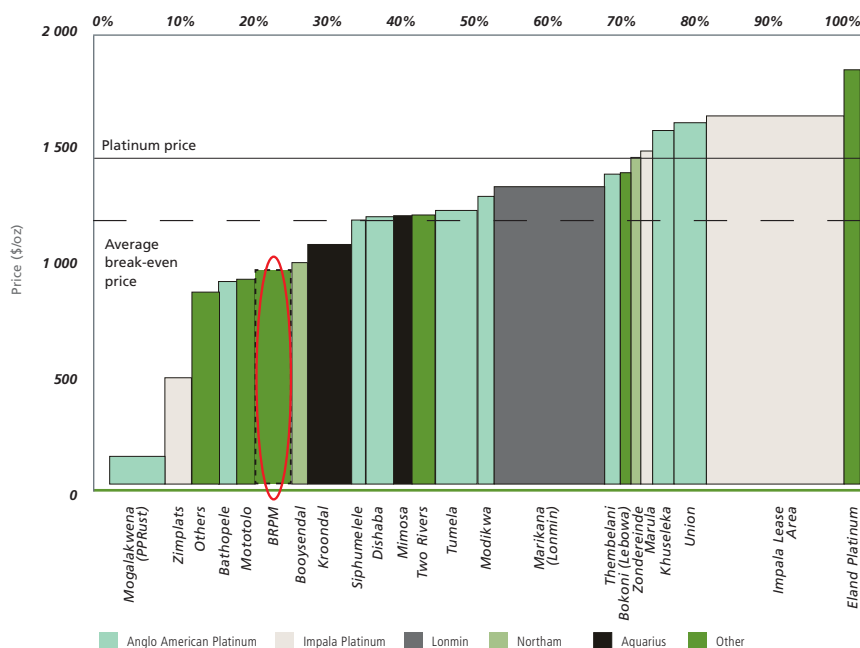
Source: SFA (Oxford)

> Escalating costs: labour costs, electricity and water
 > Limited resources: water and electricity
 > Reduction in capex
 > Labour unrest

> Three-year wage agreement expiring June 2014
 > Power and water secured for Styldrift I
 > Continued investment in expansion projects
 > Labour stability

RBPLAT'S COMPETITIVE POSITION ON THE INDUSTRY COST CURVE

Break-even platinum price (cash cost plus maintenance capital expenditure)



Source: JPMorgan Cazenove (as at 22 January 2014)

- > UNCERTAIN REGULATORY ENVIRONMENT
- > GOVERNMENT EXPECTATIONS
- > SLOW GLOBAL ECONOMIC RECOVERY
- > LABOUR UNREST
- > MARGINS UNDER PRESSURE

1 500m
NEW INDUSTRY MINING DEPTHS

OPERATING CONTEXT (continued)

THE SOUTH AFRICAN PGM ENVIRONMENT

**2 530 650
DAYS LOST TO
STRIKE ACTION
BY 123 551
EMPLOYEES IN
SOUTH AFRICA
IN 2012**

Source: IRAS

PGM INDUSTRY DYNAMICS

- > Labour relations
- > During 2012 (2013 figures for the industry not yet available) the South African platinum industry (Amplats, Implats, Lonmin and RBPlat) with 123 551 employees lost 2 530 650 days due to strike action – the industry continued to experience strikes in 2013, but there were far fewer strikes than in 2012

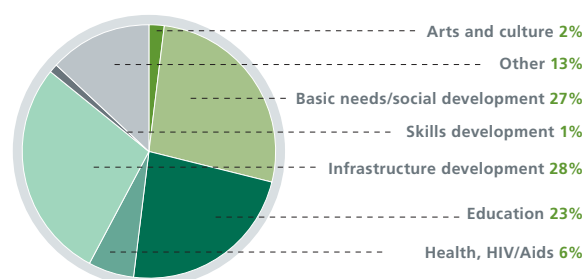
RBPLAT'S POSITION

- > Three-year wage agreement in place until June 2014
- > In 2012 RBPlat with 6 057 employees lost only 13 days to strike action
- > In 2013 we were fortunate to have a strike-free year

- > Resource nationalism and regulatory uncertainty
The uncertainty surrounding the proposed amendments to the Mineral and Petroleum Resources Development Act (MPRDA) is having a negative impact on investment in the South African mining sector

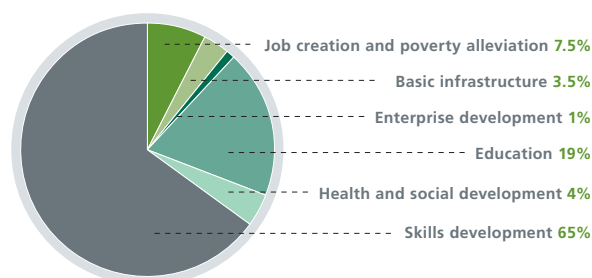
- > Increasing role government expects mining industry to play in meeting socio-economic needs – total mining industry spent R4.3 billion in 2012 and the platinum mining industry spent over R300 million in 2012 on social commitments (including social and labour plans)
- > In 2012 RBPlat spent R127 million on its social and labour plans
- > In 2013 RBPlat spent R105.2 million on its social and labour plans

THE CSI ALLOCATION OF THE SA METALS AND MINING INDUSTRY IN 2012 – TOTAL SPEND R3.5 BILLION



Source: IRAS

RBPLAT ALLOCATION OF EXPENDITURE ON CSI AND SOCIAL LABOUR PLANS IN 2012*



Source: IRAS

* 2012 figures have been used as 2013 figures for the industry are not yet available

PGM INDUSTRY DYNAMICS

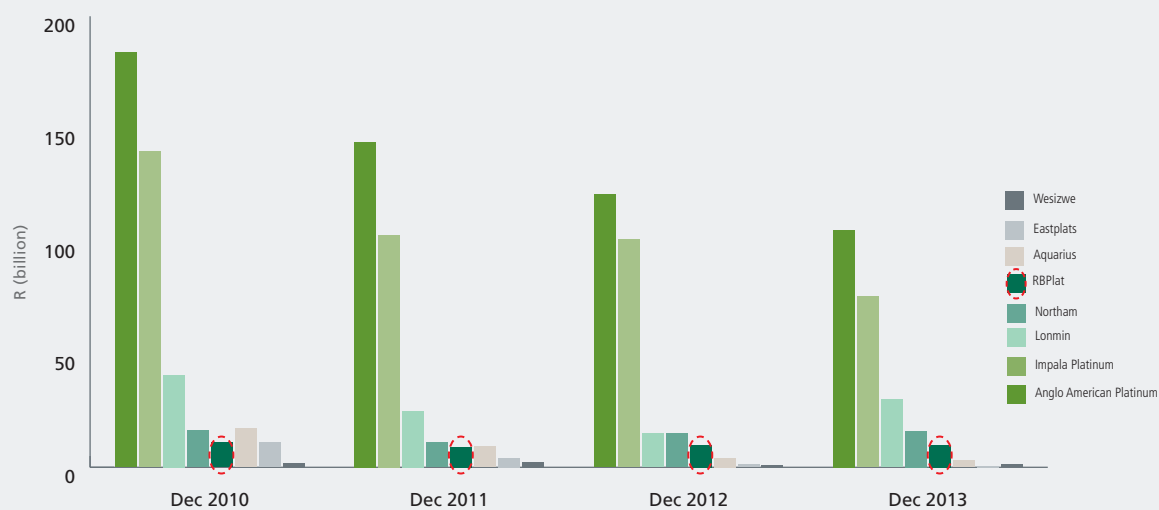
RBPLAT'S POSITION

- > Challenges with meeting black economic empowerment requirements of the Mining Charter Scorecard both in terms of leadership and employment equity
 - > Not complying with social and labour plan targets which could lead to mining licences being suspended or cancelled
 - > Section 54 safety stoppages in terms of the Mine Health and Safety Act can result in production losses
 - > Some of the impact of the global and local environment can be seen in the reduction of the market capitalisation of platinum companies listed on the JSE
- > RBPlat exceeds all the Mining Charter Scorecard requirements in terms of black economic empowerment (see our Mining Charter Scorecard report on our website at www.bafokengplatinum.co.za/a/bee.php)
 - > RBPlat has already met and exceeded its social and labour plan targets (see our Mining Charter Scorecard report on our website at www.bafokengplatinum.co.za/a/bee.php)
 - > RBPlat had only 11 section 54 stoppages at its operations during 2013 resulting in a loss of 89 kilo tonnes, which is a 24% decrease year-on-year. We focused on regulatory as well as on mine standard compliance to achieve this result



For information on the steps we are taking to improve safety standards and achieve zero harm in our operations see page 76 to 79 of this report

TOP EIGHT PLATINUM MINING COMPANIES BY MARKET CAPITALISATION BETWEEN 2010 AND 2013



Source: Macquarie

PERFORMANCE



ACHIEVEMENTS

STYLDRIFT I HAD
A THIRD
**FATALITY-FREE
YEAR**

↓ 2% DECREASE
IN CASH OPERATING
COST PER PLATINUM
OUNCE TO R11 592/Pt oz
(2012: R11 775/Pt oz)

↓ 37%
REDUCTION
IN SERIOUS INJURY
FREQUENCY RATE

↑ 66%
INCREASE
IN HEADLINE
EARNINGS PER
SHARE TO 173c
(2012: 104c)

↑ 24% INCREASE
IN CASH
GENERATED BY
OPERATING ACTIVITIES
TO R907.8 MILLION
(2012: R732.6 million)

2 304m
OF LATERAL
DEVELOPMENT AT
STYLDRIFT I

NET CASH OF
R772.9 MILLION
AT YEAR END
(2012: R910.5 million)

CONSTITUENT OF
JSE SRI INDEX

UNGEARED
BALANCE SHEET
R500 MILLION
INCREASE
IN REVOLVING CREDIT
FACILITY TO R1 BILLION
R200 MILLION
FUNDING FACILITY FOR
EMPLOYEE HOUSING



IMPROVEMENTS

↑ 9% IMPROVEMENT
IN LOST TIME INJURY
FREQUENCY RATE

↑ 6% IMPROVEMENT
IN PRODUCTIVITY TO
31.6 TONNES
MILLED PER EMPLOYEE
PER MONTH
(2012: 29.8 t/emp)

↑ 5% IMPROVEMENT
IN IMMEDIATELY
STOPABLE RESERVES
(IMS) TO 6 000m
(2012: 5 710m)

↑ 8% IMPROVEMENT
IN BUILT-UP HEAD
GRADE TO 4.38g/t 4E
(2012: 4.07g/t)

↑ 4% INCREASE
IN 4E PGM OUNCES TO
280koz
(2012: 269koz)

↑ MARGINAL INCREASE
IN CASH OPERATING
COST TO
R2 093 MILLION
(2012: R2 051 million)

↑ 6.6% IMPROVEMENT
IN OUR CARBON
INTENSITIES



CHALLENGES

**ACHIEVING
ZERO HARM**

**INDUSTRY LABOUR
STABILITY**



DISAPPOINTMENTS

**TWO FATALITIES
AT BRPM**

↓ 3% DECREASE
IN TONNES MILLED TO
2 301kt
(2012: 2 375kt)

MATERIAL ISSUES

THE PROCESS WE FOLLOW TO IDENTIFY OUR MOST MATERIAL ISSUES

AFFECTED STRATEGIES

OPERATIONAL EXCELLENCE

We identify our most material issues during workshops and interviews with our executives, heads of departments in our corporate office and operations. They are also tabled at our Audit and Risk and Social and Ethics committees before being presented to our Board for their approval.

To identify these issues we consider the impact they could have on the safety of our workforce, our profitability and the sustainability of our business.

We identify our stakeholders that could be affected by these issues. They include our employees, contractors, trade unions, investors, the communities in which we operate, government at local, provincial and national level (in particular the Department of Mineral Resources and the South African Revenue Services), our suppliers, business partners and providers of debt. The implementation of our social and labour plans and our community social investment programme affects the Royal Bafokeng Administration and the Royal Bafokeng Institute, who are responsible for land management and education on behalf of the Royal Bafokeng Nation. In turn they can affect our ability to implement these plans as we rely on them to grant us access to the land we need for our projects and they partner with us on education and health projects.



Human capital section on page 66 to 83 (safety performance, labour and trade union stability, implementation of human resource development element of social and labour plans, availability of adequate and appropriate skills)

Manufactured section on page 50 to 63 (life of mine strategy, safety performance, operating costs, project completion and project management)

Social and relationship capital on page 86 to 91 (stakeholder engagement and responsiveness – also in all sections, implementation of social and labour plans)



Issue

Labour and trade union stability

Following the labour unrest experienced by the South African mining industry and the platinum mining sector in particular during 2012, labour and trade union stability was a critical focus area for RBPlat during 2013.

Stakeholder engagement and responsiveness




Stakeholders play a key role in our sustainability. Identifying our stakeholders, their ability to impact positively or negatively on our business, RBPlat's ability to impact positively or negatively on them and addressing these impacts, is a key material issue for us.

Safety performance at both the Bafokeng Rasimone Platinum Mine (BRPM) and Styldrift I project

Increased mining and project activity could result in increased exposure to high energy sources, such as conveyor belts driven by high-powered electrical motors, trackless mining machines and more working places exposed to the possibility of falls of ground in our mines which can lead to loss of life and poor morale. We need to guard against a focus on achieving production targets which could result in unsafe behaviour or unsafe working conditions.

During 2013 the change from vertical to horizontal development at Styldrift Mine increased the safety risk. If we have safety-related stoppages declared, either by our management or the DMR, these could result in loss of revenue and cash flow (loss of value).

Impact

-  Short term (up to 3 years)
-  Medium term (up to 10 years)
-  Long term (10 years and over)

How we responded to the risks and opportunities this issue raised previously and during 2013

Future outlook

Impact

2013 risk rating

We continually engage with our workforce (employees and contractors) and communities to achieve transparency and mutual understanding of issues and to continue developing and maintaining a healthy relationship.

Achievements

- > No strikes in 2013
- > We believe that the improvement to our production bonus structure we agreed in 2012 contributed to increased productivity
- > Increased productivity by 6% on a milled tonne per employee basis.

We are not directly involved with the negotiation of our contract workers' wages with the union, however, we were able to intervene and facilitate a wage agreement between the union and the contractors.

During 2013, as part of a pilot project previously agreed on with trade union representatives, we started building 400 houses for our BRPM employees. By year end 322 houses had been completed and ownership of 106 of these had been transferred to RBPlat. A collective agreement was negotiated with union representatives which sets out the basis for all employee housing arrangements. During 2013, we commenced negotiations with a developmental financial organisation in order to provide reasonably priced funding for our employees.

Our existing three-year wage agreement which expires in June 2014 will be renegotiated. We have already started the planning process and are optimistic that the work we have done towards achieving labour and trade union stability, and the amount of time we are providing for negotiations, will allow us to achieve a solution acceptable to both parties by mid-2014 without any strike action.

Styldrift Mine has developed a housing strategy which will be rolled out in line with the mine's ramp-up schedule.



1

During 2013 we continued to identify opportunities to engage effectively with our stakeholders. We engage with our stakeholders through formal and informal channels.

Achievements

- > The labour and trade union stability we have enjoyed during 2013 can be attributed to the continued efforts RBPlat and the unions have made to achieve an effective working relationship
- > Improved community relationships.

We believe our commitment to developing enduring stakeholder relationships and partnerships will mature into relationships through which we and our stakeholders can work together to build a sustainable future for us all.



1

We continued to implement the safety strategy we introduced in 2011 and to monitor its effectiveness and relevance, provide safety training and introduce a safety culture where everyone takes responsibility for safety.

Achievements

- > A consistent improvement in our safety performance
- > BRPM achieved a 48% reduction in SIFR and 21% reduction in LTIFR.
- > Styldrift I had its third fatality-free year

Disappointments

- > Despite our efforts to improve our safety performance, tragically we had a construction-related fatality at the South shaft of BRPM and a fall of ground fatality at BRPM North shaft
- > We were also disappointed not to achieve the targets we set for our LTIFR at both BRPM and Styldrift Mine.

We believe that achieving a safety culture where everyone takes responsibility for safety will have the greatest impact on our ability to achieve resilience. During 2014 we will continue to work towards achieving this. Future mining developments will bring new safety challenges; these include the mechanised mining of Styldrift I. We will continue to monitor our safety strategy to ensure it remains relevant and effective. The Styldrift I safety team face a particularly challenging 2014 as they will need to manage and monitor the safety risk around a considerable increase in construction activities related to shaft equipping and surface and underground infrastructure construction.



4

MATERIAL ISSUES (continued)

AFFECTED STRATEGIES

OPERATIONAL EXCELLENCE



Financial capital section on page 41 to 49 (operating costs)

Manufactured section on page 50 to 63 (life of mine strategy, safety performance, operating costs, project completion and project management)



CEO's strategic review on page 36 to 39 (life of mine strategy)

Issue

Operating costs

Above inflation increases in labour costs, electricity costs and materials costs negatively impact our earnings. While we were successful this year in containing costs certain cost increases, such as the cost of electricity, are beyond our control.

Life of mine strategy

Our previous life of mine strategy was completed under more robust macro-economic conditions and with an expansion-based philosophy. Developments in the macro-economic environment, combined with continued industry cost escalations, have impacted adversely on operating margins placing increased emphasis on the importance of cash preservation, the operating margin of UG2-based operations and the availability of alternative concentrating options for Styldrift I.

Implementation of our social and labour plans (SLPs)

If the implementation of our SLPs, which are part of RBPlat's commitment in terms of the Mining Charter, was inadequate this could result in disgruntled employees and community members, protest action, violence against our operations and the withdrawal of our mining rights by the DMR. It could also lead to RBPlat losing its social licence to operate, the cessation of our operations and the potential loss of our mining investment and development opportunity.

How we responded to the risks and opportunities this issue raised previously and during 2013	Future outlook	Impact	2013 risk rating
<p>The three-year wage agreement we concluded in 2011 has provided predictability and the incentive to improve productivity levels included in the agreement has been effective.</p>	<p>In 2014 we need to renegotiate the wage agreement we have with our permanent employees.</p>		
<p>In 2013 we implemented a cost management project, which focused on a labour review, key contracts and initiatives to eliminate wastage and improve cost management responsibilities and controls.</p>	<p>Cost containment and reduction remain key focus areas in our business.</p>		
<p>This year we designed and began implementing our shared services strategy. Our aim is to optimise our organisational structure and achieve synergies between both services and functions that are traditionally included in a shared services function and certain services that traditionally are not included in a shared services model, such as engineering and process functions.</p>	<p>The implementation of the phased roll-out of our shared services strategy and changes to our organisational structure, is designed to ensure we both contain and, where possible, reduce the costs we can influence.</p>		
<p>Achievements</p> <ul style="list-style-type: none"> > The increase in our cash operating costs per tonne milled was contained at 6% which is in line with CPIX for 2013 > Cash operating costs per 4E ounce and platinum ounce decreased by 1% and 2%, respectively > We began the phased roll-out of shared services functions for BRPM and Styldrift mines > RBPlat achieved a 19% reduction in electricity consumption. 			
<p>Unlike most South African platinum miners RBPlat still has substantial shallow high grade Merensky resources and reserves available, which gives us the option to focus on our business, that of mining and processing Merensky reef, while conducting trial mining on the UG2 reef. The aim of our trial mining is to seek the optimal solution for extracting the UG2 reef when the PGM market supports a value-enhancing business case.</p>	<p>The future sustainability of RBPlat depends on our substantial mineral resources and reserves. The strategy we adopt for mining these can have a major impact on the longevity of our mines and the short-, medium- and long-term profitability of our business.</p>		
<p>We have demonstrated the social relevance of RBPlat through innovative and effective community development projects and improved the alignment between our SLP objectives, integrated development plans (IDPs) and other regional development programmes, including the Royal Bafokeng Nation's (RBN) Masterplan.</p> <p>In order to manage expectations and understand changing needs we improved our engagement with our stakeholders, including our communities and our workforce. We also invested in development opportunities that will empower our employees and the community beyond the life of the mine and fulfil the social component of our mine closure plan.</p> <p>Achievements</p> <p>We have spent R276 million on our SLP commitments between 2010 and 2013 which is 2% above our original SLP commitment. When consultation with our communities made it clear that making changes to our original SLP commitment would more effectively address their needs we made these adjustments in consultation with the DMR.</p>	<p>Both BRPM and Styldrift are due to renew their SLPs which gives us a further opportunity to engage with our communities and the Rustenburg Local Municipality with the aim of drawing up plans that will allow us to deliver projects that can have a positive and sustainable impact on the socio-economic future of our communities.</p>		

MATERIAL ISSUES (continued)

AFFECTED STRATEGIES

OPERATIONAL EXCELLENCE



Remuneration report on page 134 to 138 (establishing suitable remuneration and reward structures)

OPERATIONAL EXCELLENCE AND GROW ORGANICALLY



Operating context on page 8 to 17 (global economic and market conditions)



Human capital section on page 66 to 83 (safety performance, labour and trade union stability, implementation of human resource development element of social and labour plans, availability of adequate and appropriate skills)

Issue

Establishing suitable remuneration and reward structures linked to performance that are acceptable to our employees and our investors

We received feedback from some of our investors following the release of our Integrated Annual Report for 2012 that they would like our Remuneration report to contain more detail on how RBPlat measures and rewards the performance of its directors and executives. They also wanted more information on our share scheme plans.

We need to ensure that the performance of our managers and executives is measured and rewarded in terms of a combination of business and individual key performance measurements, which include financial and non-financial performance indicators.

We have a production bonus structure in place for employees at BRPM which is working well.

Global economic and market conditions

The global economy and market conditions can have a positive or negative impact on our earnings. Low platinum group metals (PGM) demand in major markets as a result of a sluggish global economy and depressed PGM prices have had a negative impact on our revenue for some time. Currency fluctuations can also reduce our earnings and cash flow. This year the weak performance of the rand against the US dollar worked in our favour and increased our earnings.

Styl drift I project management

The completion of a project, like our Styl drift I project, can be affected by many things including construction delays, a change in scope, the failure of contractors and insufficient electricity to support mining and processing functions. If we are unable to complete our Styl drift I project on time it will have a negative impact on our reputation, costs, future revenues and our ability to achieve our organic growth strategy.

Availability of adequate and appropriate skills

While ensuring we have adequate and appropriate skills available to meet production targets remains a material issue for us, it is not currently a critical issue.

How we responded to the risks and opportunities this issue raised previously and during 2013	Future outlook	Impact	2013 risk rating
<p>During 2013 we refined and restructured our executive remuneration and reward structures in terms of the measurement of performance against a scorecard that measures specific business and individual financial and non-financial performance targets. This process measures past, current and future performance.</p> <p>Striving to improve After much debate and engagement with our executives we have finalised a new executive remuneration and reward scorecard. We will be inviting our investors to vote on our remuneration structure at our Annual General Meeting in 2014.</p> <p>RBPlat is committed to providing our stakeholders with the information they want and to do so each year we try to improve our reporting. We have increased the depth of our reporting on remuneration and hope that it now meets our investors' requirements.</p>	<p>We will continue to refine and modify our remuneration and reward structures to ensure they support our strategies and are linked to performance that is acceptable to our employees and our investors.</p>		 12
<p>RBPlat implemented effective and sustaining cost efficiency and productivity improvement programmes, including labour reductions, in order to maintain healthy margins. We introduced our cash preservation strategy in 2012 which includes continual review of capital requirements to help us maintain the cash flow we require to fund the Styldrift I project.</p>	<p>The South African PGM industry faces a range of challenges, which are affecting its profitability and ability to attract investors. We are working together with members of our industry to find ways to address these issues.</p>		 10
<p>The major design optimisation process we undertook for Styldrift I together with the revised processing strategy resulted in a revision of the scope, schedule and cost of this project.</p> <p>Dedicated owner teams are assigned to all our projects to ensure effective project execution and we hold regular dedicated project progress meetings.</p> <p>We monitor and manage the social, environmental and ethical risks attached to a project.</p> <p>Achievements</p> <ul style="list-style-type: none"> > We have reduced Styldrift I project costs by R787 million > Our rigorous planning, cost control and risk management has resulted in an excellent track record in this regard, with Styldrift I remaining on schedule and on budget. 	<p>The Styldrift I project is progressing to plan and we expect the change in its scope to have a positive impact on our future revenue streams. We will continue to engage with Eskom regarding our future electrical requirements and Eskom's ability to meet these.</p>		 6
<p>We previously identified the skills we require for our current and future operations and have taken steps to ensure we will have adequate and appropriate skills available to meet our production targets. These include integrated local community skills development, which begins with maths and science education in local schools and goes on to skills training, artisan training, training of trackless operators and a tertiary education bursary and a graduate programme.</p> <p>We engage local community members when employment opportunities become available and have established a local skills database.</p> <p>Adequate remuneration for skills also plays an important role in ensuring we have adequate and appropriate skills available.</p>	<p>While we currently have adequate and appropriate skills available we have identified that this may not be the case once Styldrift I goes into production. Ensuring that Styldrift I has the appropriate skills available when it goes into production remains a key focus and we have taken steps to ensure we do have adequate skills available for our future organic growth (see page 72 to 74 of the Human capital section of this report).</p>		 12

MATERIAL ISSUES (continued)

AFFECTED STRATEGIES



BUILD FLEXIBILITY AND GROW ORGANICALLY



Natural capital section on page 94 to 101 (limited resources, mineable reserves available on a sustainable basis)

OPERATIONAL EXCELLENCE, BUILD FLEXIBILITY AND GROW ORGANICALLY

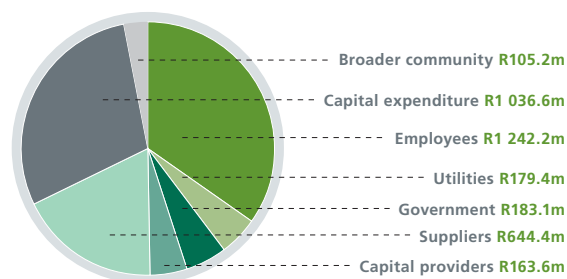
Issue	
Mineable reserves available on a sustainable basis	To ensure BRPM has mineable reserves available on a sustainable basis we need to build the flexibility into our operations that allows us to adapt to changes in the economic environment and maintain the consistent production levels that will allow us to achieve the revenue and earnings we need to fund the development of Styldrift I and progress Styldrift II through the necessary study phases.
Limited resources	<p>A limited supply of electricity and water could negatively impact our operations and, as we have already mentioned, a delay in Eskom's build programme could affect Styldrift Mine's ability to meet its ramp-up schedule.</p> <p>Our operations are in the North West province of South Africa, which is a water-scarce area. We require water and electricity to run our operations and our employees need water and electricity in their homes.</p>

How we responded to the risks and opportunities this issue raised previously and during 2013	Future outlook	Impact	2013 risk rating
<p>To achieve sustainable mineable reserves we aimed to increase our primary development in the short term to create sufficient face length through immediately stopable reserves (IMS), which are fully equipped, and spare mining faces that can be mined immediately with a panel ratio of 1.5 per stoping crew.</p>	<p>We will continue to work to ensure RBPlat has sufficient IMS. Our flexibility is further increased by the Styldrift I project delivering on schedule and the potential prospects of our exploration at Styldrift II.</p>		 13
<p>We have secured an adequate power supply for the construction phase of the Styldrift I project and continue to interact with Eskom regarding our requirements for the mine at full production.</p> <p>We continue to identify further opportunities to make our operations more energy efficient and have designed the Styldrift Mine to be energy efficient.</p> <p>The concentrator plant at BRPM is currently the greatest user of potable water from Magalies Water. The construction of a water treatment plant at BRPM will allow us to remove the nitrates from mine water and make it suitable for use in most of the concentrator processes that require water. A water treatment plant has also been installed at Styldrift I. This will considerably reduce our requirements from Magalies Water.</p> <p>Achievements</p> <p>In the last quarter of 2013 we obtained the approvals we needed from both the Department of Environmental Affairs and Tourism and the Department of Mineral Resources to install a water treatment plant at BRPM to treat excess mine water. Mine water becomes contaminated during the blasting process and the plant will be used to remove nitrates and other contaminants from the mine water.</p>	<p>The limited availability of both water and electricity in the short to medium term is a concern. We do, however, expect the current limited electricity supply situation to be resolved in the medium to long term. The installation of a water treatment plant at BRPM will go ahead in 2014 and, once completed, is expected to reduce BRPM's requirement from Magalies Water by approximately four megalitres per day. The treatment plant is modular so its treatment capacity can be increased if required.</p>		 11

WEALTH CREATION

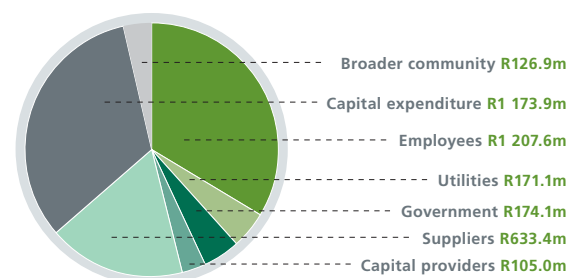
VALUE ADDED STATEMENT – 2013

Total value distributed by the Group in 2013 was R3 554.5 million

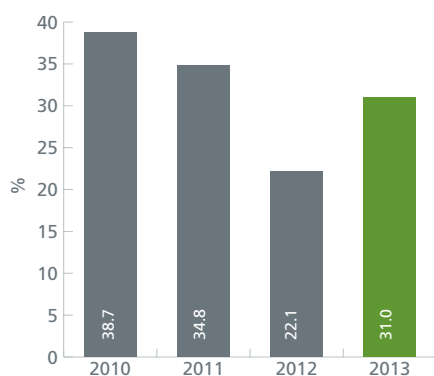


VALUE ADDED STATEMENT – 2012

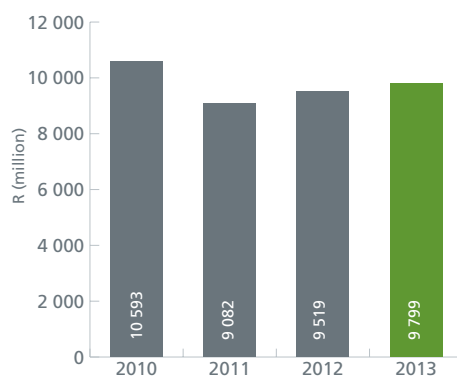
Total value distributed by the Group in 2012 was R3 592 million



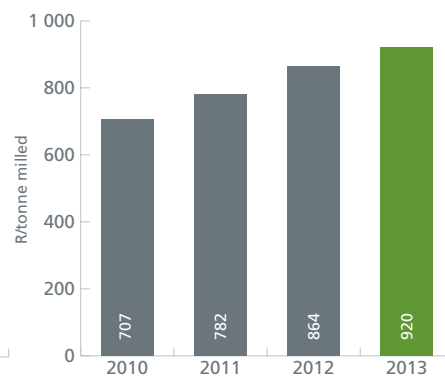
EBITDA MARGIN



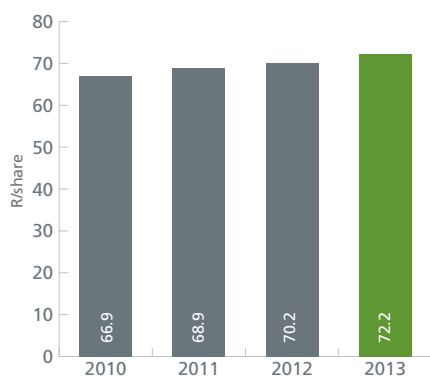
MARKET CAPITALISATION



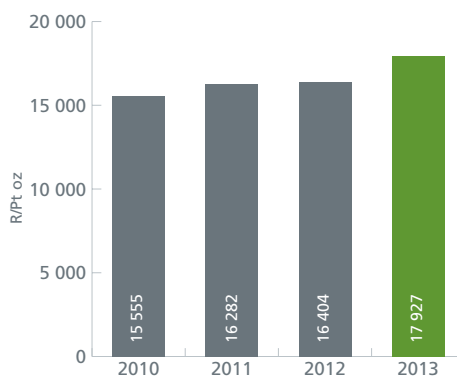
CASH OPERATING COSTS



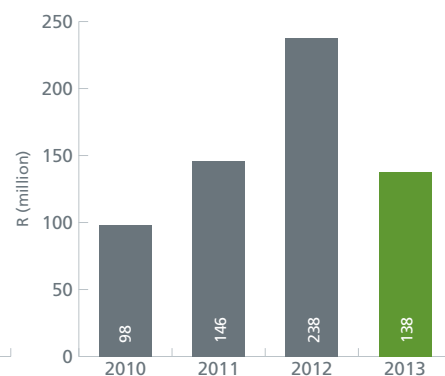
NET ASSET VALUE PER SHARE



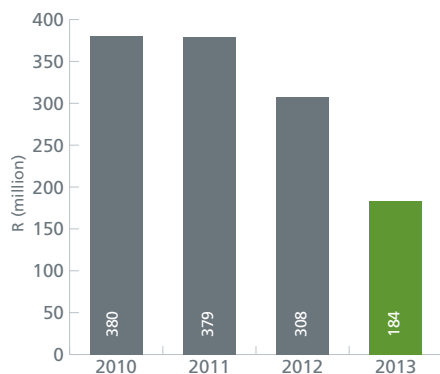
AVERAGE REVENUE BASKET PRICE*



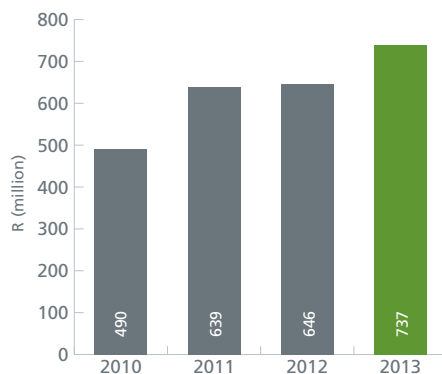
STAY-IN-BUSINESS CAPITAL EXPENDITURE*



REPLACEMENT CAPITAL EXPENDITURE*



EXPANSION CAPITAL EXPENDITURE*



*100% BRPM JV

THE CASE FOR INVESTING IN RBPLAT

1	Black-owned and controlled mid-tier PGMs producer listed on the Johannesburg Stock Exchange Limited (JSE) and a Constituent of the JSE SRI index	RBPlat complies with and exceeds the 2014 Mining Charter requirements in terms of black economic empowerment. It is community owned through Royal Bafokeng Holdings' 56.4% shareholding. Current social and labour plans, which are aligned with local government and RBN development plans, have been completed and RBPlat has met or exceeded all other Mining Charter Scorecard requirements.
2	Long-term high-grade Merensky resource	<p>In 2000 70% of South Africa's PGM production was derived from mining Merensky reef and 30% was derived from UG2 reef. Today, because of the depletion of the Merensky reef approximately 30% of total PGM production is derived from the Merensky reef horizon with the balance made up mostly through the extraction of UG2. Current market conditions favour the extraction of Merensky reef due to its more favourable PGM prill split and natural PGM hedge (attributable to its higher base metal contribution) when compared to UG2.</p> <p>RBPlat has the advantage of having access to 108 million tonnes of Merensky resource at 7.37g/t 4E through the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture, and with Styldrift I set to reach full production in 2019, our operations will remain Merensky biased for the foreseeable future.</p>
3	Long-term shallow depth mining (>60-year life of mine)	RBPlat is mining BRPM at an average depth of 500 metres and Styldrift I will be mined at an average depth of 740 metres. The industry's average depth for new shafts is 1 500 metres. The BRPM Joint Venture has a total 4E resource base of 72.4Moz (57.6Moz measured and indicated) giving a life of mine in excess of 60 years.
4	Competitive position on the industry cost curve	The graph on page 15 shows how well our existing BRPM operation is positioned on the industry cost curve. By 2019 50% of our production will be low-cost mechanised mining.
5	Maximising existing assets	Since taking over management of BRPM in 2010 we have increased our operational flexibility by increasing our immediately stopable reserves (IMS), (see the Manufactured capital section on page 54), contained costs (see Financial capital on page 46 and Intellectual capital on page 114), improved our safety record (see pages 54 and 79) and focused on maintaining the sustainability of the business in the short, medium and long term.
6	Growing organically	Currently, RBPlat is one of the few platinum companies investing in growth. Our R11.0 billion Styldrift I expansion project (using mechanised mining) will increase our production by 2019, in line with our revised ore processing strategy and prevailing market conditions. Styldrift II (still under exploration) is set to contribute further to our organic growth.
7	Strong cash flows	To date our organic growth capital expenditure has predominantly been funded from our cash flows. In 2013 we generated sufficient cash from our operations to cover most of our capital expenditure during the year.
8	Labour and trade union stability	<p>We currently have a three-year wage agreement in place, which expires in June 2014, and the improvement to our production bonus structure we agreed on in 2012 has worked well in 2013.</p> <p>We had no strikes in 2013 and increased productivity by 6% on a milled tonne per total employee costed basis.</p> <p>For more information on our labour relations, refer to Stakeholder responsiveness section in the Human resources section of this report on page 68.</p>
9	Prime location on Western Limb of Bushveld Complex	Fifteen years of operation. We have well-developed infrastructure and are ideally positioned for regional consolidation with neighbouring mines. We have already pursued value enhancing opportunities with one of our neighbours, Impala Platinum (see the CEO's review on page 36 and the Financial capital section on page 41).
10	Effective risk management and governance	RBPlat has adopted the three lines of defence model (see page 131) as part of our holistic enterprise risk management framework, strong governance structures, procedures and processes.

BOARD OF DIRECTORS

Non-executive directors



ADVOCATE KGOMOTSO MOROKA SC (59) *Chairman (independent)*

BProc, LLB

Kgomotso joined our Board as Chairman and independent non-executive director on 1 June 2010. A practising advocate, she is Chairman of the Nomination Committee and a member of the combined Remuneration and Nomination Committee and a permanent invitee to all other committee meetings.



PROFESSOR LINDA DE BEER (44) *(independent Chairman of the Audit and Risk Committee)*

CA(SA), MCom (Tax)

Linda joined the RBPlat Board as an independent non-executive director on 1 June 2010. An independent reporting and governance advisor and visiting professor at the University of the Witwatersrand, she is involved in local and international accounting and audit standard setting.



ROBIN MILLS (67) *(independent)*

BSc (Eng) (Rand) Mining, CEng, FIMMM, FSAIMM

Robin joined our Board as an independent non-executive director on 20 September 2010. He is a partner in a mining equity fund: Arman Capital Advisory LLP. Robin is a member of the Audit and Risk and the Social and Ethics committees.



DAVID NOKO (56) *(independent)*

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

David joined the Board as an independent non-executive director on 1 June 2010. Currently Vice President for Sustainable Development at AngloGold Ashanti, he is Chairman of our Remuneration Committee and a member of the Audit and Risk, Social and Ethics and the combined Remuneration and Nomination committees.



PROFESSOR FRANCIS PETERSEN (49) *(independent)*

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

Francis was appointed to our Board as an independent non-executive director on 1 June 2010. Dean of the Faculty of Engineering and Built Environment at the University of Cape Town, he is a member of our Audit and Risk and Social and Ethics committees.



LUCAS NDALA (39)
Non-executive director

CA(SA), PGDM (UCT)

Lucas was appointed to our Board as a non-executive director on 28 May 2013. He is currently the Chief Executive Officer of Mining Oil and Gas Services (MOGS), having previously held the position of Chief Financial Officer of Royal Bafokeng Holdings (Pty) Ltd since 2008. Lucas currently attends both the Remuneration and Nomination and Audit and Risk committees as an invitee.



MIKE ROGERS (69)
Non-executive director

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

Mike, who was appointed to the Board as a non-executive director on 7 December 2009, is Chairman of the Social and Ethics Committee and a member of the combined Remuneration and Nomination Committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum he gained an in-depth understanding of RBPlat's operations. In February 2014, Mike became an independent non-executive director, having completed a three-year cooling off period since retiring from Anglo American Platinum.

Executive directors



STEVE PHIRI (57)
Chief Executive Officer

BJuris, LLB, LLM, Dip Corp Law

Steve was appointed to the Board as Chief Executive Officer (CEO) on 1 April 2010. He chairs the Executive Committee and the BRPM Joint Venture Management Committee and attends all committee meetings as an invitee. Steve was CEO of Merafe Resources, a company listed on the JSE, for six years before joining RBPlat.



NICO MULLER (47)
Chief Operating Officer

BSc (Mining Engineering)

Nico was appointed Chief Operating Officer (COO) and an executive director on 2 March 2009. He is a member of the Executive Committee and a permanent invitee to the Social and Ethics and Audit and Risk committees and is a member of the BRPM Joint Venture Management Committee. Before joining RBPlat he held senior managerial positions at De Beers, Consolidated Mines, Anglovaal Mining and African Rainbow Minerals.



MARTIN PRINSLOO (45)
Chief Financial Officer

BCom (Hons) Acc, CA(SA)

Martin was appointed Chief Financial Officer (CFO) and an executive director on 1 March 2009. He attends all Audit and Risk Committee meetings as a permanent invitee and is a member of the Executive Committee and the BRPM Joint Venture Management Committee. Before joining RBPlat Martin acted as CFO at Anglo American Platinum and was a member of the Executive Committee.

EXECUTIVE COMMITTEE



NEIL CARR (54)
Head of Projects and Engineering

BSc (Mechanical Engineering), EDP

Neil has 31 years' experience in the platinum mining industry. Prior to joining RBPlat in 2010 he held senior management and leadership positions in Lonmin for 20 years and Impala for nine years.



REG HAMAN (39)
Executive: Risk and Assurance

MBA, PGDBA, Graduate diploma in Company Direction NHD, ND

Reg has 18 years' experience in risk and governance and has held senior executive positions in various sectors including mining and financial services. He is the past President of the Institute of Risk Management of South Africa and served on the King III risk management working group.



GLENN HARRIS (52)
General Manager BRPM

NHD (Metals), BTech, MDP, MMCC

General Manager of BRPM since 2006, Glenn has 29 years' experience in mining, 19 of which have been in platinum mining.



STEVE PHIRI (57)
Chief Executive Officer



NICO MULLER (47)
Chief Operating Officer



Martin Prinsloo (45)
Chief Financial Officer

Curricula vitae on page 31



NHD (Metals), BTech (Mining Engineering), MMCC

Appointed General Manager of Styldrift in February 2012. A total of 18 years' experience in gold, platinum and cement (quarry) of which eight years has been in platinum mining.

BProc, MDP, Certificate in Advanced Corporate and Securities Law

Appointed in October 2013. Previously Public Affairs Executive at Royal Bafokeng Holdings. Began his career as a lawyer with Bell Dewar and Hall, where he was later appointed director. He joined AngloGold Limited in 1999 as legal counsel.

**MM (Masters in Management),
BCom (Hons), Dip (Management and
Accounting)**

Vicky has over 22 years' experience in human resources in the private and public sectors. She joined RBPlat in 2010.

2013 executive performance evaluation

*All executives and prescribed officers are measured on Group wide key performance parameters and individual performance parameters at a ratio of 50/50 which ultimately informs salary reviews and in turn incentive awards granted. Specific targets are set with each officer with regard to their functional business areas which are mainly covered in the Integrated Annual Report but the main key performance areas for the year under review are listed as follows:

[illegible]

CHAIRMAN'S LETTER TO STAKEHOLDERS



Adv Kgomo Moroka SC *Chairman*

At the beginning of 2013, South Africa looked forward to celebrating former President Nelson Mandela's ninety-fifth birthday. By the end of the year, after a lengthy illness, he had passed. The world mourned his passing and celebrated his life. His passing served to remind us of the legacy he bequeathed to all South Africans as a result of his commitment to democracy and the rule of law and the example of tolerant and selfless leadership he set us all. It is my hope that all South Africans, inspired by the example he has set us and underpinned by our constitutional order, will ensure that his legacy lives on as a shining example of a democratic free society.

I am privileged to have led our Board through the first four years of RBPlat's operation, to have overseen the initial development of its strategies and the unfolding of these strategies to create a sustainable business.

During 2013 we delivered against all our strategic goals except our key goal of zero harm. Sadly, we did not achieve a fatality-free year at BRPM. On Wednesday, 8 May 2013 Mr Robert Mohlaoli Mohoanyane was fatally injured at BRPM's South shaft, 9 level, in a construction-related incident. On 7 December 2013 Mr Thembele Kibida was fatally injured in a fall of ground incident in BRPM's North shaft. The Board extends its condolences to their families, friends and colleagues for their loss.

I would like to congratulate the team at Styldrift I on its third fatality-free year.

We continue to deliver against our strategic objective of achieving organic growth through the development of Styldrift I, which is moving ever closer to start ramping up in 2015. All our other projects, which are contributing to our achievement of operational excellence, are ahead of schedule and under budget.

In terms of achieving operational excellence the team at BRPM has done an excellent job of reducing and containing costs, increasing productivity and building flexibility.

Key sustainability targets for RBPlat are implementing the energy reduction projects that were identified during a gap analysis conducted at BRPM in 2012, reducing our greenhouse gas emissions and our reliance on Magalies Water.

This year we re-examined our life of mine strategy in view of current and expected short- to medium-term market conditions. After much deliberation we announced on 12 November 2013 that we would be placing increased focus on our more profitable core business of mining and processing the Merensky reef. We also had to decide on a concentrator solution for Styldrift I and after considering a wide range of options presented by our technical team I believe we chose the best possible solution, in terms of both cost and process efficiencies.

For more information on our projects see page 59 to 62, for our costs see pages 47 and 112, on our strategic goals see page 37 and for increasing productivity see page 55.



A rock drill operator training session in progress at BRPM

Our reporting

The independent internal and external assurance processes we have adopted contribute to the quality and accuracy of our reporting.

Our commitment to continually improving the quality of our reporting resulted in our integrated annual report for the financial year ended 31 December 2012 being placed fourth in the top ten of the EY Excellence in Integrated Reporting Awards 2013. Our social responsibility achieved recognition when we qualified for the JSE Socially Responsible Investment (SRI) Index for the second year running. We also continue to perform well against the Mining Charter Scorecard.

Stakeholder responsiveness

Effective stakeholder engagement and responsiveness, particularly at operational level, plays a key role in labour and union stability and, of course, in the ability of a company to keep operating. I congratulate everyone involved in the engagement process at our operations for the excellent job they have done in keeping our operations strike-free this year.

While the Board delegates some of its responsibilities for engagement with our shareholders and potential investors to the RBPlat management team, its members interact with shareholders at our Annual

General Meetings and at presentations made by RBPlat's executive management team when we release our annual and half-year results.

In my role as Chairman of RBPlat I met with the Chairman of our major shareholder, Royal Bafokeng Holdings and with the Queen Mother and the Kgosi of the Royal Bafokeng Nation. I have also accompanied our Chief Executive Officer to various industry forums and community functions during 2013.

Regulatory environment

The uncertainty regarding the proposed amendments to the Mineral and Petroleum Resources Development Bill which I mentioned last year is still with us and it continues to impact our industry's ability to attract investment.

The Board

I would like to acknowledge the value our Board members added to our debates around the key strategic decisions we needed to make this year and their contribution to the performance of the Board's committees, which play a key role in the governance of RBPlat.

Assisted by the very able RBPlat management team we will monitor global and local economic conditions and, when necessary, as we have in the past we will

respond rapidly to changes in the environment to ensure the sustainability of our business.

Thanks

On behalf of the Board I thank everyone at RBPlat for their contribution to a peaceful and productive year at our operations.

Adv Kgomo Moroka SC

Chairman

CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW



Steve Phiri Chief Executive Officer

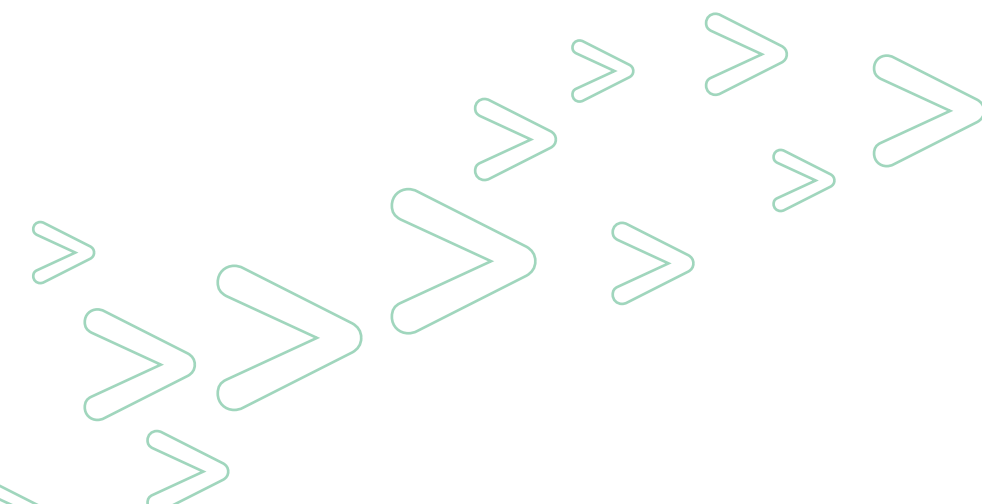
Much has been written and said about the devastating labour unrest, unfavourable market conditions and rising costs which hit the South African mining industry in 2012. While 2013 has also been a very challenging year for most members of the platinum industry in terms of the need to restructure to cope with the current economic circumstances and constant strike activity, at RBPlat we were fortunate to be able to restructure our workforce and end the year without a single production day lost to strikes.

Sadly, as our Chairman has already mentioned, we did not achieve our goal of zero harm this year. Any death is a death too many and we continue to do everything we can to keep our people safe. I'm encouraged by the continuing improvement in our lost time injury and serious injury statistics. I believe that the hard work

everyone at RBPlat is putting into developing a culture where every person takes responsibility for their own safety and the safety of their colleagues will help us achieve in a fatality-free year in 2014.

The four pillars of our strategy have been in place since we took over the BRPM Joint Venture in 2010. Four years later I would like to review our progress against these strategies and assess how relevant they still are.

As you can see from the table on the next page there is only one area where we have not made progress towards achieving our strategic objectives and that is our target of achieving zero harm. As I said previously, we hope that by developing a culture where every person takes responsibility for their own safety and the safety of their colleagues we will achieve zero harm.





Main and Services shaft headgear at Styldrift I

STRATEGY PILLAR	PROGRESS		
Towards operational excellence We identified the following key issues that we currently need to address in our quest to achieve operational excellence	Achieve zero harm		Human capital, page 76
	Productivity		Manufactured capital, pages 55 and 57
	Reduce costs through efficiencies		Manufactured and Financial capital, pages 47 and 57
	Effective employee engagement		Manufactured capital page 53 and Human resources page 68
Build flexibility We believe that building flexibility into our business will increase its sustainability. We have identified three key issues that will provide this flexibility in the short, medium and long term	Accelerated ore reserve development		We have changed this strategy this year to meet market conditions – see my comments on page 39
	Increase the production of UG2 ore		Manufactured capital, page 55
	Replenish our ore stockpile to ensure uninterrupted concentrator operation		Manufactured capital, page 54 to 56
Grow organically We believe that by growing organically and using cash flows from existing operations to fund growth, we will be able to exploit our existing resources to the benefit of all our stakeholders. We have identified three current and future issues that could affect the delivery of the Styldrift I project	Funding		Financial capital, page 46
	Community engagement		Human capital, page 68 Social and relationship capital, pages 87 and 91 and Manufactured capital, page 53
	Operational readiness including adequate power supply		Manufactured capital, page 62
Pursue value enhancing opportunities Seek out possible synergies with our neighbours and other potential partners in the platinum industry and consider possible mergers and acquisitions	Royalty agreements with Impala Platinum Regional consolidation and/or cooperation		See my comments in this section of the report on page 39 also see Financial capital on page 45

Legend:

	not achieved
	partially achieved
	achieved

CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW (continued)



BRPM concentrator plant

We have achieved the operational flexibility we wanted to achieve and have contained unit costs on a rand per tonne basis in line with the inflation rate. We will be maintaining our focus on containing and, wherever possible, reducing costs. Our grade has also improved considerably, largely due to the flexibility we have achieved, which has resulted in a 2% reduction in our cash unit costs per platinum ounce. Our projects remain on schedule or ahead of schedule, with our biggest project, Styldrift I, doing well in this regard.

We have provided you with references in the table to further detail.

Stakeholder responsiveness

We take our relationships with our stakeholders very seriously. As you will see we discuss them in each section of this report. Stakeholder engagement is an important part of the responsibilities of all our senior executives. To assist us with this role and with our external and internal communication we have appointed an Executive: Corporate Affairs, Mpueleng Poee, who is a member of our Executive Committee. I have no doubt that having someone with an overview of our

engagement and responsiveness at all levels of the organisation will help us improve the effectiveness of our engagement with all our stakeholders.

Market outlook

Platinum

During 2013 the platinum price declined 4% year-on-year to an average of US\$1 486/oz. The price peaked at US\$1 733/oz in February when producers announced restructuring plans, but fell to a low of US\$1 320/oz in late June. The first mention of quantitative easing tapering around this time prompted the gold price to collapse from above US\$1 600/oz to below US\$1 300/oz and there was a general exit from commodities. Significant rand weakening also lowered the floor price in South Africa.

Global platinum mine supply decreased by 4.5% to 5.59Moz in 2013, with South African output decreasing to 4Moz. However, recycling increased by 6% to 2.15Moz, which resulted in a net 2% drop in total platinum supply to 7.74Moz for the year.

Demand for platinum increased by 1.7% to 7.7Moz during 2013, with the deficit, including investment, in the platinum market increasing to more than 800koz. The year

saw strong offtake by exchange traded funds (ETF) investors. ABSA's Newplat ETF peaked at 910koz since its launch in April 2013 and by year end was the largest global platinum ETF.

Automotive platinum demand decreased by 2.9% in 2013 after remaining flat at just over 3Moz in 2011 and 2012. Jewellery demand increased by 100koz in 2013, driven by lower prices, more store expansions and wedding registrations in China, platinum jewellery's largest market. The increase in other industrial demand from 1.7Moz in 2012 to 1.83Moz in 2013 was as a result of growth in chemical and electrical end uses and some recovery in the glass sector.

Palladium

In 2013, total palladium demand grew by an estimated 0.6% to 9.5Moz. A return to strong growth conditions in the Chinese car market lifted global palladium usage in autocatalysts by 5% to 7Moz. While recycling grew by 8% to 2.1Moz the gap between palladium supply and demand increased in 2013 and primary supplies declined to 6.3Moz. This decline was due to mine closures and lower Russian stock sales, however, lease rates remain low which indicates that currently global inventories are

ample to meet growing demand.

Rhodium

The rhodium price dropped 16% year-on-year to an average US\$1 066/oz, prompting further UG2 mine closures and effectively shutting down over 90koz of rhodium production capacity annually in South Africa since 2011. The reduction in the basket price, combined with rising unit costs, has resulted in an unsustainable erosion of margins for a number of smaller-scale, narrow-reef UG2 producers.

In 2013, global demand for rhodium rose by 4.5% to 960koz, and although supply decreased by 9.1% to 680koz as UG2 production was trimmed further, the market remains closely balanced and is currently well stocked. Rhodium is the best catalyst metal for removing nitrous oxides, the remaining tough target on the way to cleaner air.

Future outlook

In the year ahead primary platinum supply is likely to remain flat year-on-year, but further growth in recycling may offset this. Demand is expected to increase from current levels, particularly as the decline in auto sales in Europe appears to have bottomed out in 2013 and are expected to grow in 2014. This, combined with higher metal loadings per vehicle associated with the promulgation of Euro 6 tailpipe emissions legislation, will kick start the automotive demand recovery in Europe.

The South African rand weakened to a five-year low in early January as AMCU-led strikes took place at the major platinum producers. This is likely to cap any significant price gains for platinum in the near term, however, the long-term fundamentals of the platinum market are very much intact. Tighter emissions legislation that has been implemented in established markets will roll out to emerging markets in future, particularly as diesel fuel quality improves. There are also positive signs that platinum jewellery has gained a foothold in the Indian market and has the ability to prosper going forward.

Higher demand for palladium from the automotive industry is expected to continue in 2014, while the reduction in primary supply in the absence of Russian stock sales will be partially offset by additional recycling.

Palladium demand is increasingly dominated by autocatalysts, as the largely gasoline markets in the faster growing countries catch up rapidly with emissions legislation.

The introduction of Euro 6 legislation for new models from September 2014 will result in

the measurable use of rhodium in diesel catalysts for the first time. Historically, the use of rhodium in light duty diesel vehicles has been almost non-existent because it is mainly used in light duty gasoline vehicles. Supplies of rhodium are expected to show a modest increase during 2014 with the increased recoveries from scrapped autocatalysts being a major contributor to this increase.

Our view of the future

By 2019 the organic growth we will have gained from Styldrift I will have increased our production, in line with our revised ore processing strategy and prevailing market conditions. With a life of mine of 30 years it will make a major contribution to our fortunes in the medium and long term.

The other long-term potential we have for organic growth is Styldrift II which represents 40% of our total resources.

We announced on 12 November 2013 that after undertaking a detailed strategic review of our operating activities and long-term capital expenditure commitments, we will be focusing on our more profitable core business, which is mining and processing the Merensky reef. At the same time we will continue with trial mining of the UG2 reef with the aim of improving our ability to extract the UG2 ore, so we are well prepared to extract the best possible value from mining UG2 when the time is right.

At the same time we announced that we had made a decision regarding a processing solution for the Styldrift I Merensky ore. We will be upgrading and expanding our existing concentrator plant at BRPM to handle the ore from Styldrift I. This solution supports our decision to maximise the commercial strength of our Merensky value chain. We have also built into this processing solution flexibility that allows for further upgrades and possibly an expansion to process UG2 ore should market conditions improve. This decision will reduce our capital expenditure by R750 million.

In terms of value enhancing opportunities, after discussion with Impala Platinum we have renegotiated our royalty agreement with them to the benefit of both parties. The details of the new agreement are discussed in the Financial capital section of this report on page 45.

Regional consolidation and/or cooperation in the Western Bushveld Complex is the best route in terms of our future growth, be it in the form of joint ventures, mergers or cooperative partnerships.

I believe it can happen. It will take patience and corporate maturity, and we have plenty of that, as we will be busy with the ramp-up of Styldrift I for a while yet.

A challenge we will have in 2014 is the renegotiation of our wage agreement, which expires at the end of June 2014. We are hopeful that the relationships we have worked hard at establishing with the unions and our workforce, which are based on mutual respect and understanding, will result in a win-win wage negotiation.

In 2012 I mentioned that we need to reconfirm who has a constitutional responsibility for communities and who has a secondary and supporting responsibility for them and to re-establish the partnership between government and the private sector, which currently is not ideal.

Regrettably, uncertainty regarding the regulatory environment for South African mining companies remains a deterrent to investment in growth in our industry. We are optimistic that a win-win solution will be found between the Department of Mineral Resources (DMR) and the Chamber of Mines in addressing areas of disagreement in the Mineral and Petroleum Resources Development Act (MPRDA).

In conclusion

I am very proud of the achievements of our management team, employees and contract workers and thank them all for the excellent work they have done this year. My thanks also go to our joint venture partners and to our Board of directors for their valuable contribution to our deliberations and decision-making in a year during which we had to make some important strategic decisions.



Steve Phiri

Chief Executive Officer

See page 45 for information on how we are reducing our capital expenditure and for information on our renegotiated royalty agreement with Impala.





1

FINANCIAL CAPITAL



ACHIEVEMENTS



- > Significant cash generation by operations
- > R500 million increase in revolving credit facility available to R1 billion
- > R200 million funding facility for employee housing
- > Newly optimised life of mine and processing strategy
- > Impala 6# and 8# royalty agreement renegotiated

IMPROVEMENTS



- > Improved revenue basket price
- > Cost management reporting

CHALLENGES



- > Maximising local procurement
- > Market conditions
- > Tax dispute relating to 2008 and 2009

DISAPPOINTMENTS



- > US dollar metal price performance

FINANCIAL CAPITAL

> KEY MATERIAL ISSUES

- > Global economic and market conditions
- > Improved funding flexibility
- > Implementation of social licence to operate
- > Stakeholder engagement and responsiveness

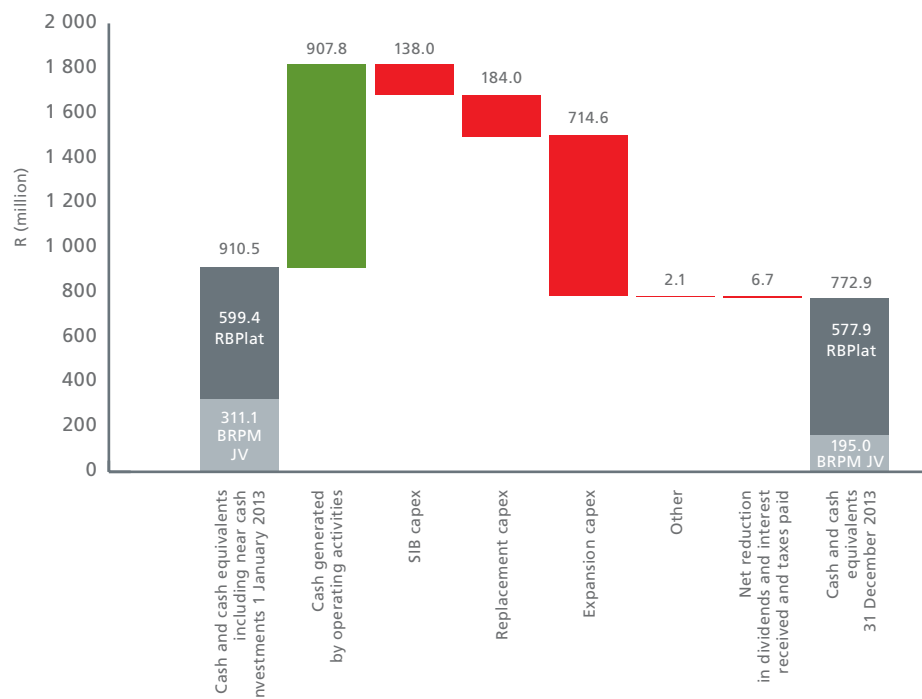


Martin Prinsloo Chief Financial Officer

In 2013, our focus has been on achieving cost reductions, without impacting negatively on safety, quality of production, or sustainable cash flow generation. We began with the restructuring of our labour force, where our approach was to right size on all levels starting with management and moving down through the whole organisation.

We were also able to take advantage of our newly achieved independence from Anglo American Platinum's (Amplats) systems and supply chain. In 2012 we said we would be focusing on improving cost reporting, management and control. Having taken ownership of our supply chain and our ICT systems during 2012 we now had the opportunity to review our supply chain costs and our systems.

CASH FLOW ANALYSIS



For more information on our supply chain cost review see page 112.

Our cash flow generation this year has exceeded all of our expectations as it funded R907.8 million (86%) of our total BRPM Joint Venture capital expenditure for the year of R1 058.8 million, including the R737 million invested in the Styldrift I and II projects. This left the Group with a cash or near cash balance of R772.9 million at year end. Our solid results can be attributed to our effective management of costs during the year and our operational performance, assisted by a weak rand. This is despite the fact that the replacement of the mill end in

our concentrator negatively impacted our cash flow as we lost 15 days of concentrate production during August. This means that the processing of ore produced by BRPM was delayed and as a result we will not receive payment for this concentrate until early 2014, but we incurred the cost for its mining and processing during 2013. In accordance with our agreement with Amplats who smelts and refines our concentrate, we receive payment for our concentrate four months after it is delivered to Amplats for processing. If the negative

cash flow effect of this 15-day mill stoppage is taken into account, it implies that virtually all of our capital expenditure would once again have been serviced by cash flow generated from our operations.

FINANCIAL SUMMARY AND STATISTICS

	2013 R (million)	2012 R (million)	2011 R (million)	2013 vs 2012 % change
Revenue	3 251.1	2 865.3	2 974.9	13.5
Cost of sales	(2 650.1)	(2 525.5)	(2 408.7)	(4.9)
Gross profit	601.0	339.8	566.2	76.9
Other income	77.5	66.9	54.8	15.8
Administration expenses	(105.0)	(101.7)	(104.3)	(3.2)
Net finance income	39.0	56.3	57.7	(30.7)
Profit before tax	612.5	361.3	574.4	69.5
Taxation	(164.7)	(85.6)	(163.6)	(92.4)
Non-controlling interest	(163.6)	(105.4)	(137.4)	(55.2)
Profit attributable to owners of the Company	284.2	170.3	273.4	66.9
Headline earnings	283.9	170.3	273.7	66.7
Headline earnings per share (cents per share)	173	104	167	66.3
Normalised headline earnings*	348.4	233.2	350.2	49.4
Normalised headline earnings per share (cents per share)*	212	142	214	49.3
Weighted average number of ordinary shares in issue for earnings per share	164 319 791	163 960 709	163 677 799	0.2
EBITDA	1 008.0	633.8	1 035.5	59.0
Average annual R:US\$ exchange rate	9.65	8.21	7.26	17.5
Closing R:US\$	10.47	8.47	8.09	23.6
Average basket price (R/Pt oz)***	17 927	16 404	16 282	9.3
Gross profit margin (%)	18.5	11.9	19.0	55.4
EBITDA margin (%)**	31.0	22.1	34.8	40.3
Statement of cash flows				
Cash generated by operating activities	907.8	732.6	1 025.1	23.9
Capital expenditure (100% BRPM)	1 058.8	1 192.3	1 163.6	11.2
Cash, net of debt (including preference share investment)	772.9	910.5	1 364.1	(15.1)
RBPlat share performance on JSE				
Ordinary shares (cents/share)				
– High	6 499	6 749	7 001	(3.7)
– Low	4 201	4 374	5 261	(4.0)
– Year end	5 900	5 750	5 500	2.6
Volume of shares traded	37 834 520	24 529 533	33 584 214	54.2
Number of shares issued outside the Group at year end	164 459 662	164 150 804	163 677 799	0.2

* Normalised headline earnings are based on headline earnings adjusted for fair value depreciation, amortisation and tax thereon

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

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

FINANCIAL CAPITAL (continued)



Stockpile at the BRPM concentrator in September 2013

During 2013 we also had some incidental revenue for the first time from the processing of on-reef development ore from Styldrift I amounting to R11.9 million.

In 2012 we predicted that we would experience some level of improvement in our revenue basket during 2013 and this proved to be the case. Our basket price improved by 9.3% from R16 404 per platinum ounce in 2012 to R17 927 per platinum ounce in 2013. This was mainly due to the weakening in the ZAR:USD exchange rate from an average of R8.21 in 2012 to an average of R9.65 in 2013.

Stakeholder responsiveness

The main focus of our stakeholder engagement with regard to Financial capital is with our investors and our providers of debt. We also engage with the

South African Revenue Service (SARS). Communication takes place with our investors on the JSE's Securities Exchange News Service (SENS), through our integrated annual report, our interim and year end results presentations and a range of presentations we make to investors both in South Africa and internationally. We also arrange investor visits to our operations. Investors get the opportunity to receive responses to their questions in these presentations and visits and at our Annual General Meeting. Telephone and email communication takes place daily. When we published our 2012 integrated annual report some investors told us they would prefer to see more detail in our remuneration reporting. We took their comments seriously and have included more detail in our report this year.

Notwithstanding the fact that we have not had any cash drawdown at year end of our working capital facilities, we continue to engage with our debt providers and provide them with a quarterly "financial health certificate" of the business in which we set out the various financial health ratios of the business. During 2013 we have also taken our debt providers on a site visit to our operations. SARS representatives are invited and attend our interim and full year results presentations and our Group has a dedicated SARS relationship manager with whom we regularly engage.

For more details on remuneration, see page 134 to 138.



SUMMARISED STATEMENT OF FINANCIAL POSITION

	2013 R (million)	2012 R (million)	2011 R (million)	2013 vs 2012 % change
Non-current assets	18 611.4	17 947.0	17 101.5	3.7
Property, plant and equipment	9 620.9	8 899.2	7 999.3	8.1
Mineral rights	6 583.7	6 645.0	6 700.5	(0.9)
Goodwill	2 275.1	2 275.1	2 275.1	–
Environmental trust deposit	106.8	103.1	92.4	3.6
Deferred tax asset	24.9	24.6	34.2	1.2
Current assets	2 206.1	2 154.4	2 391.1	2.4
Accounts receivable, inventories and other	1 433.2	1 243.9	1 027.0	15.2
Cash and cash equivalents (including preference share investment)	772.9	910.5	1 364.1	(15.1)
Total assets	20 817.5	20 101.4	19 492.6	3.6
Total equity	15 986.3	15 480.6	15 137.2	3.3
Non-current liabilities	4 331.6	4 175.1	4 112.2	3.7
Deferred tax liability	4 262.0	4 112.6	4 054.1	3.6
Long-term provisions	69.6	62.5	58.1	11.4
Current liabilities	499.6	445.7	243.2	12.1
Total equity and liabilities	20 817.5	20 101.4	19 492.6	3.6

Renegotiation of Impala royalty agreement

In 2013 we renegotiated the terms and conditions of the 6 and 8 shaft royalty agreement with Impala Platinum (Impala), which we originally concluded in 2010. The agreement gives Impala the right to mine a demarcated southern portion of our Boschkoppie property from its 6 and 8 shafts for a royalty payment of 15% of revenue earned, with Impala bearing all the associated mining, safety, health and environmental risks. Due to the operational challenges experienced by Impala at its Rustenburg operations and the rising costs at its 6 and 8 shafts in particular, we agreed with Impala that we would substitute the royalty payment of 15% of revenue earned with a royalty payment linked to market conditions and the profitability of its Rustenburg operations. From October 2013 we have received a royalty payment ranging between 5% and 25% of revenue earned depending on Impala's profitability at its Rustenburg operations. We believe that the amended terms of the royalty agreement align the interests of both businesses and are therefore in the interest of our shareholders. The terms and conditions of our 20 shaft royalty agreement with Impala remain unchanged at 17.5% of revenue.

New life of mine strategy

During our strategic review of our operating activities and long-term capital

expenditure commitments conducted in 2013 we noted that a tonne of our UG2 is worth approximately 25% less than that of our Merensky tonne. This is mainly due to:

- > lower delivered grade
- > lower platinum content in our UG2
- > lower amounts of base metals in our UG2
- > lower concentrator recovery.

We evaluated a number of ore processing options and made the decision to upgrade the BRPM concentrator to treat the Merensky ore from both BRPM and Styldrift I.

As a result, our decision to focus on our more profitable core business – the mining and processing of the Merensky reef – with its higher margins will allow us to maximise the commercial strength of our operations.

This decision has resulted in a saving of R750 million in the Group's processing capital expenditure as detailed below (see page 59 of the Manufactured capital section of this report for more information on this strategy) and a 25% improvement in our enterprise internal rate of return (IRR).

Ore processing strategy

The upgrading and expanding of the existing concentrator at BRPM to provide a processing solution for the Merensky ore from Styldrift I is estimated to cost

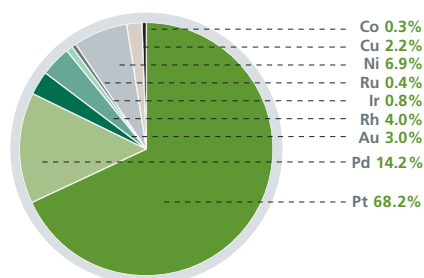
R2 billion. This represents a reduction in capital expenditure of approximately R750 million on the Joint Venture's combined original capital expenditure plan of R2.4 billion for the development of a concentrator plant at Styldrift I, plus a R300 million plant upgrade at BRPM to treat the UG2 ore and an additional R50 million, provided for UG2 blending. We have therefore revised our overall capital expenditure budget for the Styldrift I project from R11.4 billion to R11.0 billion and we have reduced the BRPM capital expenditure budget by R350 million resulting in a combined reduction of R750 million.

Capital expenditure

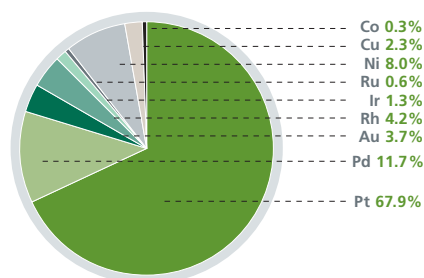
Capital expenditure for the year, consisting of stay-in-business, replacement and expansion capital expenditure at the BRPM JV, amounted to R1 058.8 million compared to R1 192.3 million in 2012, which is a reduction of 11%. The reduction is due to lower stay-in-business capital expenditure and under expenditure on the the North shaft Phase III replacement project. The reduction in our capital expenditure was not due to delays in our projects. Total capital expenditure for the Group is anticipated to more than double to approximately R2.4 billion in 2014 given the accelerated capital expenditure profile at Styldrift I.

FINANCIAL CAPITAL (continued)

CONTRIBUTION PER METAL TO REVENUE – 2013



CONTRIBUTION PER METAL TO REVENUE – 2012



In 2012 we advised that we expected the capital expenditure at Styldrift I would result in increased demand on our surplus cash resources in 2013 and, as initially anticipated, we would start tapping into our debt facilities for this purpose during the course of 2013. However, our ability to generate cash flows during 2013 meant we were able to fund all our capital expenditure from our cash resources.

Funding strategy

In July 2013 RBPlat's revolving credit facility with Nedbank was increased from R500 million to R1 billion and the working capital facilities for the Group were increased from R258 million to R458 million to provide sufficient funding flexibility to allow RBPlat to execute its signalled equity capital raise when most opportune. To date the revolving credit facility remains undrawn.

The RBPlat Group provided a R200 million guarantee for the 400 houses that were built as phase 1 of the Group's housing project. The increase in the working capital facility to R458 million was utilised for this guarantee. As the houses are completed and handed over to the Group by the developer, this guarantee will gradually convert into a funding facility. Post year end, R53 million of this guarantee has been converted to a funding facility in respect of the first 106 houses that were handed over.

The R200 million housing working capital facility represents an interim arrangement to facilitate employee home ownership and the third party funding of it.

RBPlat intends to finalise its funding solution in respect of the Styldrift I project during 2014 through the combination of an equity capital raising amounting to between 10% and 25% of the Company's prevailing market capitalisation, and a structured debt funding package that will ensure that the

Group's gearing level would not exceed 30% at peak funding levels in 2016. The Group currently has R772.9 million cash and cash equivalent resources on hand of which R708.6 million is attributable to RBPlat.

Headline earnings

The Group's headline earnings increased by R113.6 million from R170.3 million in 2012 to R283.9 million in 2013. This increase reflects the improved PGM rand basket price and cost saving initiatives implemented in 2013. Headline earnings per share for 2013 of 173 cents is 66% higher than the 104 cents per share reported in 2012.

Revenue

Our revenue of R3 251.1 million for 2013 was 13.5% higher than the revenue of R2 865.3 million for 2012. The increase is due to a 9.3% increase in our rand basket price and a 4% increase in production volumes.

Revenue from production through the BRPM concentrator increased by 8.2% from R2 720.9 million to R2 944.7 million. The 2013 revenue number included R11.9 million generated from the processing of on-reef development ore from the Styldrift I project.

Revenue from toll concentrating of UG2 increased by 112.2% from R144.4 million in 2012 to R306.4 million in 2013 due to an 82% increase in toll production volumes and an increase in the rand basket price.

Gross profit

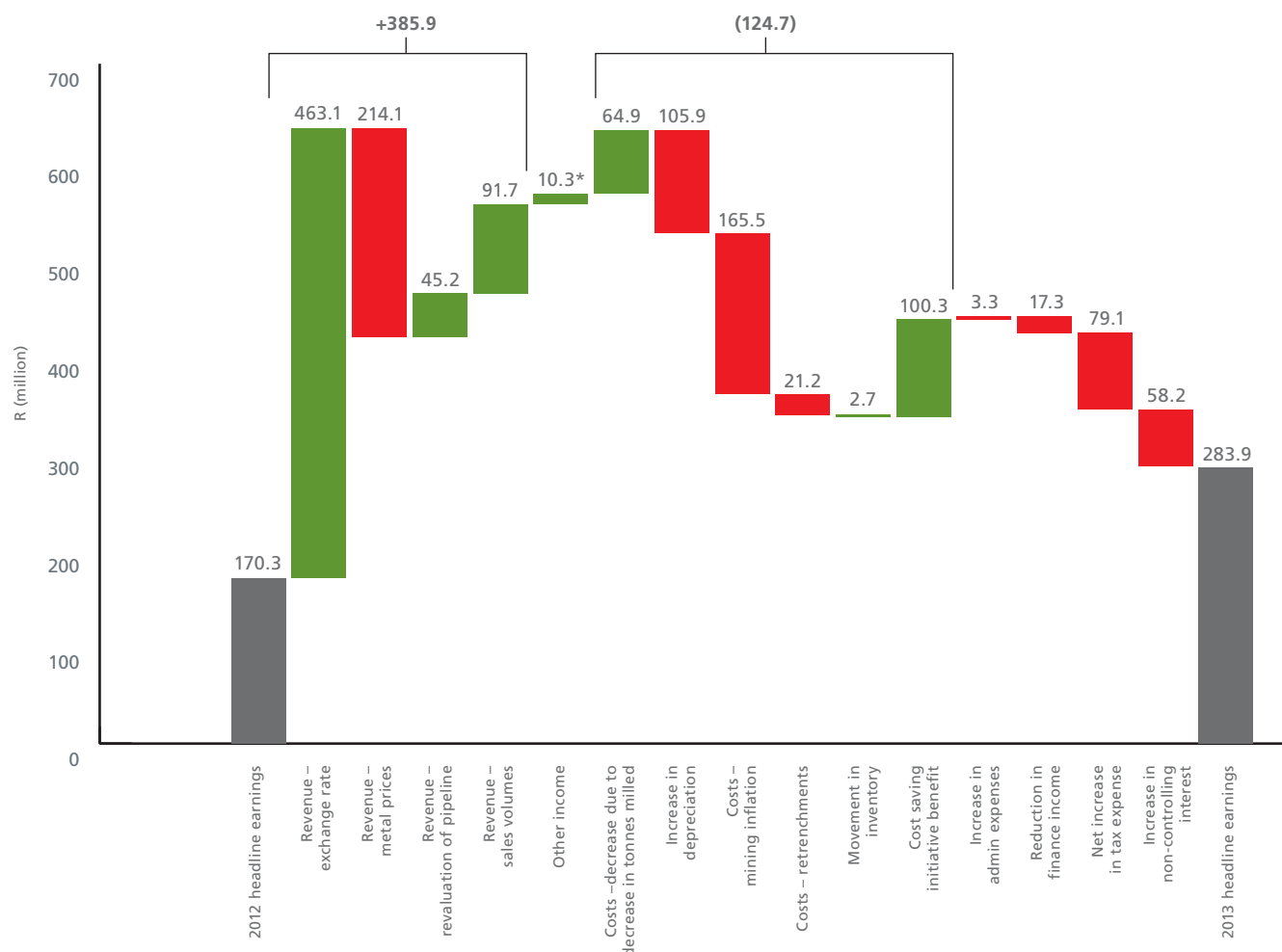
Our gross profit margin improved significantly from 11.9% in 2012 to 18.5% in 2013. This was due to a 13.5% increase in revenue combined with a marginal increase in cost of sales as a result of our focus on cost management in 2013.

SALES VOLUMES

		2013	2012	2011	2013	2012	2011
		Sales volume			US\$ Average price achieved*		
Platinum	Pt oz	181 351	174 665	182 712	1 418/oz	1 552/oz	1 697/oz
Palladium	Pd oz	74 009	72 007	74 820	719/oz	649/oz	720/oz
Gold	Au oz	8 771	8 761	9 806	1 309/oz	1 672/oz	1 716/oz
Rhodium	Rh oz	15 431	14 488	14 260	977/oz	1 143/oz	1 789/oz
Iridium	Ir oz	5 062	4 813	4 762	642/oz	1 037/oz	1 095/oz
Ruthenium	Ru oz	26 232	24 858	24 475	64/oz	92/oz	137/oz
Nickel	Ni t	1 822	1 875	2 071	6.47/lb	7.68/lb	9.63/lb
Copper	Cu t	1 171	1 175	1 302	3.21/lb	3.50/lb	3.28/lb

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

HEADLINE EARNINGS VARIANCE ANALYSIS



* Excludes profit on disposal of property, plant and equipment

Cash operating costs

BRPM's average cash unit cost per tonne milled increased by 6% from R864 in 2012 to R920 in 2013. The cash unit cost per platinum ounce decreased by 2% from R11 775 to R11 592 due to an improved built-up head grade during 2013. We are proud of our outstanding cost management performance which we attribute to improved mining flexibility and specific cost reduction strategies and initiatives. The BRPM Joint Venture remains at the lower end of the industry cost curve (refer to the JP Morgan Cazenove industry cost curve graph on page 15 of the Operating context in this report).

Depreciation

Depreciation charges included in cost of sales increased by 37% from R272.1 million in 2012 to R372.2 million in 2013. The increase was due to:

- > a 4% increase in production which increased the units of production depreciation charge
- > R1 billion capitalised of the R2.4 billion BRPM Phase II Merensky replacement project commissioned in June 2012 and depreciated for a full year in 2013 compared to a six-month depreciation in 2012
- > Phase III capitalisation in 2013
- > the start of the depreciation of the ICT and supply chain migration costs in 2013

> amendments to the remaining useful lives of specific items of the concentrator plant following a detailed review conducted in 2013.

Social and labour plan (SLP) expenditure

Total SLP expenditure for 2013 amounted to R105.2 million of which R91 million was expensed and R14.2 million was capitalised to the Styldrift I project. This is 17% lower than the 2012 SLP spend of R126.9 million as part of our progression towards normalised levels.

Administration costs

Administration costs increased marginally by 3.2% from R101.7 million in 2012 to R105.0 million in 2013 due to a specific focus on cost saving measures.

FINANCIAL CAPITAL (continued)

VALUE ADDED STATEMENT

	2013 R (million)	2012 R (million)	2011 R (million)
Value added by operations – revenue	3 251.1	2 865.3	2 974.9
Add: Other income	76.2	64.2	54.8
Add: Net finance income	39.0	56.3	58.6
Total value added	3 366.3	2 985.8	3 088.3
Value distribution			
Employees and contractors of BRPM	1 181.7	1 145.7	973.9
Contractor payments	489.0	478.4	377.0
Salaries, wages and bonuses including retirement benefit funds and healthcare funds	773.3	753.1	673.9
Retrenchment payments	21.2	–	–
Share-based payment expense	35.8	43.6	33.1
PAYE deduction	(121.9)	(114.6)	(97.2)
UIF	(7.9)	(7.8)	(7.1)
SDL	(7.8)	(7.0)	(5.8)
Corporate office employees and non-executive directors	60.5	61.9	58.3
Salaries, wages and bonuses, including retirement benefits funds and healthcare funds	61.3	55.5	43.1
Share-based payment expense	18.1	24.1	29.2
PAYE deduction	(18.2)	(16.9)	(13.5)
UIF	(0.1)	(0.1)	(0.1)
SDL	(0.6)	(0.7)	(0.4)
Water and electricity providers	179.4	171.1	144.5
Magalies Water	15.1	14.6	10.8
Eskom	164.3	156.5	133.7
Government	183.1	174.2	168.0
Mining and non-mining income tax (excludes deferred tax)	15.6	17.5	29.9
Royalties	10.9	9.6	14.1
PAYE deducted from employees	140.2	131.5	110.7
UIF	8.0	7.9	7.1
SDL	8.4	7.7	6.2
Providers of capital	163.6	105.4	137.4
Non-controlling interest	163.6	105.4	137.4
Suppliers of materials	365.2	407.6	391.5
Suppliers of services	254.6	203.7	239.4
Suppliers of corporate office services and goods	24.6	22.1	32.1
Capital expenditure	1 036.6	1 173.9	1 146.5
Broader community	105.2	126.9	35.9
Social and labour plan – HRD expenditure expensed	76.0	81.6	25.3
Social and labour plan – CED expenditure expensed	15.0	45.3	10.5
Social and labour plan – CED expenditure capitalised	14.2	–	–
Other (sponsorships and administration)	–	–	0.1
Total value distribution	3 554.5	3 592.0	3 327.5
Net reserves used by Group	(188.2)	(607.3)	(239.2)
Depreciation and amortisation	434.5	327.6	518.8
Deferred tax	149.1	68.1	133.7
Utilisation of shareholder fund for capital investment	(771.8)	(1 003.0)	(891.7)

Other income

Other income increased by 16% from R66.9 million in 2012 to R77.5 million in 2013. The increase is mainly due to the increase in the royalty income from Impala from R61.8 million in 2012 to R75.2 million in 2013.

Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA as a percentage of revenue increased from 22.1% in 2012 to 31% in 2013 as a result of increased revenue and our improved cost management performance.

Finance income

Finance income decreased by 28.5% from R59.7 million in 2012 to R42.7 million as more cash reserves were invested in the BRPM Joint Venture on average throughout the year.

Taxation

Current income tax reduced by 11% from R17.5 million in 2012 to R15.6 million in 2013 mainly due to the reduction in taxable non-mining income, i.e. interest income. Deferred tax increased by 119% from R68.1 million in 2012 to R149.1 million in 2013 due to increased BRPM JV profits.

Dividend policy

As previously indicated, the payment of our first dividend is likely to occur in 2018 when the Styldrift I project is scheduled to achieve steady state production.

Adding value

During 2013 our most important means of adding value was through:

- > paying wages, benefits and bonuses to our employees
- > paying taxes and royalties to government
- > where possible sourcing goods and services from local suppliers and helping these suppliers build capacity in their businesses
- > our capital investment in the organic growth of our business through Styldrift I and II is building future value for all our stakeholders and in particular our shareholders

- > the socio-economic development contributions we make to the communities in which we operate.

Our ability to add value depends on our ongoing profitability. As a result the value we are able to add is affected by increases in our input costs, higher government taxes and more stringent regulations.

Subsequent event

On 19 February 2014, RBR received revised assessments from SARS for the 2008, 2009 and 2010 years amounting to R437.5 million comprising income tax of R106 million, penalties of R246.4 million and interest of R85.1 million, payable within seven days. RBR is in the process of lodging an objection against these assessments and an application to suspend payment of taxes in terms of section 164(2) of the Tax Administration Act. Based upon independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending this matter.

Future outlook

Subsequent to year end the revenue basket price has improved significantly to above R19 000 per platinum ounce, mainly as a result of an accelerated depreciation of the SA rand against the US dollar to in excess of R11 to the dollar. Although the rand is not necessarily expected to remain at these weak levels, we do anticipate an improved average revenue basket for 2014 compared with 2013. We expect this to be through the combination of some improvement, albeit marginal, in metal prices due to sustained annual deficits, resulting from industry-wide labour unrest causing some depletion of above-ground stocks together with a weaker exchange rate.

2014 will be characterised by increased activity with related accelerated capital expenditure at Styldrift I.

Key deliverables for 2014 will be:

- > the protection of business continuity through maintaining flexibility in the business
- > honouring our social licence to operate and the successful pro-active conclusion of a mutually beneficial wage agreement with our workforce

- > the finalisation of our funding solution in respect of the Styldrift I project through the combination of an equity capital raising and a structured debt funding package
- > the review and improvement of our management accounting systems.

Our operational focus will remain on cost management, containment and control although it is anticipated that it would become progressively more difficult to deliver cost saving benefits of the magnitude that were achieved during 2013.

We will continue to evaluate regional and other opportunities to add value to our business.



2

MANUFACTURED CAPITAL

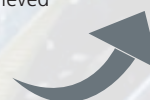


ACHIEVEMENTS



- > No strikes or any form of labour unrest
- > 2% decrease in cash unit cost per Pt oz
- > Development and implementation of shared services
- > 37% improvement in SIFR
- > All Styldrift I sinking milestones achieved

IMPROVEMENTS



- > 9% improvement in LTIFR
- > 4% increase in 4E ounce production
- > 8% increase in built-up head grade
- > 5% improvement in IMS face length
- > 6% improvement in milled tonnes per employee

CHALLENGES



- > Wage negotiations
- > Stakeholder responsiveness
- > Delivered volumes
- > Maintaining Styldrift I project schedule
- > Drive to zero harm

DISAPPOINTMENTS



- > Two fatalities at BRPM

MANUFACTURED CAPITAL

> KEY MATERIAL ISSUES

- > Drive towards zero harm
- > Maintain business continuity – new wage agreement scheduled for 2014
- > Optimise ounce output
- > Enhance operational excellence
- > Maintain capital efficiency
- > Styldrift project execution
- > Optimise long-term business strategy/profitability

Nico Muller Chief Operating Officer



Key features of 2013

- > Two fatal injuries
- > SIFR and LTIFR improved by 37% and 9% respectively
- > Improved business continuity due to fewer safety stoppages and no labour-related disruptions
- > Immediately stopable ore reserve panel ratio above 1.5
- > 4E built-up head grade improved by 8%
- > PGM ounce production up 4%
- > Cash unit cost per platinum ounce down 2%
- > Styldrift I project progress on schedule and within budget
- > Revised concentrating strategy approved

OUR FOCUS 2014

- > Achieve a resilient safety and health culture through leadership, values, skills development and behaviour
- > Reduce exposure to fall of ground injuries through implementing the trigger action response plan (TARP)
- > Reduce equipment and machinery related injuries through improved warning devices on winch installations
- > Improve health and wellness through mitigating harmful exposures and increasing medical surveillance
- > Further strengthen our relationships with employees, unions and communities to reduce the likelihood of operational disruptions
- > Social and labour plan renewals
- > Maximise ounce production by maintaining current grades and optimising mill throughput
- > Utilise the increased IMS to leverage increased productivity and maintain operating cost control
- > Maintain capital discipline through regular review of all capital projects
- > Execution of Styldrift I project to schedule and costs with particular focus on shaft sinking, equipping, lateral development and underground bulk infrastructure
- > Continue developing Styldrift operational readiness through capacitating site management with appropriate resources, systems and strategic partnerships
- > Implement new concentrator strategy and optimise long-term extraction strategy
- > The BRPM South shaft UG2 trial mining remains a vital part of the equation.

Overview

In many ways our operating results in 2013 are the culmination of a number of our long-term strategies, which are centred around achieving sustainable performance, and the support and commitment of our employees, unions and the communities in which we operate.

We would like to thank our leadership, management, employees, unions, the communities in which we operate and the government institutions with which we interact, for the contribution they all made to achieving the harmony, stability and continuity that was a feature of our operations and projects during 2013. Their commitment and trust were key drivers of our positive business performance.

The regular engagement that our Chief Executive Officer has with our employees at all levels, which is characterised by open, honest and direct two-way communication, has made an important contribution to the development of mutual trust and understanding, both in our operations and in the communities in which we operate.



Mechanised mining at Styldrift I

An important step we took in 2013 was the development of our revised ore processing strategy for RBPlat. We believe that the revised strategy will further augment our current operational strategies and ensure our long-term sustainability in the current macro-economic environment without sacrificing our future UG2 treatment requirements should market conditions improve.

During 2013 we entered the final year of our three-year wage agreement which ends in June 2014. Part of this wage agreement was our commitment to building homes for our employees. The first phase of our housing development for BRPM employees was well under way by the end of the 2013.

Safety, health and the environment

Our respect and care for our employees, and our understanding that it is not possible to achieve sustainable business performance without high health and safety standards and performance, drive our long-term health and safety strategies.

The RBPlat safety strategy, which we finalised in 2011 and began implementing in 2012, has set us on a journey to resilience, and zero harm, which is reflected in the continuing overall improvement in most of our group health and safety performance measures. Our lost time injury frequency rate (LTIFR) and serious injury frequency rate (SIFR), which have improved for the third

consecutive year, decreased by 9% and 37% respectively when compared to 2013.

Regrettably, we recorded two fatal injuries at BRPM in 2013. Any death is one too many and we remain determined to eliminate the risk of injury and loss of life at all our operations through an extensive focus on our safety, health and environment (SHE) strategy.

Safety stoppages

During 2013 our operations were issued with 11 Section 54 stop notices by the Department of Mineral Resources (DMR). We estimate that we lost approximately 89kt milled during these stoppages compared to the 117kt lost during 2012.

Health and wellness

No new cases of occupational illnesses or diseases were reported or diagnosed in RBPlat's operations during 2013. We halved the new HIV infection rate in our operations during 2013 and our contractors are now required to enroll all their employees on a medical aid which ensures that their employees gain access to the antiretroviral (ART) treatment they require. We believe that the drop in the new HIV infection rate indicates that our HIV awareness programme is effective.

Environment

We rolled out our RBPlat environmental strategy during 2013 and achieved a very pleasing environmental performance in

2013, with no environmental incidents and an excellent improvement in energy efficiency and water use reduction. We also received approval for the construction of an onsite water treatment plant at BRPM, which will, in the future, further reduce our water requirement from Magalies Water.

Stakeholder responsiveness

Both BRPM and Styldrift I have a history of engaging with their employees and the unions. Our ability to communicate effectively with our employees limited the impact on our operations of the strikes that plagued our industry in 2012.

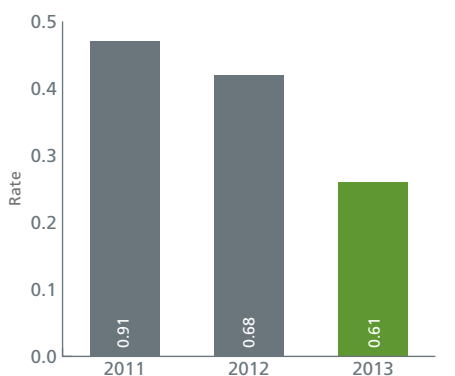
The commitment to engagement of our management team and union leadership continued to strengthen our employee relations during 2013, allowing us to have a year of labour and union stability.

For more information on our housing development, see page 21, for our safety performance and what we are doing to achieve resilience see page 76 to 79 and for our environmental progress see page 93 to 101.

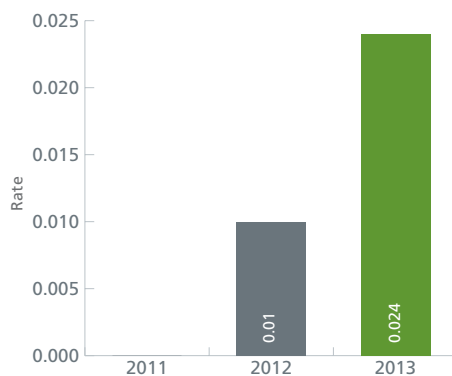


MANUFACTURED CAPITAL (continued)

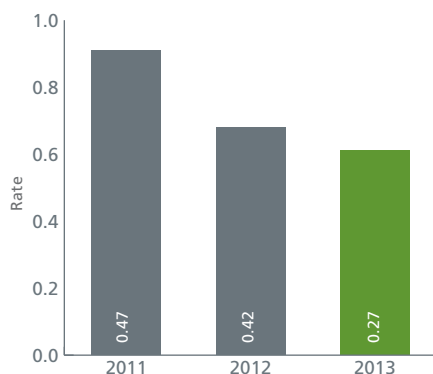
RBPLAT LTIFR (/200 000 HOURS)



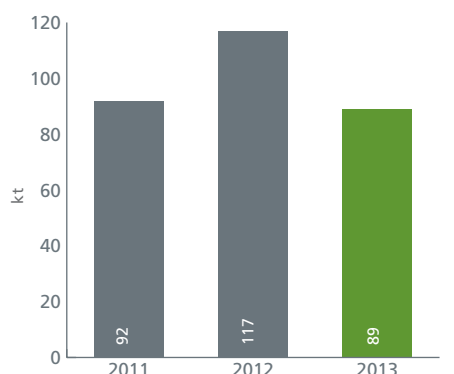
RBPLAT FIFR (/200 000 HOURS)



RBPLAT SIFR (/200 000 HOURS)



MILLED TONNES LOST – SAFETY STOPPAGES



Our engagement with our communities

We focused this year on finding ways to improve our communication with the communities in which we operate and our ability to address their issues. To achieve this BRPM and Styldrift I meet with community leaders monthly to share information of concern to the communities and matters that affect our operations. These meetings have improved communication with community leaders and provided a forum through which issues can be addressed.

During 2013 we delivered on our social and labour plan commitments and other issues raised by communities. We also regularly met with the Royal Bafokeng Administration (RBA), and the Rustenburg Local Municipality to develop longer-term plans that are aligned with the needs of the area.

The employment of local community members at Styldrift I remains a priority and to this end we spent over R6 million in 2013 to develop and train local community members in the mining and engineering disciplines.

Both Styldrift I and BRPM are due to renew their five-year social and labour plans and we will be aligning these social and labour plans for joint execution. We will also be engaging with our stakeholders to ensure we develop plans which address community needs. We believe that this approach will allow us not only to meet community needs, but it will also help us execute and deliver our projects on time.

We would also like to include our neighbours in our plans, which we believe would allow us as a mining community to make a much greater impact on community needs. We recognise that it will take time to achieve our goal but because we believe it will bring greater sustainability to the communities in which we operate, we are prepared to invest time and effort to achieve it.

Styldrift I engaged its neighbouring mines, Anglo American Platinum, PTM, Wesizwe and Impala Platinum, on a number of issues during 2013 including the work carried out on potential concentrator synergies, training facilities, housing infrastructure and joint community development projects.

Operating results

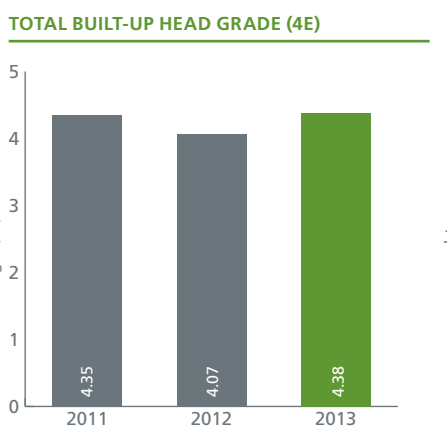
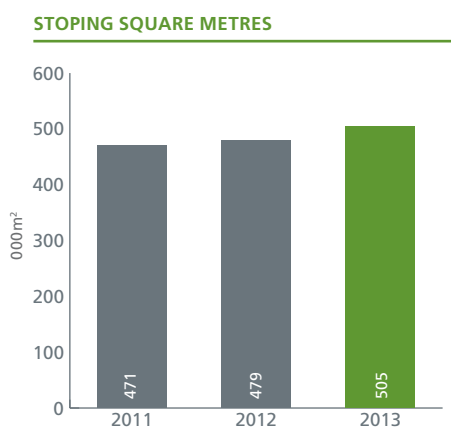
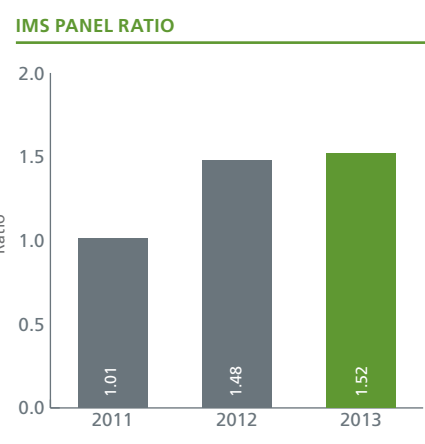
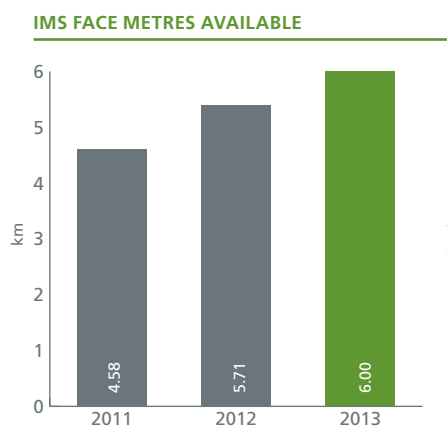
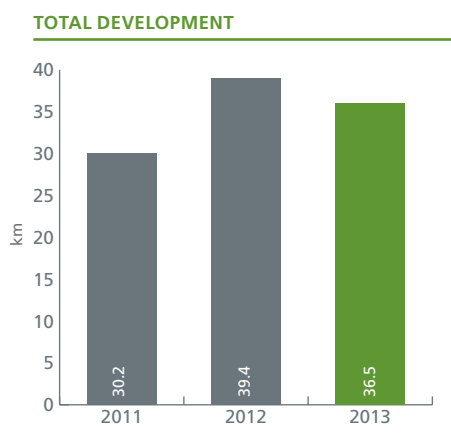
We reported previously that the lack of operational flexibility at BRPM through immediately stopable ore reserves (IMS) has been a critical constraint to our achieving operational excellence since RBPlat assumed operational control in 2010. This was the result of the loss of a large portion of the ore reserves in BRPM's North West block at North shaft in 2007/8, due to the intersection of iron rich replacement pegmatoid (IRUP) and historical delays associated with the Merensky Phase II decline development project.

In 2010 we initiated mining on the UG2 reef horizon at BRPM to improve operational flexibility by providing access to a secondary reef horizon. By 2013 the UG2 contribution had increased to approximately 18% of our total production and we expect it to remain at this level for the next few years.

Our second core strategy, to improve operational flexibility at BRPM, was to increase the IMS face length through a sustained increase in the rate of development, redevelopment, ledging and equipping. Our persistent focus on this strategy over a two-year period increased the IMS panel to stoping team ratio from below 1.0 to above 1.5. From a strategic perspective this has been one of the most important structural improvements we have achieved to date and it has contributed to a number of important performance improvements in 2013 including safety, grade, labour productivity and ultimately operating costs achieved.



For more information on training and development of community members see pages 73 and 88, for our shareholder engagement see pages 68, 87 and 91.



Mining

Our overall development reduced by 8% from 39.4km to 36.5km, which is mainly attributable to the normalisation of our working cost development rate, in line with our overall depletion and IMS requirements.

Our IMS face length improved by a further 5% to 6km, with our targeted panel ratio of 1.5 panels per stopping crew, being achieved during the first quarter of 2013 and ending on 1.52 for the year. Going forward our key focus will be on optimising the distribution of the IMS on a level by level basis.

Stopping production improved by 6% with a total of 505 000m² being mined, compared to 479 000m² in 2012. This increased performance was a direct result of our improved IMS position and the reduced number of safety-related stoppages we experienced during the year.

Our delivered tonnes, however, reduced by 3% to 2 310kt year on-year despite the improvement we achieved in stopping efficiencies. The main contributor to this lower performance was the shortfall in sweepings and vamping tonnes. BRPM implemented remedial action during the year and this should provide upside in 2014.

UG2

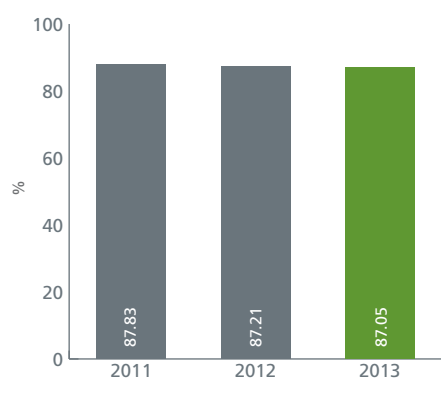
UG2 production remained at similar levels to 2012 with a total of 415kt being delivered to the concentrators, which contributed 18% to the overall delivered tonnes.

To date, the UG2 Central High facies mined at BRPM North shaft, which is characterised by a wide (1.5m) mineralised zone with relatively low structural complexity, has made a significant economic contribution to our business and we expect it to continue doing so going forward.

The UG2 General facies at BRPM South shaft has, however, proved to be more challenging to mine due to a narrower (60cm) mineralised zone and increased structural complexity, which together translate into lower delivered grades and ultimately lower margins.

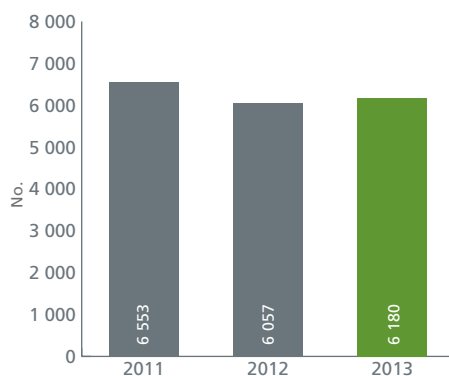
We initiated a trial mining campaign on the South shaft UG2 in the latter half of 2013 to evaluate different methods (up-dip mining and pre-development of breast stopes) with the objective of improving the delivered grade and mining efficiencies.

BRPM PLANT CONCENTRATE RECOVERY (4E)

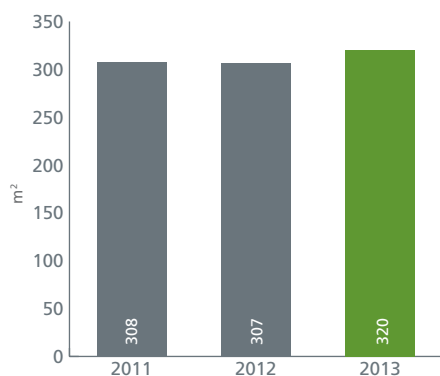


MANUFACTURED CAPITAL (continued)

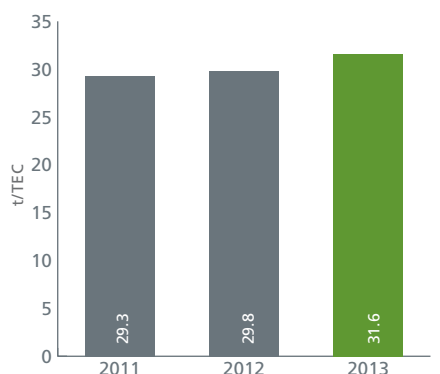
WORKING COST LABOUR



m² PER STOPING CREW



TONNES MILLED/WORKING COST EMPLOYEE



Although the campaign has yielded improvements in stope team efficiencies and delivered grade (with the delivered grade increasing by 3% from 2.96g/t 4E to 3.05g/t 4E), more work is required to refine our mining approach to achieve the planned grade of 3.51 g/t 4E. In order to continue refining our mining method trial mining will continue in 2014, while processing capacity is available in the BRPM concentrator plant.

Grade

Our overall built-up head grade improved by 8% from 4.07g/t (4E) to 4.38g/t (4E). The grade benefited from the normalisation of development rates, a reduction in off-reef mining due to increased IMS, higher in-situ reef grades, no processing of low grade stockpile material (as was the case in 2012) and the recovery of high grade fines from the crusher classifier overflow (CCO) thickener during the mill repair.

The head grade is, however, expected to reduce by 4% in 2014 as a result of an increase in the on-reef development contribution from the Phase III project to overall ROM volumes.

Concentrating

Our total milled tonnes decreased by 3% to 2 301kt from 2 375kt in 2012, with 2 010kt being milled at the BRPM concentrator and 291kt at the Waterval concentrator. The throughput at the BRPM concentrator was impacted by the replacement of the primary mill discharge end during August, following a wear-related failure, which resulted in a 15 day shutdown. During the shutdown a 90kt Merensky stockpile accumulated ahead of the concentrator.

Once the repair was completed, the BRPM concentrator preferentially treated Merensky ore in the second half of the year, with the bulk of BRPM's UG2 ore being processed at the Waterval concentrator. This treatment strategy resulted in the UG2 volumes treated at the BRPM concentrator reducing to 7% compared to 12% in 2012, but the overall UG2 contribution remained in line with that of 2012 at 18%. All our accumulated Merensky stocks were depleted by year end. The BRPM concentrator recovery at 87.05% was in line with our expectations.

4E ounce production increased by 4% to 280koz compared to 2012, with the 3% reduction in tonnes milled being offset by the 8% increase in the built-up head grade.

Labour

By year end our working cost labour complement at BRPM was 2% higher at 6 180, compared with 6 057 in 2012. However, we achieved a 9% reduction in our average working cost labour to 6 060 in 2013 (2012: 6 633). This marginal increase in our labour was required to address the shortfall in sweeping and vamping tonnages experienced in the first half of the year. Stopping and vamping crew complements were revised to address the shortfall.

Stopping crew efficiencies improved by 4% to 320m²/crew, with the overall labour efficiency on a tonne per working cost employee increasing by 6% from 29.8t/employee to 31.6 t/employee.

Capital labour increased from 1 686 to 1 727. The reduction in Phase II capital labour was offset by an increase in labour at Styldrift I, in line with the project construction requirements.

KEY FOCUS AREA	STATUS
Labour and trade union stability	No labour disruptions at BRPM
	Two-year wage agreement for volume contractors
Talent management and succession planning	Leadership pipeline developed
	Skills matrix developed
	Performance management established
Mining charter targets	Already exceeded 2014 targets
Training and development	Our focus changed from technical skills to leadership development
Community development	Addressed in the Social and relationship capital section of this report on page 85 to 91
Leadership development	23 employees completed the Foundation Management Programme and 19 employees completed the Management Development Programme. One employee, who successfully completed the Graduate Development Programme, has been appointed as production manager at BRPM's North shaft

Cash operating costs

Cash operating costs increased by 2% to R2 093 billion and the unit cost per tonne milled by 6% to R920 per tonne milled. This was due to the 3% reduction in tonnes treated. Our unit operating cost per platinum ounce benefited from the 8% increase in built-up head grade, which resulted in a 4% increase year-on-year in the metals produced and as a result it decreased by 2% to R11 592 per ounce.

We mainly attribute our operating cost performance during 2013 to working cost labour reductions at the end of 2012, rationalisation of key mining and supply contracts, productivity improvements enabled by the increase in IMS, the establishment of shared services between BRPM and Styldrift I and improved cost management.

Capital expenditure

Stay-in-business (SIB) capital ended the year at R138 million which was R100 million or 42% down from 2012. We attribute this substantial reduction in SIB capital to the completion of the following once off projects during 2012:

- > establishing ICT independence from Anglo American Platinum (R40.3 million)
- > tailings line replacement, water separation and Larox® projects (R33.7 million)
- > deferral of South shaft chairlift (R22.5 million)
- > equipping of IMS (R11.2 million).

SIB capital during 2013 was 7% of operating costs, well within our target range of between 6% and 8%.

During 2013 our replacement capital consisted of the Merensky Phase II and Phase III decline extension projects at BRPM North and South shafts. Phase II, which extended both declines from level 5 to level 10, concluded in 2012 and resulted in a reduction in expenditure from R308 million in 2012 to R184 million in 2013. Phase III capital expenditure is forecast to remain between R180 million and R200 million per annum until the project is completed in 2017.

Expansion capital expenditure increased by 14% or R91 million in line with the Styldrift I construction schedule and Styldrift II study programme for 2013.

RBPlat operating statistics

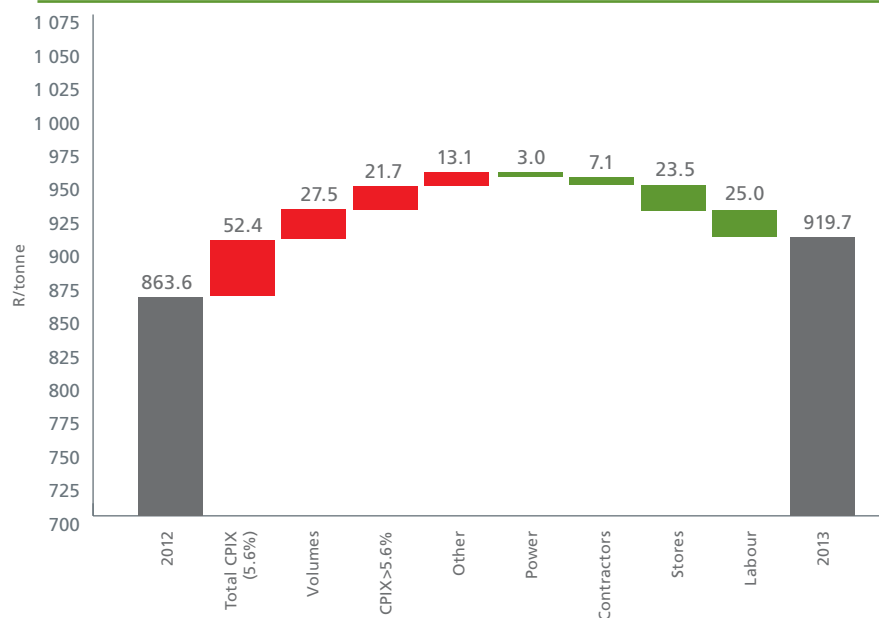
Description	Unit	Var %**	Var	2013	2012	2011
Safety						
Fatal injuries	No.	(100)	(1)	2	1	0
LTIFR	/200.000	9	0.06	0.61	0.68	0.91
SIFR	/200.000	37	0.16	0.27	0.42	0.47
Mining production						
Stoping square metres	000m ²	6	26	505	479	471
Total tonnes delivered	kt	(3)	(74)	2 310	2 384	2 284
Merensky	kt	(3)	(64)	1 895	1 959	2 026
UG2	kt	(2)	(10)	415	425	258
Development	km	(8)	(3)	36.5	39.4	30.2
Stoping to development replacement rate	m ² /m	(19)	5.3	32.4	27.1	32.2
Immediately stopable reserves	km	5	0.3	6.00	5.71	4.58
Delivered ROM grade (4E)	g/t	4	0.2	4.31	4.14	4.27
Merensky delivered grade (4E)	g/t	3	0.1	4.45	4.30	4.36
UG2 delivered grade (4E)	g/t	10	0.3	3.70	3.38	3.54
Concentrator production						
Total tonnes milled	kt	(3)	(73)	2 301	2 375	2 305
BRPM tonnes milled	kt	(9)	(204)	2 010	2 214	2 162
Waterval tonnes milled	kt	82	131	291	160	142
Merensky	kt	(4)	(71)	1 887	1 958	2 047
UG2	kt	(1)	(2)	414	417	258
UG2%	%	—	—	18	18	11
UG2 BRPM	%	(47)	(5)	6	12	5
Built-up head grade (4E)	g/t	8	0.31	4.38	4.07	4.35
Built-up Merensky head grade (4E)	g/t	7	0.29	4.51	4.22	4.44
Built-up UG2 head grade (4E)	g/t	12	0.40	3.76	3.36	3.60
Recovery 4E (total concentrating)	%	(0.4)	(0.34)	86.37	86.71	87.47
Recovery BRPM concentrator	%	(0.2)	(0.16)	87.05	87.21	87.83
4E metals in concentrate	koz	3.8	10	280	269	282
Platinum metal in concentrate	koz	4.1	7	181	174	183
Safety stoppage losses	kt	(23)	(27)	89	117	92
Safety stoppage losses	4E koz	(28)	(3.87)	10.2	14.0	11.5
Labour						
Total labour	No.	(2)	(164)	7 907	7 743	7 942
Working cost labour	No.	(2)	(123)	6 180*	6 057*	6 553
Capital labour	No.	(2)	(41)	1 727*	1 686	1 389
m ² per stoping crew	m ² /crew	4	13	320	307	308
Tonnes milled per working cost employee	t/emp	6	1.8	31.6	29.8	29.3
Operating expenditure						
Cash operating costs	R'm	(2)	(42)	2 093	2 051	1 802
Cash unit cost	R/t	(6)	(56)	920	864	782
Cash unit cost	R/4E oz	1	97	7 519	7 616	6 399
Cash unit cost	R/Pt oz	2	183	11 592	11 775	9 863
Capital expenditure						
Total capital expenditure	R'm	11	133	1 059	1 192	1 164
SIB	R'm	42	100	138	238	146
Replacement	R'm	40	124	184	308	379
Expansion	R'm	(14)	(91)	737	646	639

* The 2013 and 2012 numbers are year end numbers while numbers for 2011 is averaged for the year

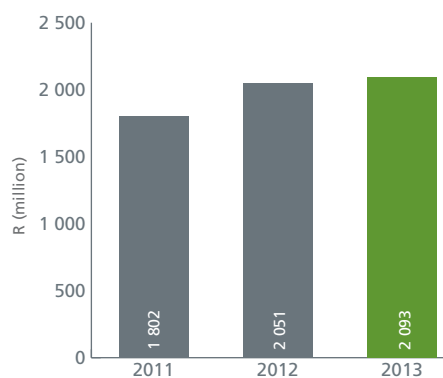
** Please note that any difference in variance percentages in this table and the text of this section are due to rounding

MANUFACTURED CAPITAL (continued)

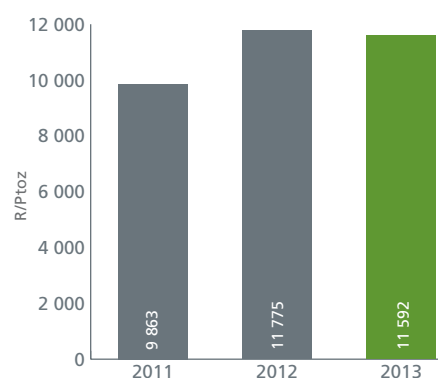
BRPM JV R/TONNE MILLED YEAR-ON-YEAR COMPARISON



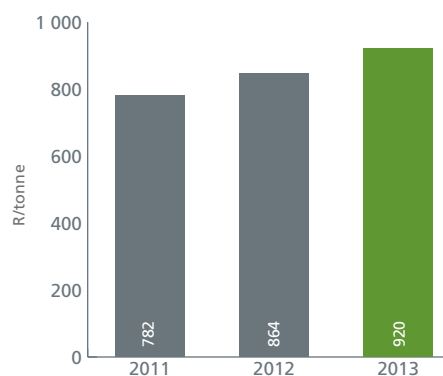
TOTAL BRPM JV CASH COST



CASH ON MINE COST/PLATINUM OUNCE



CASH ON MINE COST/TONNE MILLED



BRPM capital projects

The two key capital projects at BRPM comprise the Phase III North shaft Merensky replacement project and the North shaft chairlift project.

Phase III North shaft replacement project

By extending the North shaft Merensky decline system and associated infrastructure from 10 level to the mining boundary at 15 level the Phase III project extends the life of Merensky at North shaft. The project commenced in November 2010 and by the end of 2013 was 57% complete against a planned completion of 52%, ie 5% or 75 days ahead of schedule. Project completion is scheduled for 2017.

Capital expenditure on this project during 2013 was R184 million. The cumulative project expenditure at year end was R585 million, with a R40 million declared saving to date. Completion of the project is scheduled for 2017 with a current estimated saving at completion of R100 million against the approved project budget of R1 409 billion.

North shaft chairlift project

The North shaft chairlift project, which includes the development and installation of a chairlift from surface to 5 level, commenced in June 2011 and ended 2013 at 83% complete against a planned completion of 86%. The shortfall between actual and planned completion is the result of an amended construction strategy, which will allow for the civil, mechanical and electrical construction to be completed concurrently at the end of mining, as opposed to a modular level by level approach during the development phase. The forecast completion date for the project remains on schedule for the first quarter of 2015.

Capital expenditure on this project during 2013 was R42 million. The cumulative project expenditure at year end was R71 million against a planned expenditure of R92 million. The variance is attributed to the shortfall in project progress and a decision to delay the procurement of the chairlift drive stations due to the change in construction strategy. The project expenditure is forecast to end within the approved project budget of R110 million at project completion.

Revised ore processing strategy

PGM basket price trends and the escalation of industry operating costs necessitated a strategic review of the role of UG2, and in particular the UG2 General Facies mined at BRPM's South shaft, in RBPlat's long-term production profile.

At the same time we evaluated opportunities to utilise excess industry processing capacity, or the joint development of shared concentrator infrastructure, against the construction of a new standalone concentrator for Styldrift I. Synergies were evaluated in collaboration with our neighbours Anglo American Platinum, Impala Platinum and Wesizwe. The spirit of co-operation between all the parties involved in searching for the optimal technically achievable and commercially viable solution exceeded all our expectations.

We identified five potential ore processing options and undertook studies into the technical and commercial viabilities of each option.

The options we considered included:

- > Styldrift I standalone 230ktpm concentrator
- > RBPlat/Wesizwe joint concentrator
- > RBPlat/Impala ore processing synergy
- > RBPlat/Anglo American Platinum ore processing synergy
- > RBPlat BRPM concentrator upgrade.

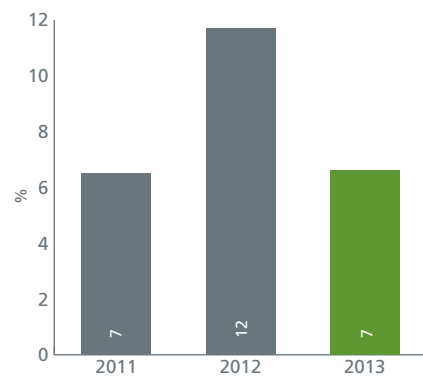
The evaluation culminated in a strategic decision to upgrade the BRPM concentrator in two phases.

- > Phase I: upgrade from 200ktpm to 250ktpm
- > Phase II: upgrade to 350ktpm with an additional 100ktpm module.

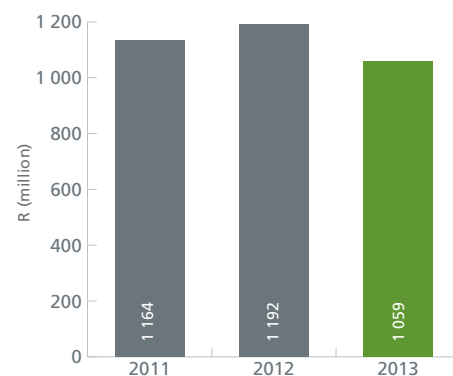
This approach provides us with the ability to treat all future Merensky reef production from BRPM and Styldrift I and it avoids committing the business to significant UG2 volumes until market conditions warrant it.

The treatment solution results in a net capital saving of R750 million to RBPlat compared to the construction of a new Styldrift concentrator. Cash flows are further enhanced by earlier revenues due to lower stockpile requirements and earlier processing of the ore resulting from the two phased upgrade of the BRPM concentrator.

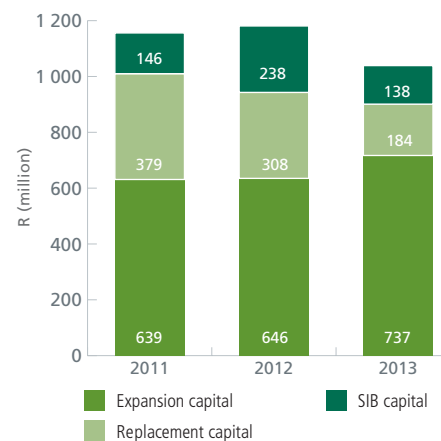
SIB % OPEX



TOTAL BRPM JV CAPITAL EXPENDITURE



BREAKDOWN OF TOTAL CAPITAL EXPENDITURE (BRPM JV)



MANUFACTURED CAPITAL (continued)

Styl drift I project

Overview

The Styl drift I mining optimisation study, which we completed in the fourth quarter of 2012, resulted in a change of scope, which was approved by the RBPlat Board in February 2013.

The major changes approved are:

- > mining bord widths reduced from 13m to 8m
- > ore transport in footwall drives by means of trucks was replaced with on reef strike conveyors
- > the shaft depths were increased by 18m to mitigate the geotechnical risk associated with UG1 strata intersecting key life of mine excavations

- > Updated mine design: stations and level layouts, underground infrastructure (workshops, stores, material and rock handling)
- > Updated labour planning based on new mine design
- > Extended ramp-up from two years to three years
- > Allowance for housing infrastructure.

These changes resulted in a capital saving for the overall project of R416 million and an increase in its timing of approximately one year to reach steady state.

The decision to upgrade and expand the existing BRPM concentrator achieves a further R371 million saving on our project costs (see revised ore processing strategy on page 59).

STYLDRIFT I REVISED CAPITAL BUDGET

Styl drift I	Investment proposal plan R (million)	Optimisation R (million)	Revised processing strategy R (million)
Mining and infrastructure	9 441	8 975	8 975
Concentrator	2 360	2 410	2 039
Total project cost	11 801	11 385	11 014
Variance	–	416	371

Progress during 2013

During 2013 we made steady progress with the project. By the end of 2013 we were at 39.2%, which is 1.7% ahead of our planned progress of 37.5%.

Sinking of both the main and services shafts progressed to 708 level (shaft loading level) and we completed a total of 2 304 metres of lateral development as well as 235 metres of raise boring for the ore passes and silos. Piloting of the first ventilation hole to 600 level was completed ahead of schedule in November 2013 with the start of reaming of the 4.2 metre hole scheduled for the second quarter of 2014.

Surface construction of the change house, lamp room, offices, gatehouse, stores, water storage tanks, water and sewage reticulation, progressed according to schedule and we will complete this work during 2014. The number of contracting companies on site escalated to 11 companies in December and is expected to increase to 21 in 2014 when the project reaches its peak planned annual progress (20%) for the mining and infrastructure portion of the project. Total site labour,

which comprised contractors, engineering, procurement and construction management (EPCM) and owner team resources, had increased to around 1 200 people by year end.

Overall, the project remains on schedule to commence with stoping ramp-up in July 2015 and reach steady state in June 2018.

Capital expenditure

Following the Board's approval of the change of scope and our revised concentrator strategy, the project's overall budget was reduced from R11.801 billion to R11.014 billion, a saving of R787 million.

The total capital expenditure for 2013 was R681 million and the cumulative project expenditure by year end R2.511 billion against an earned value of R2.705 billion. This reflects a saving of R194 million on the work completed to date. Total capital commitments increased to R3.149 billion at year end.

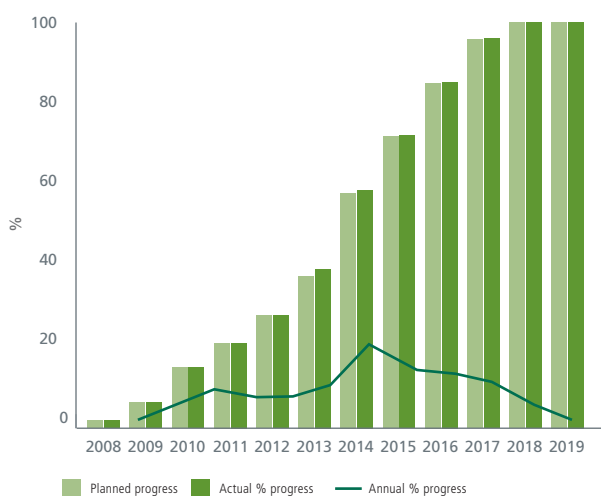
Expenditure	Revised processing strategy			Investment proposal plan
	Plan R (million)	Actual R (million)	Variance R (million)	
Expenditure 2013	728	681	(46)	–
Project to date (PTD)	2 659	2 511	(148)	–
Earned value	–	2 705	–	–
Project budget	11 014	–	–	11 801
Estimate at completion (EAC)	–	11 014	–	11 014
EAC variance	–	787*	–	787

* The project estimate at completion (EAC) remains at the new approved project budget of R11.014 billion notwithstanding the R194million saving achieved to date due to planned re-allocation of funds. We remain confident that the project will be completed below budget.

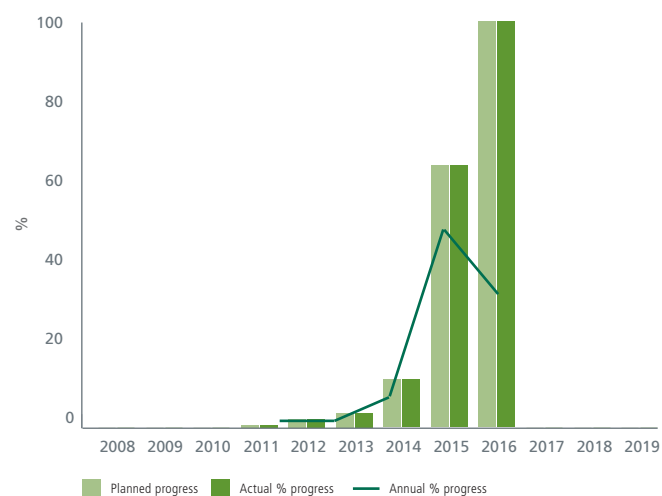
PROJECT TIMELINE FOR STYLDRIFT I

Project phase	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Engineering and design	2008-2015											
Pre-sink infrastructure		2009-2011										
Surface infrastructure			2010-2016									
Main shaft sinking			2010-2014									
Main shaft equipping							2014					
Services shaft sinking				2011-2014								
Services shaft equipping								2015				
Lateral level development					2012-2015							
Underground infrastructure							2014-2018					
Decline development								2015-2018				
Production ramp-up								2015-2018				
Steady state												◇
Concentrator 250ktpm upgrade feasibility study						2013-2014						
Concentrator 250ktpm upgrade construction							2014-2015 ◇					
Concentrator 100ktpm module pre-feasibility study												
Concentrator 100ktpm module feasibility study							2014-2015					
Concentrator 100ktpm module construction								2015-2016 ◇				

PROJECT PROGRESS IN MINING AND INFRASTRUCTURE



PROJECT PROGRESS FOR CONCENTRATOR



MANUFACTURED CAPITAL (continued)

The project cash flow escalates over the next three years, in line with the planned increase in construction activities. The planned cash flow increases from R728 million in 2013 to R1 908 million in 2014 and peaks at R2.7 billion in 2015. A key contributing factor is the start of the BRPM concentrator upgrade from 200 to 250ktpm in the third quarter of 2014.

Operational readiness

An operations team is in place to execute the operational readiness strategies. The team commenced by developing and implementing operational strategies, philosophies, standards and procedures to ensure that the mine is ready to operate when the sinking and development phase is complete.

Human resources

With the optimisation study completed, the labour requirements have been reviewed and aligned with recruitment and engagement lead times match the revised production schedule. Furthermore, the training and development of core skills (mining and engineering) has commenced with over R6 million invested in up-skilling the local community in 2013.

The company recognises the need to make accommodation available for our employees and capital has been set aside for the provision of housing.

Production fleet and power

During 2013 Sandvik was selected as the strategic partner for the supply of primary production fleet. An order has been placed with delivery matched to the requirements of the production schedule. The procurement of the secondary fleet is in the tender process and will be finalised in the first quarter of 2014.

Eskom has received ministerial approval to proceed with the construction of the Ngwedi centralised sub-station to supply Styldrift I and the other mines in the area.

Construction commenced in the fourth quarter of 2013 with permanent power supply set for the first quarter of 2016.

Mining contractor

After a thorough and comprehensive adjudication process, the mining contract for the ramp-up was awarded. We expect to finalise the commercial terms and conclude the legal agreements for the 36-month contract by the second quarter

of 2014, twelve months ahead of the start of ramp-up. The contractor will be engaged early in 2014 to commence technical work and scope alignment within the production ramp up footprint.

Operational systems

During 2013 existing RBPlat systems and shared services were successfully introduced. Further development, customisation and enhancements of systems related to human resources, finance, procurement, mineral resource management, security, IT and engineering are planned for 2014.

The warehousing and logistics strategy for Styldrift I has been developed, the implementation of this will be phased in during 2014/2015.

Risk management

The Styldrift I project team understands that their ability to meet the project schedule is dependent on the performance of the various contractors. As such, regular risk assessments to evaluate the ability of the contractors to perform required scope of work are conducted and contingency plans developed to address any potential risk identified.

KEY STYLDRIFT I PROJECT ACTIVITIES

Activity	Planned	Current forecast
Activities 2014		
Main shaft: sink to 758m (shaft bottom)	June	June
Equipping of Main shaft – complete	December	December
Services shaft: sink to 723m (shaft bottom)	February	February
Services shaft sinking loading arrangement: ready for use	April	April
Feasibility study for concentrator upgrade from 200ktpm to 250ktpm: complete	April	April
Concentrator upgrade project execution: start	July	July
Activities 2015 – 2017		
Equipping of Services shaft: complete	May 2015	May 2015
Start of production ramp up	July 2015	July 2015
Achieve steady state	June 2018	June 2018

Styldrift II

Styldrift II is in pre-feasibility phase with the current study programme expected to be completed in the fourth quarter of 2014.

Unique to the project area is the fact that the Merensky resource is exclusively underlain by the Swartklip Facies, which is generally characterised by improved lateral continuity of grade, consistency in the mineralised envelope width and a lower incidence of potholing and faulting, when compared to the Rustenburg Facies found on BRPM and Styldrift I.

The project resource area covers approximately 24 million square metres varying in depth between 820 and 1 500 metres and accounts for approximately 40% of the total BRPM Joint Venture resource. The ore body strikes fairly consistently in a north-northwest direction, at an average dip of 9° (with the dip starting shallow at 6° and increasing to 11° at the deeper, north eastern portions of the ore body).

RBPlat expects the total capital investment for this project to be in excess of R10 billion.

Our study work on Styldrift II is focused on evaluating and determining the technical solution that will yield the best business case to be progressed to feasibility with regard to the shaft placement, primary access methodology, mining method, production rate and processing solution. Feasibility study work is set to commence in the second quarter of 2015.

Future outlook

The safety, health and wellness of every employee will remain a key focus for us. We believe we are well-positioned to continue the improvements achieved in this regard during the past four years, through further strengthening the barriers that prevent serious and fatal injuries.

The importance of business continuity, underpinned by our sound labour and

community relations, was demonstrated during the past year and will therefore also remain a key focus for 2014. We will be entering into wage negotiations during the second quarter of 2014 and look forward to the opportunity to renew the existing agreement. We believe all stakeholders benefited from the previous agreement and are confident about engaging in an equally successful negotiation process in 2014.

The development of skills and infrastructure in the communities in which we operate will also continue to be a key feature of our contribution to local economic development. In this regard we will focus specifically on driving the planning of key projects forward to ensure adequate time for consultation and approval, as well as strengthening project management and controls to ensure successful delivery of our projects.

Our key operational challenges in 2014 will be optimising volumes while retaining our existing flexibility, grades and operating cost focus. Detailed planning is required to ensure no operational disruptions result from the BRPM concentrator upgrade which will begin in mid-2014.

The key focus at Styldrift I will be the protection of the project schedule through the successful integration of multiple activities and participants to ensure the project remains on schedule to commence with production in 2015, ramping-up to full production during the second half of 2018. To this end we have ensured that both the project and operations teams are adequately resourced.

Based on the current operating platform our forecast for 2014, subject to any major unforeseen operational disruption, is a mill throughput of around 2.3 million tonnes at a built-up head grade of 4.2 g/t (4E). From 2015 production will increase in line with the Styldrift project ramp-up. UG2 production is expected to make up approximately 18% of our production in 2014, decreasing to around

10% in 2018, in line with the increased Merensky contribution from Styldrift I.

Structural changes to reduce operating costs were largely addressed during 2013. Further improvements will be informed by continuous business improvement processes. To this end we expect operating cost increases to remain below mining inflation.

As indicated in the Capital expenditure section of Styldrift I on page 60 of this section of the report, expansion capital at Styldrift will increase to about R1.9 billion in 2014 and around R2.7 billion in 2015, in line with the project execution schedule. Our total capital expenditure for 2014 and 2015 is forecast at approximately R2.4 billion and R3.1 billion in 2015, respectively.

Our strategies and focus areas for 2014 are informed by a longer-term rather than a shorter-term recovery in the PGM market and the Styldrift I funding requirements. Key success drivers are safety and health, business continuity, ounce production and operating costs. Based on the operational successes achieved in 2013, improved flexibility and the constructive participation of all stakeholders, we believe we are well-positioned to achieve all our goals in 2014.



3

HUMAN CAPITAL

- 66 Human resources
- 76 Safety
- 80 Health and wellness



ACHIEVEMENTS

- > No fatalities at Styldrift I
- > No strikes or any form of labour unrest



IMPROVEMENTS

- > BRPM LTIFR of 0.49 (0.63 in 2012)
- > BRPM SIFR of 0.20 (0.40 in 2012)



CHALLENGES

- > Maximising local employment
- > Restructuring our labour
- > Stakeholder responsiveness
- > Reorganising around a shared services model
- > Ensuring we deliver against our promise to provide homes for our employees



DISAPPOINTMENTS

- > Two fatalities at BRPM
- > Styldrift I SIFR of 0.82 (0.65 in 2012)
- > Styldrift I LTIFR of 1.64 (1.18 in 2012)



HUMAN CAPITAL

Human resources

> KEY MATERIAL ISSUES

- > Labour and trade union stability
- > Establishing suitable remuneration and reward structures linked to performance that are acceptable to our employees and our investors
- > Stakeholder engagement and responsiveness
- > Availability of adequate and appropriate skills

WHAT WE SAID WE WOULD FOCUS ON IN 2013

HOW WE PERFORMED

Continue to implement our human resource strategies with a particular emphasis on:	Successfully completed rationalisation of our workforce
> Engagement with our employees and the trade unions	
> Meeting our SLP requirements	Successful delivery of projects
> Talent management and succession planning process	Talent framework completed and project plan designed and approved Competency framework completed
> Deliver against our commitments in terms of a pilot housing project of 400 houses	By year end 322 houses had been completed and RBPlat had taken ownership of 106 of these houses

KEY STATISTICS FOR 2013

- > There were no strikes in our operations during 2013
- > We employed 2 932 permanent employees and 4 997 contractors at 31 December 2013
- > 20% of the new jobs we created were awarded to people from doorstep communities
- > 14% average reduction in our workforce at BRPM (employees and contractors) year-on-year
- > 2.2% rate of employee voluntary turnover in 2013
- > Three of the women we trained to become rock drill operators are now working as rock drill operators at BRPM
- > 93% of our BRPM employees as at 31 December 2013 are union members
- > 97% of our BRPM employees are covered by collective bargaining agreements
- > Women make up 23% of our management team
- > Women made up 11.09% of our permanent workforce at BRPM and 23.3% of our permanent workforce at Styldrift I
- > We invested R75.9 million in training and development which was 15% of our payroll

OUR FOCUS 2014

What we want to focus on in 2014

- > Concluding a new wage agreement by 30 June 2014
- > Optimising our labour numbers (contractors and permanent employees) at BRPM
- > Talent management
- > Continuing with the housing project for employees including preparations for Styldrift I employee housing
- > Implementing our new incentive programmes
- > Continuing with the upskilling of our workforce and community members

Our policies and approach to our employees

We support the UNGC's ten principles.

The principles relevant to human resources are:

Human rights

Principle one: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

Principle two: Businesses should make sure that they are not complicit in human rights abuses.

Labour

Principle three: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle four: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle five: Businesses should uphold the effective abolition of child labour.

Our previous report on the progress we have made in terms of the Compact's 10 principles is available on our website at: www.bafokengplatinum.co.za

We comply with the South African Basic Conditions of Employment Act No 75 of 1997 and the Labour Relations Act No 66 of 1995, which govern labour relations and conditions of employment in South Africa. We are committed to upholding the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We are also a signatory to the United Nations Global Compact (UNGC).

Our employment policy provides equal opportunities to all our potential and existing employees and is designed to achieve a diversified workplace that reflects the demographics of our country.

We are committed to providing a workplace based on:

- > mutual respect
- > fairness
- > integrity
- > non-discrimination
- > equal opportunity at all levels
- > open and two-way engagement with our employees and their representatives.

Our policies and procedures are designed to eliminate discrimination of any kind and ensure equal opportunity regardless of race, nationality, religion, gender, age, sexual orientation, disability, political opinion or any other differentiator. When it becomes necessary to reduce our workforce we consult extensively with all the affected parties including management, employees and the trade unions.

No incidents of discrimination were reported in RBPlat during 2013.

The development of our human resources strategy and the alignment of it with the Company's overall strategy is the responsibility of the Executive: Human Resources who reports to our Chief Executive Officer.

The transformation element of our human resources strategy seeks to achieve diversity at all levels of the organisation by:

- > developing the miners of tomorrow through youth development, graduate and bursary programmes and learnerships
- > upgrading the skills of the people currently mining our operations
- > developing the HDSA leaders of tomorrow through leadership development programmes, internal promotion and succession planning
- > increasing the number of women working at mining in the workplace through retention, external recruitment and diversity training
- > achieving diversity at all levels in the organisation
- > facilitating the home ownership we are committed to in terms of the Mining Charter and our three-year wage agreement.

The human resource teams at BRPM and Styldrift I are responsible for implementing our human resource strategy and policies. They are also responsible for strategic workforce planning and employee training and development.

It is essential for the sustainability of our business and our achievement of our strategic goal of operational excellence that we provide our operations with the appropriate skills and experience when they are required. To achieve this we make a substantial investment in the development of our people.

HUMAN CAPITAL (continued)

Human resources (continued)

To attract and retain the right skills we recruit, manage performance, train and develop and provide excellent career opportunities and well-structured employment contracts that offer fair and competitive remuneration.

We provide our permanent employees and contractors with opportunities to acquire competencies that will allow them to develop and progress. This approach encourages multiskilling, which increases the career opportunities available to employees.

OUR TOTAL WORKFORCE AS AT 31 DECEMBER

	2013	2012	2011
BRPM			
Contractors	3 768	4 256	5 276
Permanent employees	2 749	3 238	2 978
Styl drift I project			
Contractors	1 221	666	484
Permanent employees	30	21	3
Shared services			
Contractors	8	–	–
Permanent employees	131	–	–
Corporate office	22	24	19
Total number of employees	7 929*	8 205	8 760

* This number excludes 366 trainees who were part of our social and labour plan commitment

RBPlat's total number of employees decreased by 3.36% in 2013. Permanent employees decreased by 11.9% and contractors increased by 1.5%.

Stakeholder responsiveness

Our key stakeholders in terms of human resources are our employees, union representatives and the communities in which we operate.

We have identified a breakdown in relationships with our workforce (permanent employees and contractors) as one of our potential key risks. We have implemented a communication plan designed to provide our employees with regular, transparent communication and a mutual understanding of issues. While we recognise that human resource communication will always be a challenge, we are committed to doing our best to maintain good relationships with our workforce, the unions and the communities.

Our Chief Executive Officer plays an important role in our employee engagement and he has regular meetings at which he interacts with employee focus groups throughout the year. Any issues raised at these meetings are recorded to ensure that, if required, they receive attention and a response where necessary. Where possible the CEO responds during the meeting.

We keep employees updated on business issues through a range of communication tools, including our quarterly *Lebone* newsletter and our annual report to employees, partnership forums, the monthly feedback sessions held by the general manager and the operational area production managers, and cellphone text messages. To improve workgroup communication the leadership training we provide includes training in communication skills.

Our most key stakeholder engagement in terms of human resources this year has been our discussions with the United Association of South Africa (UASA) and the National Union of Mineworkers (NUM), which represents the majority of our employees, around employee housing and the restructuring of our workforce to improve our cost effectiveness, which started in 2012.

In 2014 our key engagement with the union will be our wage agreement negotiations and the allocation of houses.

We interact with trade union representatives both via formal structures and informally. Formal operational area partnership forums take place once a month at each shaft or plant, while the operational unit partnership forums meet quarterly at each mine. We also have an executive partnership forum (EPF), which meets twice a year, at which our executives provide the local, regional and national union representatives with a high level business review.

The issues raised in these structures include periodic business reviews, company strategy, safety, employee wellness, employment equity, general employee issues not resolved through normal operational processes, training and development.

In accordance with the law the unions are represented on our Employment Equity and Skills Development Committee. They also sign off the employment equity and workplace skills plans.

We also have a formal structure in the form of a housing investigative committee, which is part of our three-year wage agreement, that meets monthly, or as and when required. We meet with the unions on issues such as housing funding, designs, housing agreements, housing policy, allocation and occupation rules. The Housing Investigation Committee (HIC) also consults with the union on the designs to be used for employee houses and on their construction, which RBPlat agreed to in 2011 as part of our three-year wage agreement.

Our human resources development team worked with mine management, the unions, our safety team and the DMR on rock strata training to try and avoid falls of ground. They also attend the monthly community meetings and engage with the community in connection with the training and work experience opportunities we offer adult community members and our efforts to improve the standard of maths and science in local schools. We believe that we are beginning to see a continuous improvement in our community relationships, however, expectations continue to grow, which may put a strain on our relationships.

Labour relations

We uphold the right of our employees to freedom of association and collective bargaining. 93% of our employees are unionised. This excludes approximately 100 Patterson Grade D2 and above employees (middle and senior management). The graph on this page provides a breakdown of the union membership of our employees.

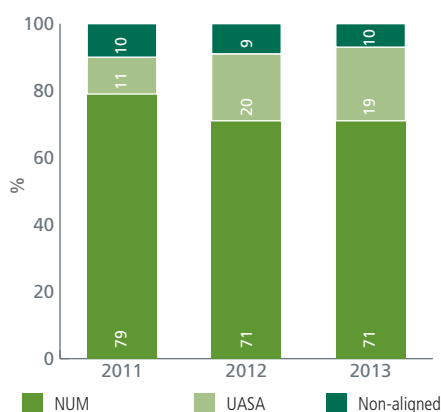
RBPlat has a sound employee relations recognition agreement (ERRA). The threshold for a union to exercise organisational rights is 40% on any bargaining unit. We currently recognise two unions: NUM and UASA. At year end NUM remained the majority union at RBPlat with 71% in the operators unit and 68% representation in the supervisory unit. UASA's membership in December 2013 was 19% in the operators unit and 30%

representation in the supervisory unit. Although UASA is below the 40% representation threshold stipulated by the ERRA it remains recognised. The employee relations department facilitated a reviewable sunset clause agreement between NUM and UASA to continue recognising UASA until 30 April 2014, giving them time to improve their membership to the required threshold.

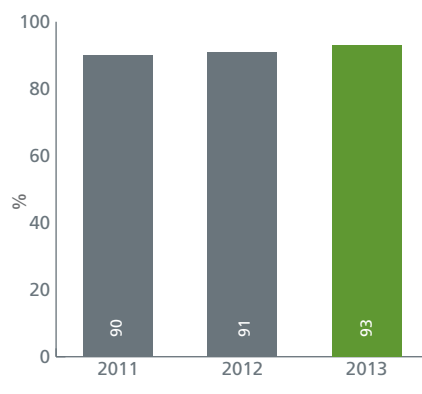
In accordance with our ERRA on collective bargaining we signed a three-year wage agreement with NUM, the majority union, in August 2011. We now need to negotiate our new wage agreement for implementation on 1 July 2014.

Our contractors negotiate their wage agreements separately from our enrolled employees.

UNION MEMBERSHIP



UNION REPRESENTATION



Industrial action

RBPlat was fortunate not to lose any production days to industrial action in 2013, having lost 13 days to industrial action in 2012.

INDUSTRIAL ACTION AT RBPLAT

Operation	Duration	Cause of action
2013		
BRPM	0	
Styl drift	0	
2012		
BRPM	Three days (21 – 23 August)	Rock drill operator demands for increase in fixed pay in line with platinum industry demands
BRPM	10 days (12 – 21 September)	Resumption of the strike that took place in August. Rock drill operators were joined by other employees to further their previous demands

Recruitment

We recruit from the local communities whenever possible, and in some instances offer training opportunities to community members that will equip them for employment in the mining industry (see the Training and development section of this report on page 72 to 75 for details).

At Styl drift I the recruitment of employees who will provide key operational skills has begun and will be ongoing. The operational readiness team has all the key skills it requires at present. In 2014 the team will need to recruit people with the skills necessary to take over the mine's Main shaft. They have already recruited the shaft engineer, who will recruit the rest of his team in 2014.

For information on our training and development see page 72 to 75



HUMAN CAPITAL (continued)

Human resources (continued)

WOMEN AT MINING (EXCLUDING CONTRACTORS AND SLP TRAINEES)

Where they work	2013*	2012*	% change year-on-year
North and South shafts	167	166	0.6
Concentrator	42	38	10.5
Mine technical services	2	2	–
Styl drift I	7	6	16.7
Management services	27	22	22.7
Finance and administration	33	30	10.0
Human resources	26	21	23.8
Engineering	8	10	(20.0)
Corporate office	10	11	(9.1)

* Excludes contractor employees and women recruited for our development programmes.

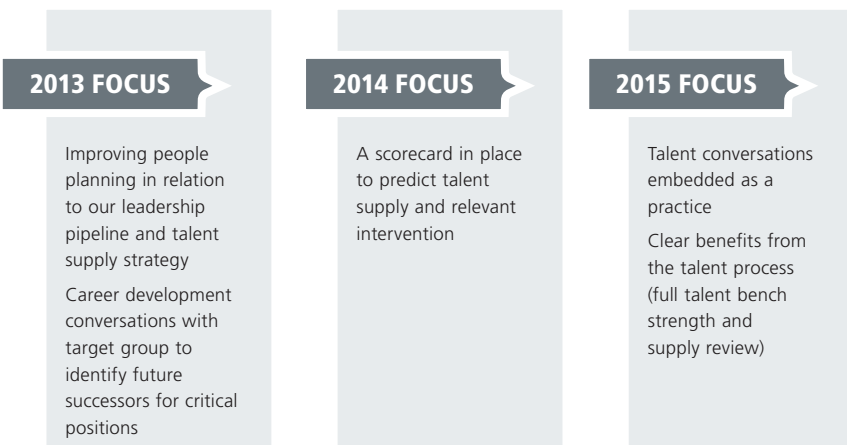
Our diversity training included recruiting 107 women for development programmes as part of our SLP commitments in 2013 compared to the 99 women we recruited in 2012

Talent management and succession planning

During 2013 our focus on talent management and succession planning began with the development of a leadership pipeline. We defined what skills would be required to fill a certain position and identified the skills people in lower level positions would need to develop before they would qualify for promotion. This exercise has provided us with a skills matrix that we can use, together with performance management assessments, to ensure the training and development we provide our employees is appropriate to their developmental needs.

Our talent management roadmap diagram below describes the steps we have mapped out.

OUR TALENT MANAGEMENT ROADMAP FOR BRPM

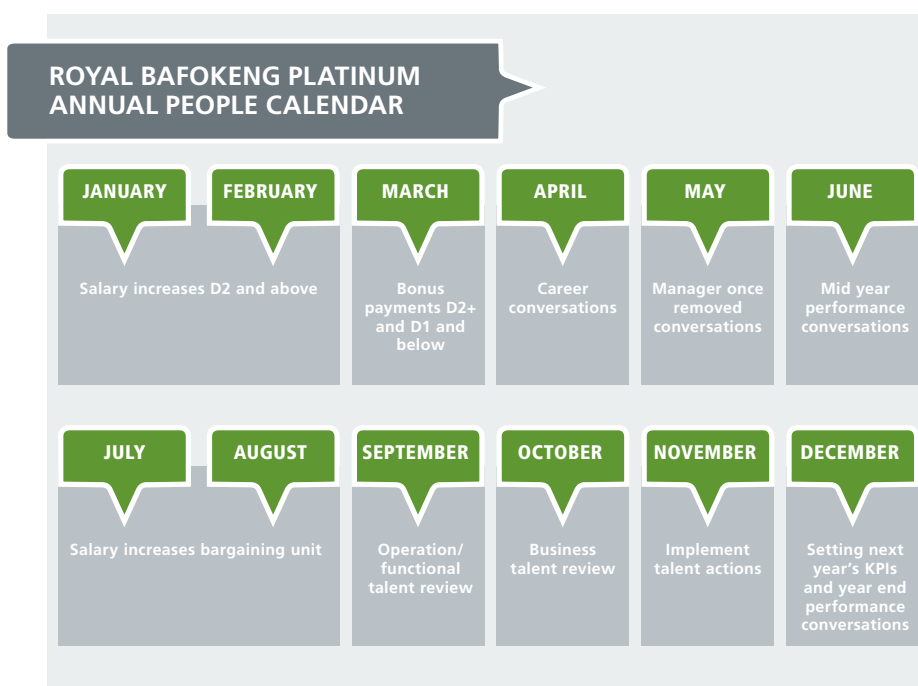


Performance management

Previously, key performance management indicators only applied to middle and senior managers who have performance reviews, which include career development discussions, twice a year. In 2013 we also introduced key performance management indicators for our mining teams at BRPM.

All members of our management team have annual performance reviews.

The people calendar we introduced in 2013 enhances our ability to manage and coordinate our people agenda.



Employee benefits and remuneration

We provide our permanent employees with retirement benefits in the form of a retirement fund (which is not a defined benefit fund) and medical scheme benefits. We also provide our employees with group life assurance which provides a benefit of up to seven times their annual salary in the event of death. These benefits are provided over and above the legally mandated benefits.

Our employees are also provided with disability benefits which include the payment of the full medical aid benefit for the duration of the disability period, death benefits and funeral cover. Should someone pass away while in our employ their children's education will be paid for until they complete their tertiary education.

We also have an employee share ownership plan in place.

Our performance against the Mining Charter targets for the employment of historically disadvantaged South Africans (HDSAs) in 2013

We have already exceeded the Charter's 2014 targets.

	Number of HDSAs	Charter target for 2014 (%)	Actual % for 2013	% by which we have exceeded the target
Board level	6	40	60.0	20.0
Senior management	4	40	66.7	26.7
Middle management	69	40	65.1	25.1
Junior management	616	40	85.0	45.0
Core skills	2 151	40	99.4	59.4

Our approach to the impact on our employees of over-indebtedness and garnishee orders

We continually make our employees aware of the risks attached to short-term loans and irresponsible borrowing, however, around 30% of our employees have garnishee orders. We have arranged for a specialist in these matters to assist our employees with the debt rehabilitation process.

Addressing home ownership for our employees

After lengthy investigations, undertaken jointly by RBPlat and NUM, into a housing solution which would make it possible for our employees to own homes, we began building 400 houses in 2013. The houses are near Rustenburg, in accordance with the Mining Charter stipulation that mining companies will provide housing close to a functional town.

We set ourselves the target of completing all 400 houses by December 2013, but administrative delays at the beginning of the year meant we started construction later than we planned. By the end of December 2013 we had completed 322 houses.



RBPlat housing project

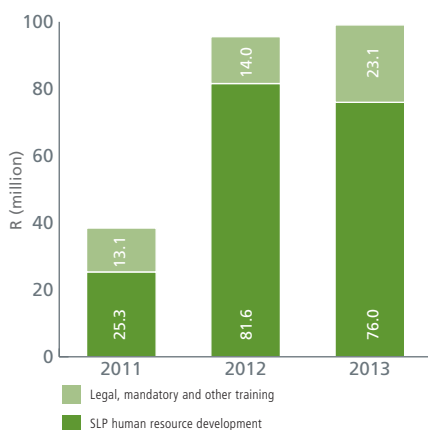
For information on our employee remuneration and incentives see page 134 to 138.



HUMAN CAPITAL (continued)

Human resources (continued)

OUR INVESTMENT IN TRAINING



Training and development

Ensuring we have adequate and appropriate skills is a key material issue for RBPlat. This includes the development of our people, both our permanent employees, contractors and the communities from which we will draw our future employees.

In 2013 RBPlat spent an average of R9 530 on training per person and we provided an average of 51.5 hours of training for each member of our workforce.

OUR FOCUS 2014

What we want to focus on in 2014

Team leaders, miners and shift supervisors to complete rock strata training. Hazards identification training also to be implemented.



We provided:

- > 2 789 permanent employees and 3 571 contractors with legal and mandatory training
- > 237 employees and contractors with external training
- > 56 permanent employees with educational assistance for part time studies
- > 131 community members with mining, engineering and processing skills training
- > 165 school children with maths and science teachers
- > 24 gap year students with work experience
- > 18 students with internships
- > 34 students from our communities with bursaries for their tertiary education
- > 27 people participated in our graduate development programme
- > 213 people provided with ABET training
- > 59 community members with portable skills training

INTERNAL TRAINING PROVIDED FOR OUR WORKFORCE

Type of training	Number of people trained			
	2013	2012	2011	% change year-on-year
Mining training				
Learner officials	2	2	1	–
Level 1 – Competent A	132	162	239	(18.5)
Level 1 – Competent B	291	712	811	(59.1)
Level 1 – Skills programme	644	354	141	81.9
Level 2 – Team leader	65	493	342	(86.8)
Level 3 – Learner miners	26	22	5	18.2
Mine manager	2	–	1	100.0
Mine overseer	–	1	5	(100.0)
Supervisory training	5	3	5	66.7
Total	1 167	1 749	1 553	(33.3)
Mandatory on-mine training	6 439	8 195	8 609	(21.4)
Engineering training				
Engineering – Level 1 training	27	38	54	(28.9)
Artisan learnership	18	25	12	(28.0)
Engineering – Level 2 (stope serviceman)	18	24	13	(25.0)
Medium voltage certification	4	8	–	(50.0)
Engineering supervisory development programme	3	3	2	–
Onsetter skills development programme	5	2	–	150.0
Other artisans training (lower level)	39	44	2	(11.4)
Winding engine driver learnership	5	3	–	66.7
Total	119	147	83	(19.1)

Type of training	Number of people trained			% change year-on-year
	2013	2012	2011	
Concentrator				
Process supervisory development programme	6	6	3	–
Shift leader development programme	–	–	3	–
Total	6	6	6	–
Management and leadership	42	38	40	10.5
People development				
Internal bursars (full time)	4	2	–	100.0
Safety language programme	21	81	90	(74.1)
Adult education and training	139	280	383	(50.4)
Foundational learning (QCTO)	–	72	–	(100.0)
Portable skills training	61	75	314	(18.6)
Total	225	510	787	(55.9)

SOCIAL AND LABOUR PLAN TRAINING

This training was provided to adult community members.

Skill	Number of people trained			% change year-on-year
	2013	2012	2011	
Mining				
Mining cadet skills programme (rock drill operators and pipes, tracks and ventilation)	123	142	9	(13.4)
Engineering				
Engineering cadet skills programme	13	21	7	(38.1)
Concentrator				
Process cadet skills programme	10	10	–	–
Total trained	146	173	16	(15.6)

PEOPLE DEVELOPMENT

Programme	Number of people trained			% change year-on-year
	2013	2012	2011	
School programme (our school programme changed in 2013 with our investment being in training teachers rather than pupils)	–	173	–	(100)
Gap year students	24	20	–	20.0
External bursars	34	33	–	3.0
Exposure students (P1 and P2) – internship	18	32	9	(43.7)
Graduate development programme	27	27	2	–
Research and development	1	2	–	(50.0)
Adult basic education training (ABET)	213	104	96	104.8
Portable skills training	60	93	242	(35.5)
Total	377	484	349	(22.1)

Year-on-year percentage change in training provision

Following two years during which the main thrust of our training was on the development of technical skills in our employees, this year we increased our focus on leadership training with a particular focus on the skills of team leaders, miners and supervisors. The amount of management and leadership training we provided in 2013 increased by 10.5%.

Type of training	% decrease/ increase
Mining training	(33.3)
Mandatory on-mine training	(21.4)
Engineering training	(19.1)
Concentrator training	No change
Management and leadership training	10.5
People development training	(55.9)
SLP	(15.6)
People development	(22.1)

HUMAN CAPITAL (continued)

Human resources (continued)

The external training our employees and contractors received included the mining shift supervisor, mine overseer, process supervisor and basic supervisory skills programmes, all engineering training, coaching and the Facility Management Professional and Management Development programmes.

EXTERNAL TRAINING FOR OUR EMPLOYEES AND CONTRACTORS

Employee category	2013		2012		% change in number of people trained year-on-year
	Number of people trained	Days of training	Number of people trained	Days of training	
A1 to B7 (core and critical skills)	22	114	10	22	120
C1 to D1 (junior management)	92	173	101	59	(9)
D2 and up (middle and senior management)	32	39	33	53	(3)
Contractors	1	46	3	13	(67)
Total	147	372	147	147	–

Developing our leaders

Over the past two years, while we have provided our employees with developmental and leadership training, the main thrust of our training has been on developing the technical skills of our employees at BRPM. We identified that there was a need to develop the leadership skills of our heads of department, team leaders, miners and supervisors. Team leaders' legal responsibilities have increased in recent years and we found that they needed assistance with managing these responsibilities. Together with the key performance management indicators introduced for teams we introduced an integrated process which includes coaching, analysis of data collected from observing teams at work followed by training in planning, organising, leading and controlling a team, which is based on the data collected from observing teams at work.

The introduction of our talent management programme in 2014 will ensure our leaders are receiving the type of training that will help them develop the skills they need in their current and future roles in the organisation. Not only will this make our training more effective, it will also be more cost efficient.

Skills development

Our Rock Drill Operators Academy gives unemployed youths who completed our ABET and portable skills programme an opportunity to train in the full complement of mining skills. Their practical training takes place in our underground training centre. They train teams because teamwork plays a very important role in safe and productive mining. The first intake in 2012 proved so successful that a second intake of 55 youths were enrolled on the programme in 2013.

Eighteen women who came from the local communities joined our rock drill operator training programme last year. Ten of these women were also multiskilled in pipes, tracks and ventilation (PTV) and stope timber.

One of our contracting companies was so impressed with the standard of our Rock Drill Operators Academy trainees that they have hired 52 of them.



Community development

To address the need for more learners to successfully complete grade 12 maths and physical science we have assisted Charora High School by providing two additional maths educators and one science educator. The grade 12 class of 2013 achieved a 6% improvement in physical science and a 5% improvement in maths. For the first time in the history of the school a learner obtained a distinction in physical science. To provide the learners with a quality learning experience we refurbished the maths and sciences facilities and supplied the science laboratory with new chemicals and equipment. In partnership with some of our contractors, we also supplied the school with furniture and additional maths and science text books. The school has seen an increased interest in maths and science, especially in grade 10, since the start of our initiative. Learners also have a better understanding of the opportunities that exist for them in the mining industry once they have completed engineering studies that require maths and science.

This year we had 24 students on our gap year programme, which gives students from the local community whose matric maths and science marks did not qualify them for

university entrance an opportunity to improve their marks. In 2013 these students achieved a very pleasing average improvement in their mathematics marks of 26%, with one student improving as much as 54%. Their science marks improved an average of 10%, with the greatest improvement being 23%.

Styldrift I training and development preparations for operational readiness

At Styldrift I we need to finalise our plans for the training centre by June 2014 in order to have an operational training centre by July 2015 when the contract miners come on site. The operational readiness team has evaluated a number of options and is also in discussion with the project team with regard to the positioning of an underground training centre at Styldrift I where employees and contractors can be given practical training in an environment similar to that to which they will be exposed in the mine.

In 2012 we reported that the low level of doorstep community members with the maths, science, numeracy and literacy skills necessary to qualify for the training required to work in a mechanised mine like Styldrift I had made it difficult for us to find enough

candidates. We have since expanded our recruiting to other communities in this area.

We secured training facilities for community members at Anglo American Platinum's (Amplats) Bathopele Mine training centre, however, due to industrial unrest at Amplats' mines their training has frequently been interrupted. Our target is to train 150 load haul dump (LHD) vehicle operators. We have managed to train 59 community members as LHD vehicle operators. Twenty of these have been trained as drill rig operators and five of the 20 have also been trained as roof bolt operators. All of them have been certified through the MQA as trackless machinery operators. The top performers are receiving additional training that will multiskill them.

Styldrift I has made good progress with its artisan training of community members. Twenty seven apprentices are currently in training with Sandvik Mining, who will be supplying the machines we will use in the mine. Our target is to train 60 artisans so Styldrift I will be recruiting an additional 33 for training in 2014. The first group of artisans will qualify towards the end of 2015 and the second group will qualify in 2016, which is when they will be needed on the mine.



As part of BRPM's portable skills training community members are trained as plumbers

HUMAN CAPITAL (continued)

Safety



Our key material issues

Safety performance at both BRPM and Styldrift I

In honour of our colleagues who lost their lives in 2013

We extend our deepest sympathies to the family, friends and colleagues of Mr Robert Mohlaoli Mohoanyane and Mr Thembele Kibida who died in work-related accidents at BRPM on Wednesday, 8 May and Saturday, 7 December 2013, respectively

Our safety vision: zero harm

- > Every person working at RBPlat must go home unharmed every day
 - No rock will fall uncontrolled
 - No sub-standard winch will be operated
 - All loads will be properly supported
 - Kibble movement will be well managed and announced
 - No machinery is operated without authorisation
 - All machinery must comply with the original equipment manufacturers' (OEM) specifications and be effectively guarded for safe operation

WHAT WE SAID WE WOULD FOCUS ON IN 2013 HOW WE PERFORMED

> Achieve zero fatalities	Two fatalities at BRPM
> Improve at least 20% year-on-year on our lost time injury frequency rate (LTIFR) and serious injury frequency rate (SIFR) to achieve total zero harm within five years	RBPlat LTIFR improved 9% RBPlat SIFR improved 37%
> Address the changing risk profile of the development at Styldrift I as a result of the change from shaft sinking to lateral development	Done
> Styldrift I to implement an effective SHE management system that will address the changing risk profile	Done
> Styldrift I SHE management system ready for OHSAS 18001 certification by end October 2014	Ahead of schedule with initial audit conducted in September 2013 with recommendation Styldrift I prepare for certification – aim to achieve certification in March 2014
> Grow our understanding of the role human error plays in unwanted events	Ongoing – still investigating Our investigations have shown that when external factors distract a supervisor from paying careful attention to what his team is doing, their risk taking increases
> Address Styldrift I increased risk profile through Styldrift Mine SHE management system	Risk Officer appointed September 2013 for this purpose

OUR FOCUS 2014

- > Continue to focus on our journey to zero harm
- > Improve 20% year-on-year on our LTIFR
- > Improve 20% year-on-year on our SIFR
- > Improve our safety maturity level at BRPM by 10% to achieve Proactive level
- > Improve our safety record at Styldrift I despite the build-up of personnel and activities on site in 2014
- > Safe execution and completion of the underground and surface infrastructure at Styldrift
- > Achieve OHSAS 18001 certification at Styldrift
- > Continue to grow our understanding of the role human error plays in unwanted events

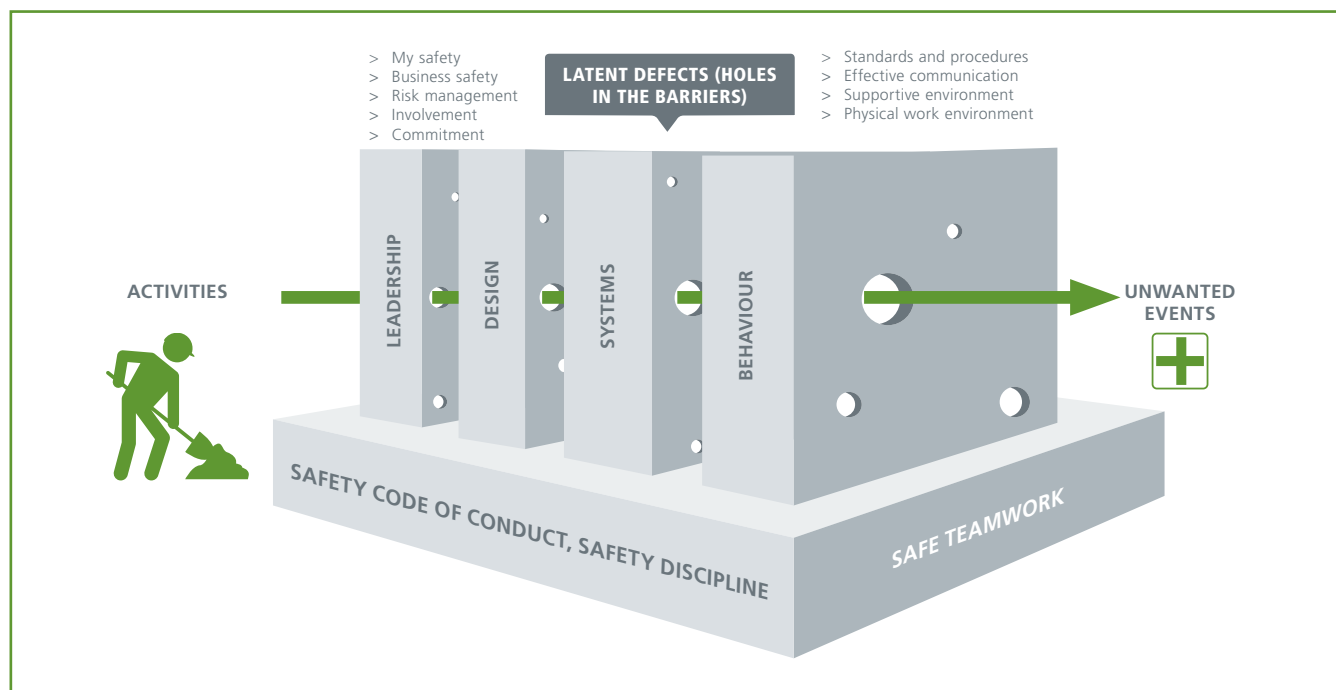
We support the UNGC's ten principles.

The principle relevant to safety is:

Human rights

Principle one: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence. Our previous report on the progress we have made in terms of the Compact's ten principles is available on our website at: www.bafokengplatinum.co.za

Safety strategy model



Our approach to safety

To mine and process the ore we extract from the earth exposes us to hazards. We need to design our mines and operate them in a manner that makes them as safe as possible. Through the application of our safety strategy we are building the resilience in our organisation necessary to enhance our ability to respond, monitor, anticipate and learn on our journey to zero harm.

In RBPlat's operations safety is the direct responsibility of senior management who are responsible for providing visible, felt leadership, appropriate operational designs, workable systems and corrective behaviour that will prevent unwanted events and eliminate fatalities. The formal management structure document clearly indicates responsibility for safety from our Board, assisted by its sub-committees, which takes ultimate responsibility for safety at RBPlat, to each individual employee and contractor.

Our safety strategy

Our safety strategy model, developed in 2011 and updated in 2013, is the guide we employ when we design and develop new projects and when we investigate the causes of unwanted events in our operations.

The diagram above shows the three layers that make up our strategy model. The foundation consists of our Safety Code of

Conduct, Safety discipline and Safe teamwork.

Our Safety Code of Conduct outlines an individual's duties, functions and responsibilities in the day-to-day decision-making processes necessary for the actions they need to perform.

Safety discipline sets out the action that needs to be taken and how it should be taken to address slips, lapses, mistakes or violations.

Safe teamwork relates to the concept of 'my brother's keeper', which includes encouraging employees to take personal responsibility for the safety of their colleagues and themselves and to challenge unsafe behaviour.

The second layer in the strategy consists of the four barriers that must be in place to prevent unwanted events. These are leadership, design, systems and behaviour. The stronger the barriers, the less likelihood there is of something unplanned happening. Strong leadership ensures that only a safe design is approved with effective systems in place to support the design and the correct behaviour during the execution of a task.

The third layer addresses latent defects (holes in the barrier that can lead to unwanted events) such as: my safety, business safety, understanding the risk and

managing it, involvement, commitment standards and procedures, effective communication, supportive environment and physical work environment.

Management systems

BRPM once again maintained its Occupational Health and Safety Assessment System (OHSAS) 18001:2007 certification, which it has held since 2004. Styldrift I spent 2013 preparing for certification and expects to achieve OHSAS 18001:2007 certification early in 2014. BRPM has also retained its International Organisation for Standardisation (ISO) 14001 certification this year, which it first achieved in April 2002. (Please refer to page 80 of the Health and wellness section of this report for information on our health and safety committees at BRPM.) Styldrift I will be ready for ISO 14001 certification when the mine begins stoping operations.

Stakeholder responsiveness

The DMR, our employees and the communities are our key stakeholders when it comes to safety. We regularly engage with the DMR. When safety stoppages occur refresher training takes place and new training interventions to prevent injuries. In 2013 we improved our strata control and rock engineering training following a request from the DMR.

HUMAN CAPITAL (continued)

Safety (continued)

Our SHER Manager is a member of the Chamber of Mines' Occupational Health and Safety Policy Committee and he chairs the Tripartite meeting for the North West province Rustenburg region. Other stakeholders in terms of safety are the Mine Health and Safety Council with whom we also interact.

Keeping our employees safe is one of our material issues and safety training plays an important part in our engagement with our employees. We respond to the challenge by constantly adapting our safety training and communication to achieve a better level of understanding of safety hazards among our employees. For example, research has shown that injuries tend to increase in the last quarter of the year. At BRPM every year we develop a specific strategy that focuses on safety communication and compliance with standards and procedures with the aim of minimising at work injuries. Every month we introduce a different safety topic that team leaders discuss with their teams. The topic discussed is usually the learnings from the latest incident on the mine and the non-compliances that we found caused the incident/accident are addressed.

Our safety team interacts with the community on safety matters at our monthly community meetings.

Our progress in 2013

Regrettably we had two fatalities at BRPM in 2013. Mr Robert Mohlaoli Mohoanyane died in a construction-related accident on 8 May at BRPM's South shaft and Mr Thembele Kibida in a fall of ground accident on 7 December 2013.

Despite these two fatalities, the overall trend of our safety performance is pleasing. RBPlat reduced its lost time injuries from 61 to 51, a 16% reduction year-on-year and its serious injuries were reduced by 42% from 38 to 22 injuries in 2013. The Stydrift I project achieved its third fatality-free year. The LTIFR for RBPlat improved 9% year-on-year and our SIFR improved 37% year-on-year.

Overall, RBPlat had 240 injury-free days in 2013.

Using our investigative methodology we are growing our understanding of the role human error plays in unwanted events. Our inclusion of counselling by a qualified psychologist in the investigative process allows us to gather more information about the factors that contribute to behaviour that causes incidents/accidents.

Our investigations have shown that slipping and falling is a major contributing factor towards injuries at BRPM. To try and improve on this we are focusing on ensuring that the footwear issued to employees is in good working condition, the travelling ways are kept dry, slippery areas are addressed and tripping hazards are minimised. Due to the considerable amount of incline and decline travelling at BRPM we pay more attention to these potential hazards.

To reduce the type of injuries that occur mainly where construction, maintenance, tramping, the transportation and pulling of boxes is taking place we constantly make employees aware of the dangers of certain tasks related to equipment and material handling.

To reduce the number of fall of ground-related incidents at BRPM, where small rock falls have been on the increase, we need to increase the ability of our employees to identify possible geological disturbances and the correct way to treat them. As previously discussed we have revised our training programme and all the relevant employees have received this training. The Chamber of Mines' Mining Industry Occupational Safety and Health Best Practice on Entry examination and Safe Declaration is now fully rolled out at BRPM.

Stydrift I is also challenged with falls of rock. We are investigating in conjunction with the explosives suppliers what needs to be adjusted on the blasting pattern to improve this situation.

While Stydrift I had its third consecutive fatality-free year, its safety team was very disappointed not to achieve its LTIFR target of 1.0, having ended the year with an LTIFR of 1.64 or to improve its SIFR (0.82 in 2013).

Stydrift I's biggest safety challenge as a project is the number of contractors working on site, which will increase further in 2014 (see the Stydrift I review on page 60 for more detail on what is planned to take place at Stydrift I during 2014). Safety training is part of the induction programme that all contractors have to complete. To manage safety on site the operational readiness team holds a mass meeting every Monday with the contractors who are working underground with the aim of identifying the safety hazards for the week ahead and taking action to keep people safe. On Tuesdays the team meets with the contractors working on surface for the same purpose. The operational readiness team constantly monitors contractors to



For information on training and development see page 72 to 75.

ensure they are complying with the RBPlat safety standards.

Regular safety, health and environment (SHE) audits are conducted. Where deviations are identified line managers and line supervisors are made aware of them. A follow-up inspection is carried out to ensure that the deviations have been corrected. Where an area is not complying with the mine standard a work stoppage notification is issued. This remains in place until a follow-up inspection is conducted and the deviations are closed out.

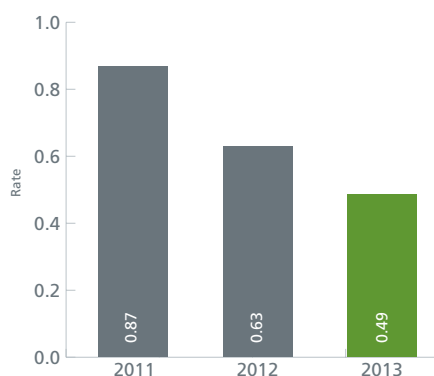
Safety maturity

A safety maturity survey, which looks at the people and system aspects, was again conducted at BRPM in 2013. This year it used a different approach which included electronic responses, personal interviews and a safety audit. The previous survey conducted in 2012 was based only on the completion of a maturity questionnaire. The audit established that the safety maturity at BRPM is currently at 47%. This places BRPM midway into compliant (compliant is from 40% to 59%). The gaps between the survey responses and the physical audit number is the area we will be focusing on to address perceived implementation versus actual implementation.

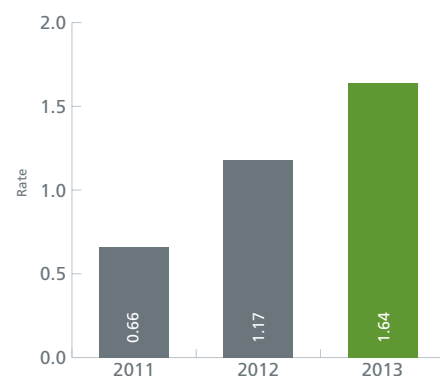
RBPlat's overall safety performance

(Rates based on 200 000 hours worked)

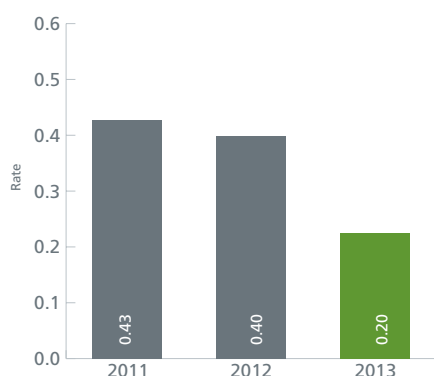
BRPM LOST TIME INJURY FREQUENCY RATE



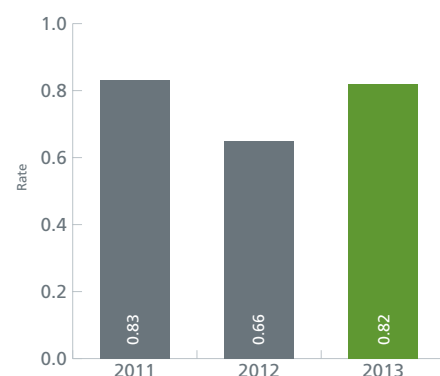
STYLDRIFT I LOST TIME INJURY FREQUENCY RATE



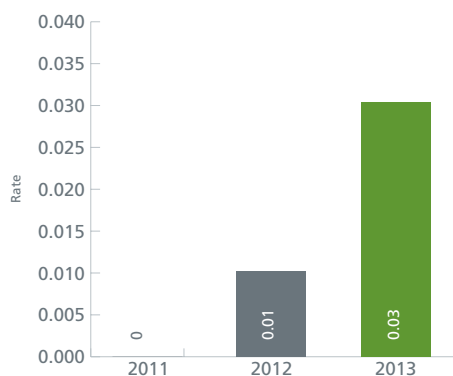
BRPM SERIOUS INJURY FREQUENCY RATE



STYLDRIFT I SERIOUS INJURY FREQUENCY RATE



BRPM FATAL INJURY FREQUENCY RATE



HUMAN CAPITAL (continued)

Health and wellness



Our occupational health vision

To achieve our vision of zero occupation-related harm we:

- > recognise that all occupation-related illnesses are preventable
- > make a consistent and sustained effort to ensure that there are no repeat occurrences of occupational diseases
- > apply simple, consistent and non-negotiable health and safety standards across our organisation to prevent occupation-related illnesses.

WHAT WE SAID WE WOULD FOCUS ON IN 2013

HOW WE PERFORMED

> No new cases of any occupational illness or diseases	None reported and diagnosed
> No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure at RBPlat operations	Did not achieve the target There were six cases identified of cumulative exposure over long periods of time
> No new cases of NIHL in 2013 in line with the 2013 Safety Milestone requirements	Zero new cases
> 95% exposure measurement for respirable crystalline silica to be less than an occupational exposure limit of 0.1mg/m ³ as per the requirements in the 2012 safety milestone document	All analyses for crystalline silica below detectable levels
> Intensive education, motivation and support to decrease the HIV incident rate (new infections)	New infection rate decreased to 2.7% from 5.3% in 2012
> Facilitate the enrolment of contractors on a company-controlled ART programme – 430 HIV (own employees only) patients on antiretroviral treatment (Own employees only)	Following further investigations, it was found that due to the regular movement of contractors, it was a better option to encourage contractors to enrol their employees on a medical aid, with ART as a minimum benefit
> Achieve early detection using innovative TB detector methods. Stop TB in our lifetime	Using the Gene Xpert for early detection on all employees and contractors to ensure enrolment onto the TB programme and earlier TB treatment



OUR FOCUS

2014

- > To get all contractors onto a medical aid
- > To have better control of contractors requiring ART treatment to ensure they do receive treatment.

We support the UNGC's 10 principles.

The principle relevant to health and wellness is:

Human rights

Principle one: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

Our previous report on the progress we have made in terms of the Compact's ten principles is available on our website at: www.bafokengplatinum.co.za



For information on our community health initiatives, see page 89.

Our approach to health and wellness

RBPlat complies with the requirements of the South African Mine Health and Safety Act. The new health and wellness strategy was finalised in 2012 and was introduced in 2013, together with the necessary policies, processes and procedures.

We aim to eliminate occupational diseases by providing a workplace free from health and hygiene hazards. Occupational health and hygiene policies, standards, monitoring and auditing are the responsibility of our SHE department and line management is responsible for maintaining occupational health and hygiene standards.

Platinum Health is responsible for our healthcare delivery and medical surveillance.

RBPlat is committed to improving the wellbeing of our employees and contractors. We recognise that having a healthy workforce is an advantage to our business, because it means that our employees are fit to work at their full potential and absences due to sickness are reduced.

We have identified the main health issues affecting our workforce which allows us to effectively address their specific health needs. We also establish if there are any activities taking place at our mines that could affect the health of neighbouring communities and immediately take action to address these.

Health and safety committee structure

Each operational area at BRPM (North shaft, South shaft, the concentrator plant and central services) has a health and safety committee, which meets at least monthly. Operational Health and Safety Committee members elect fellow members to represent them on the Central Health and Safety Committee. The membership of each of these committees consists of at least four employee representatives and a number of management representatives. The number of management representatives can be equal to or less than the number of employee representatives.

The Central Health and Safety Committee meets quarterly. Each area nominates a representative and an alternate to attend these meetings. Issues not resolved at the operational area health and safety committees are escalated to this forum.

At this stage Styldrift I uses the project's safety and health meeting structures to address health and safety issues.



Hearing test at the BRPM Clinic

Stakeholder responsiveness

A number of our stakeholders are both safety and health stakeholders. This includes the DMR, the Chamber of Mines' Occupational Health and Safety Policy Committee and the Mine Health and Safety Council and, of course, our employees and the community.

RBPlat has a number of health initiatives in the community which are in response to community needs. We are also actively participating in provincial, municipal and government forums and committees and working with the Royal Bafokeng Administration (RBA) in an effort to understand community health issues and to support and participate in community health efforts.

Occupational hygiene

If members of our workforce suffer from poor health it not only affects the employees but it also affects their families and the communities in which they live. In addition occupational ill health treatment is costly. By providing an effective healthcare programme and keeping our employees healthy, not only do we avoid the cost of expensive treatment, we also prevent human suffering.

Our objective is to always achieve best practice in the field of mine medical services. Platinum Health, our on-site healthcare provider, has a thorough understanding of RBPlat's requirements. It operates the main BRPM clinic and satellite clinics at BRPM's South and North shafts and Styldrift I. All these clinics are equipped with the necessary medical staff and infrastructure to ensure they are able to deliver quality, first response treatment and cost-effective healthcare services across the healthcare spectrum to all our employees.

In addition to providing our employees and contractors with occupational healthcare, medical surveillance, treatment of injuries on duty, trauma management and rehabilitation, it also provides our workplace wellness programme, which encompasses a continuum of healthcare including disease prevention, diagnosis, treatment, management, rehabilitation and TB and HIV/Aids management.

HUMAN CAPITAL (continued)

Health and wellness (continued)



In line with the 2013 milestones related to health, RBPlat is committed to no shift of more than 10% in NIHL as a result of working at an RBPlat operation after 2013. The noise in any of our working places will not exceed 110 dBa.

Platinum Health provides our employees and contractors with occupational healthcare, medical surveillance, trauma management, rehabilitation and the treatment of injuries on duty. It also provides our workplace wellness programmes which include disease prevention, diagnosis, treatment, management and rehabilitation and HIV/Aids management.

Noise-induced hearing loss

NIHL, which can have a long latency period, is the most common occupational health issue in our operations. The mining sector, RBPlat included, is striving to eliminate cases of a shift in hearing loss of more than 10% resulting from exposure to noise at work. Engineering advances to equipment, training at induction, rated hearing protection devices and a hearing conservation programme all contribute to the achievement of this aim. At the RBPlat medical centre we address early hearing loss movement as early as a 2.5% move in hearing loss from the baseline assessment. A formal investigation is undertaken following a 2.5% shift or more in hearing loss.

NIHL is not solely a workplace issue. It can also be caused by activities outside the workplace. The key is for people to avoid exposure to high noise levels on and off the job. According to the World Health Organisation, NIHL is the most common permanent and preventable occupational illness in the world. Due to its high prevalence and significant consequences on quality of life, especially in the later years of life, hearing loss is one of only four non-fatal conditions among the 20 leading causes of the global burden of disease.

NOISE-INDUCED HEARING LOSS (NIHL) STATISTICS

Instances of NIHL	2013	2012*	2011
NIHL of more than 10% which qualifies for compensation	13	11	19**
NIHL of more than 10% that does not qualify for compensation	14	20	16
Total	27	31	35

* In 2012 we hired a number of new employees and contractors who were found to have NIHL prior to being employed at RBPlat

** The shift in hearing of more than 10% experienced by this group was an accumulation of industry exposure over their working years and not as result of working at RBPlat

People of all ages can develop hearing loss, however, old age is known to significantly influence one's hearing loss. The average age in the mining industry for people to display some hearing loss is 40 years. At RBPlat our average age is 43 years. Studies have also shown that some people are predisposed to hearing loss even when they are only exposed to moderate levels of noise. The burden of the HIV disease and the impacts of the disease manifestations, coupled with the treatment regimes, have in the recent past distorted the number of hearing loss cases as it also causes hearing loss.

NIHL is preventable. We all need to understand the hazards of noise exposure and how to practise good hearing health in everyday life.

The Mine Health and Safety Act accepts 85 decibels as the acceptable safe noise level for exposure during an eight-hour work day without ear protection. A drill used in a mine can generate noise levels of over 105 decibels. Mining, and in particular operating a drill, remains one of the most hazardous occupations in the world; both in terms of injuries and in terms of long-term impacts such as NIHL. A very good hearing conservation programme is required to ensure exposed employees are not affected.

At RBPlat we are committed to a vision of zero harm. We embrace a workplace culture that recognises NIHL is preventable. We strive to prevent repeat occurrences of occupational disease and promote the setting and implementing of consistent standards to prevent NIHL and other occupational illness.

Tuberculosis

Another area of concern is TB, both among our workforce and in the community. While TB, which is an infection, is not classified as an occupational disease, working in an environment, such as a mining environment where ventilation air is reused, it can increase a person's susceptibility to TB.

TB STATISTICS

	2013	2012	2011	% change year-on-year
Number of employees suspected of having TB	391	424	168	(7.7)
Number of employees tested who were infected with TB	59	37	22	59.5

The TB prevalence number is expressed per 100 000 and not as a percentage. Government reports the national prevalence rate as 998/100 000. TB prevalence at RBPlat increased by 41% in 2013, due to more effective screening and investigation methods.

	2013	2012	2011
TB prevalence	713/100 000	507/100 000	580/100 000

Silicosis

Silicosis, a deadly lung disease, is one of the oldest mining occupational diseases in the world. South Africa's mining industry has set a target of eradicating this disease in mines by 2013. After that date no previously unexposed miners should acquire the disease.

It is caused by the inhalation of respirable dust (particles less than ten micron) containing free crystalline silica, which is a basic component of many rock formations. South African miners, particularly in gold mines, face this lurking danger during underground operations.

The scarring of the lungs by silica dust particles causes stiffening of the lung, which obstructs breathing. Once exposure to silica has occurred, the disease will progress even when exposure stops. Silicosis progresses slowly and can remain symptom-free for up to two decades after that exposure has ceased.

While miners working in the platinum mines found in the North West province of South Africa, like ours, are not in danger of contracting silicosis we identify people who have previously worked in other sectors of the mining industry and that have contracted silicosis. This is detected by means of X-rays during routine medical surveillance examinations at our medical centre. The results of people who are identified as being affected by silicosis are submitted to the Medical Bureau of Occupational Diseases (MBOD). Following an investigation by the MBOD they receive compensation which varies depending on the level of their silicosis. The results of twenty three employees, including contractors, who had all previously worked in gold mines, were submitted to the MBOD for investigation during 2013.

HIV COUNSELLING AND TESTING (HCT)

All employees are retested when they return from leave and all contractors coming onto site are tested. In 2013, 47 antiretroviral treatment (ART) cases defaulted from their treatment.

	2013	2012	2011	% change year-on-year
Counselling*				
Number of employee counselling sessions	3 804	3 588	3 496	6.0
Number of contractor counselling sessions	7 624	8 371	6 681	(8.9)
Total number of employee and contractor counsellings	11 428	11 959	9 998	(4.4)
Testing				
Number of employee tests conducted	3 317	2 870	3 049	15.6
Number of contractor tests conducted	6 681	7 122	7 886	(6.2)
Total number of employee and contractor tests conducted	9 998	9 992	10 935	0.1
Uptake rate (%)				
Employee testing uptake rate (%)	87.2	80.0	87.2	9.0
Contractor testing uptake rate (%)	87.6	85.1	88.8	2.9
Employee and contractor uptake rate (%)	87.5	83.6	88.3	4.7
Number of employees and contractors who are HIV positive	2 349	2 458	643**	(4.4)
Number of employees on antiretroviral treatment	412**	430**	219**	(4.2)

* All employees who undergo initial medicals and who undergo routine medicals are counselled

** This number excludes contractors



4

SOCIAL AND RELATIONSHIP CAPITAL

- 86 Socio-economic impact
- 90 Preferential procurement
- 91 Stakeholder relationships



ACHIEVEMENTS



- > Completed and over-delivered on both the BRPM and Styl drift I social and labour plans
- > Exceeded our SLP commitments, having spent R276 million over four years

IMPROVEMENTS



- > 9.6% improvement in spend with HDSA companies

CHALLENGES



- > Obtaining external authorisation to go ahead with projects
- > Legislative processes that delay projects
- > Sustainability of projects

DISAPPOINTMENTS



- > Theft during projects and after they are handed over

SOCIAL AND RELATIONSHIP CAPITAL

Our socio-economic impact

WHAT WE SAID WE WOULD FOCUS ON IN 2013

Continue with the progress we made in 2012 with a focus on classroom education and complete our SLP obligations

Continue to work at improving our engagement with community leadership through ongoing communication and engagement

Continue to work with the Royal Bafokeng Administration (RBA), Royal Bafokeng Institute (RBI) and the Rustenburg Local Municipality in order to be able to complete our community development projects

Completion of the enterprise development hub and more intensive training in tender procedures for local black-empowered business

HOW WE PERFORMED

Delivered community development projects in line with our SLP commitments and partnered with Royal Bafokeng Institute on classroom education

Combined our monthly engagement meeting for BRPM and Styldrift which has resulted in improved communication with community leadership. We remain committed to developing mutual respect, understanding and trust

All projects executed through partnerships with the traditional authority (RBA) and the Rustenburg Local Municipality

The first phase of the project has been completed and the second phase will be executed in 2014



OUR FOCUS
2014

- > Continue with Phase II of the enterprise development hub
- > Build roads in MACHARORA villages
- > Repair/replace community houses
- > Continue with educational assistance programme and health support programme

Our social responsibility and sustainable development strategies and policies are designed to support our *More than mining* philosophy and help us achieve a balance between the Company's interests and those of our communities. Our philosophy commits us to creating economic value in a way that also creates value for society. This is a particularly challenging commitment in the current economic environment.

We focus on poverty alleviation and job creation, health support, education support and community skills development.

Our approach

We use social and human rights baseline studies and risk assessments to identify the impacts we have on our communities. We also work closely with the communities to minimise or avoid any potentially negative effects from our mining activities and maximise the positive impacts.

The communities in which we operate live in four villages: Mafenya, Chaneng, Robega and Rasimone, which are informally known as MACHARORA. Three of these villages are on Royal Bafokeng Nation (RBN) land and the fourth, Robega, is on state-owned land. We invest in all these communities.

Empowering our communities and enhancing their socio-economic capacity, prosperity and sustainability secures our licence to operate and is an investment in their future and ours.

Our social and labour plans guide our investment in community development and are an important part of our Mining Charter Scorecard commitments and our mining licence requirements.

Stakeholder responsiveness

Consulting with our communities is a key part of our approach to developing healthy relationships with them. We hold regular monthly meetings with their representatives and are committed to engaging openly and honestly with them and providing feedback on issues raised at previous meetings.

We use these meetings to understand community needs and priorities so we can do our best to address them. In addition, our community engagement officers are in contact with the communities throughout the month and they act on any pressing issues. Our community relations, particularly in relation to job creation at the Styldrift I project, have been very challenging at times, but we have made good progress in this area. RBPlat also donated R300 00 to the Thuto-Thebe trust which supports rural education.

Something that has been a nuisance to community members living near our concentrator for some time now is the vibration coming from the concentrator's screening area. The concentrator team tried to stop the vibration but with no success. In 2011 we commissioned the University of Pretoria to conduct research into how we could stop this vibration inconveniencing community members. The University provided us with a number of solutions. One particular solution has proved to be effective: a variable speed drive which, by matching the frequency of the vibration, neutralises it. The drive is currently in production and will be installed in our concentrator as soon as it is ready.

We produce a community newsletter, published every six months, which shares information on our community projects. We engage with the RBA, which is responsible for infrastructure in the area; the

RBN, from whom we need to get permission to use land; the Royal Bafokeng Institute, which is responsible for education in our communities; Royal Bafokeng Enterprise Development (RBED); and Royal Bafokeng Sports, which is responsible for sports development. We consult with them to ensure we align our projects with the RBN 2035 Masterplan and we partner with them on health and education projects. We also engage with the Rustenburg Local Municipality to align our projects with their development plans for the region. In addition we are engaging with neighbouring mines with the aim of joining forces on community development projects.

Delivering against our SLPs and our corporate social investment (CSI)

While our operations, BRPM and Styldrift I, each have their own SLPs the same four villages (Mafenya, Chaneng, Robega and Rasimone) benefit from our SLPs, and CSI. Both BRPM and Styldrift have already completed their commitments in terms of their current SLPs and in consultation with the communities included additional projects which we undertook over and above our original commitments.

Due to the current economic climate we needed to cut back on some of the projects we had planned for this year and extend the delivery period for our enterprise development hub.



Upgrading the pathology building in Phokeng



We built a pedestrian walkway in Mafenya village to keep children safe from vehicle traffic

SOCIAL AND RELATIONSHIP CAPITAL (continued)

Our socio-economic impact (continued)

Both BRPM and Styldrift I will be renewing their SLPs for the next five years during 2014. These plans will include inputs from community members, the Rustenburg Local Municipality and the traditional authority. Both plans will be aligned in terms of local economic development, so they can be jointly executed.

SLP expenditure

RBPlat's total socio-economic expenditure in 2013 was R105.2 million.

BRPM EXPENDITURE

R (million)	2013	2012	2011	% change year-on-year
Community infrastructure	1.6	0.3	2.6	433.3
Health support	4.1	–	–	–
Poverty alleviation and job creation	3.6	4.2	0.2	(15.0)
Education support	1.7	10.3	0.4	(83.1)
Community skills development	2.6	0.1	–	2 090.0
Enterprise development	0.0	0.9	1.6	(100.0)
Discretionary funds	1.4	1.3	0.5	6.0
Subtotal	15.0	17.1	5.3	(12.3)
BRPM's training and development SLP spend	66.1	–	–	–
Total	81.1	94.3	30.0	(14.0)

STYLDRIFT I EXPENDITURE

R (million)	2013	2012	2011	% change year-on-year
Community infrastructure	1.9	4.0	1.4	(52.5)
Health support	4.1	5.0	2.3	(18.0)
Poverty alleviation and job creation	3.5	5.2	0.4	(32.7)
Education support	1.8	13.8	0.5	(87.0)
Community skills development	2.6	0.2	0.0	1 200.0
Enterprise development	–	–	–	–
Discretionary funds	0.3	0.2	0.6	50.0
Subtotal	14.2	–	–	–
BRPM's training and development SLP spend	9.9	–	–	–
Total	24.1	32.8	5.8	(26.5)

BRPM JOINT VENTURE EXPENDITURE

R (million)	2013	2012	2011	% change year-on-year
Total community enterprise development	29.2	45.5	10.5	(35.8)
Total SLP human resource development	76.0	81.6	25.3	(6.9)
Total SLP expenditure	105.2	127.1	35.8	(17.2)



Teacher Maggy Motshega at the renovated science laboratory at Charora High School ready for 2014

RBPLAT'S LOCAL ECONOMIC DEVELOPMENT PROJECTS OVER THE PAST THREE YEARS

PROJECT	WHEN COMPLETED
Infrastructure	
Construction of a pedestrian walkway in Mafenya to keep children walking to school safe from traffic on the road.	2013
Chaneng and Rasimone Kgotla offices which provide a central point for the community and facilitate communication between the leaders, their community and our operations.	2012
Technical upgrade of the road which leads to the Commercial Community Garden in Chaneng.	2013
Providing a portion of road in Chaneng village.	2012
Replacing community houses in the MACHARORA villages. Five new houses were built in 2013. Five houses were demolished in Chaneng village and replaced by new 70m ² houses. The owners could choose between four different designs.	Ongoing
Upgrading of the Phokeng police station, providing a satellite police station and a community centre in Robega village.	2011
Health support	
Phokeng forensic pathology building	
This building was originally built to cater for the forensic pathology investigation needs of the SAPS and is now being used by the mortuary for the area and is totally inadequate. We are upgrading and equipping it in accordance with the specifications and requirements of the Department of Health.	Work started in 2013 and expect to complete early in 2014
Support for the Chaneng Clinic	
To assist with the capacity challenges experienced by the clinic as a result of a growing population RBPlat pays the salaries of two additional professional nurses.	Ongoing since 2012
Poverty alleviation and job creation	
Commercial community garden in Chaneng Village	
This award winning project was adopted by BRPM in September 2011. We equipped the garden with pumps, water tanks, shade netting structures, an irrigation system, a storeroom, wash bays and an ablution block and this year we purchased a delivery vehicle.	Ongoing support since 2011
Establishing an enterprise development hub	
The hub is designed to be a Real Enterprise Development initiative, which will harness the entrepreneurial drive of unemployed and self-employed South Africans. The concept is supported by international research revealing the power of the small business sector to reduce unemployment. We originally intended completing the project in 2013, but it has now been split into three phases. The first phase, which was completed in 2013, included fencing the site with electrical fencing, 85% of the electrical work has been done, the sewerage system is complete, the vegetable tunnels have been constructed and the preparation work for the foundations of the broilers has been done and the water reticulation system has been designed.	First phase completed in 2013 – final phase to be completed in 2015
Commercial agri business (hatchery, cattle and crop farming)	
This project will feed into the enterprise development hub. During 2013 we completed a headstock count of the livestock in the MACHARORA villages (1 700), tagged them, dressed the udders of the cows to eliminate ticks, inoculated the animals twice, dipped them and put them on an electronic database which includes the gender of the animal and who its owner is. We are busy with a feasibility study on how best to implement the programme in 2014. This project has highlighted the excessive number of cattle versus the availability of grazing, which is of concern.	First phase completed in 2013 – ongoing
Household vegetable gardens	
We have equipped 75 households in the MACHARORA villages with 2 x 5 000 litre JoJo tanks, 1 x 6 x 4 metre tunnels, roof gutters, a hand pump, sloped the land and provided training in growing vegetables for the household's consumption and to sell to neighbouring homes and other potential markets.	2013
Education support	
Additional maths and science teachers and upgrading of maths and science classrooms	
We have funded the salaries of two additional maths teachers and one science teacher at Charora High School and a projects facilitation coordinator has been appointed to look after the governance and help facilitate the roll-out of educational interventions in schools in the MACHARORA villages. The maths classroom at Charora High School was renovated, which included painting, tiling and the installation of new cupboards and white boards.	Ongoing
We identified through the RBI that the chemicals in the science laboratory had expired and the equipment was out of date. This has been removed and having established what chemicals and equipment are required for the Grade 12 syllabus these have been supplied. A laptop has been purchased for use with an overhead projector. The aim of this project is to give pupils the opportunity to develop the maths and science skills they need for employment in the mining industry.	Started in 2013 – ongoing
Grade R classrooms	
We constructed two Grade R classrooms at Chaneng Primary School, equipped them and built surrounding walls.	2013
Community skills development	
Styl drift I requires different skills to accommodate its mechanised mining methods. A database of the skills, education, experience and other relevant information of doorstep community members was captured by our human resources development team. Community members with the appropriate skills were selected for training, skills transfer and development. Some community members have been trained as trackless mobile machine operators and others as artisans by Sandvik Mining, who will be the supplier of Styl drift I's trackless mobile machinery.	This process began in 2012 and will continue until the required number of people have been trained

SOCIAL AND RELATIONSHIP CAPITAL (continued)

Our socio-economic impact (continued)

Supporting our local communities through preferential procurement

Our preferential procurement targets are based on those of the Mining Charter Scorecard. Procuring from local black-empowered businesses helps alleviate poverty and can create employment. We procure as much as we can from these businesses.

To assist local enterprises RBPlat works with Royal Bafokeng Enterprise Development (RBED), which acts as a liaison between RBPlat and local small businesses. We are appointing a black empowerment and enterprise development manager early in 2014 whose role will be to assist these enterprises with their development and help local black-empowered businesses manage the tender process and contract negotiations and pricing.

Discretionary procurement

Since 2011 BRPM's discretionary procurement from historically disadvantaged South Africans (HDSAs) has exceeded the Mining Charter targets for discretionary procurement.

In 2013 RBPlat achieved an overall rate of discretionary procurement of 64.67% across all procurement categories.

PREFERENTIAL PROCUREMENT SPEND

Type of spend	2013				2012			
	Total discretionary procurement R (million)	HDSA procurement spend R (million)	% spend with HDSA companies %	Mining Charter target %	Total discretionary procurement R (million)	HDSA procurement spend R (million)	% spend with HDSA companies %	Mining Charter target %
Capital spend	925	612	66.16	30	1 100	606	55.10	20
Services	898	546	60.80	60	762	475	62.29	50
Consumables	316	225	71.20	40	335	223	66.50	25
Total discretionary procurement spend	2 139	1 383	64.66		2 197	1 304	59.35	

More than mining at work

One of our projects won the North West province's Department of Agriculture's 14th Annual Female Entrepreneur Award in 2013. The theme for the award in 2013 was 'Harnessing women's talent for sustainable food security: a vision beyond 2030'.

In 2011 we were asked to assist with a food garden started in Chaneng village (one of our doorstep communities) by a group of 12 sight-challenged community members with the assistance of the Chaneng Association for the Blind. We invested R3.3 million in upgrading the garden by equipping it with pumps and water tanks, shade netting structures, an irrigation system, a storeroom, a washroom and an ablution block. We provided community members with training in managing a food garden and continue to provide them with guidance on how to manage their business.

The original intention of the garden was to grow food for the local community but it is rapidly developing into a substantial sustainable business. The cooperative sells its produce to Sun City, Fruit and Veg City in Rustenburg, the Rasimone Primary School in the neighbouring Rasimone village and the Johannesburg Municipal Market.

Known as the Chaneng Farming and Primary Cooperative the garden has a workforce of 12 who are all residents of Chaneng village. The cooperative is changing lives and providing its members with a sustainable source of income.



Community vegetable garden in the Chaneng village

Stakeholder relationships

Engaging with our stakeholders, listening to their views and addressing their concerns is an integral part of RBPlat's sustainable development and risk management strategies.

We would like to refer you to our Organisational overview on page 4 of this report for an overview of our stakeholders and their related material issues.

We have a broad range of internal and external stakeholders who have a material interest in RBPlat or are affected by it. We have identified them in terms of our legal obligations and our potential to impact on them and their potential to impact on our business at both a corporate and operational level.

Our comprehensive stakeholder engagement framework, which is part of our Sustainability Framework, identifies our stakeholders, their representatives, the key drivers of our engagement with them, the levels of engagement, the key material issues, potential concerns, the methods of engagement, the frequency of the engagement and who at RBPlat is primarily responsible for the engagement.

The methods of engagement that we use are as diverse as our stakeholders. We encourage dialogue and are committed to responding to issues that they raise.

Our internal and external engagement strategies are designed to achieve regular transparent communication with our workforce and our external stakeholders.

Our internal and external engagement helped us minimise the impact on our operations of the labour unrest that shook the South African platinum industry in the second half of 2012 and has helped us achieve a strike-free year in 2013.

OUR KEY STAKEHOLDERS

Shareholders and investors	Royal Bafokeng Holdings, Anglo American Platinum, institutional investors, retail investors
Providers of debt	South African banks
International industry bodies	International Platinum Group Metals Association (IPA), Federation for Sustainable Environment, Pilanesberg Wildlife Society International
National industry bodies	Chamber of Mines of South Africa, South African Institute of Mining and Metallurgy
Employees	Permanent employees, contract workers
Trade unions	National Union of Mineworkers (NUM), United Association of South Africa (UASA)
Communities	Royal Bafokeng Nation (RBN), the Robega, Chaneng, Rasimone and Mafanya villages, Sun International (Sun City)
Customers	Anglo American Platinum
Suppliers	Major suppliers including Eskom and Magalies Water
Business and joint venture partners	Anglo American Platinum including RPM, Impala Platinum and neighbouring mines
Government and regulators	Departments of Water Affairs, Education, Environmental Affairs, Mineral Resources, Human Settlements, Labour, Rural Development and Land Reform, Traditional Affairs and Cooperative Governance, Royal Bafokeng Administration, Rustenburg Local Municipality, North West provincial government, JSE Limited



Our stakeholder responsiveness has been addressed in the various sections of this report provided below for easy reference:

- > Chairman's letter to stakeholders on page 34
- > CEO's strategic review on page 36
- > Financial capital on page 41
- > Manufacturing capital on page 51
- > Our human resources on page 66
- > Safety on page 76
- > Health and wellness on page 80
- > Our socio-economic impact on page 86
- > Our environmental performance on page 94
- > Our application of King III on page 125



5

NATURAL CAPITAL

- 94 Environmental performance
- 102 Mineral resources and reserves



ACHIEVEMENTS



- > Approval received from Department of Environmental Affairs (DEA) and Department of Mineral Resources (DMR) for BRPM water treatment plant

IMPROVEMENTS



- > 19% improvement in energy consumption
- > 3.5% reduction in consumption of potable water from Magalies Water
- > Carbon intensities reduced

CHALLENGES



- > Managing EIA public participation process
- > Responding to non-environmental impact issues raised by communities during EIA participation process

DISAPPOINTMENTS



- > Delay in general waste recycling plans

NATURAL CAPITAL

Our environmental performance



Our key material issues

- > Water management – this relates to the key material issue of limited resources
- > Stakeholder engagement and responsiveness

WHAT WE SAID WE WOULD FOCUS ON IN 2013

HOW WE PERFORMED

> Implementing our environmental strategy	We are in the process of implementing our environmental strategy. We maintained our ISO 14001:2004 certification in 2013
> Implementing further energy reduction projects that were identified at BRPM during the gap analysis conducted in 2012	Reduced electricity consumption at BRPM by 19% year-on-year
> Installation and commissioning of a water treatment plant at BRPM once the environmental impact assessment (EIA) has been approved	EIA, waste management licence and EMPR amendment approved by DEA and DMR in September and October 2013
> An EIA and environmental management plan (EMP) for Styldrift I to include the sewage treatment plant, tailings dam, water treatment plant and its associated infrastructure	EIA and EMPR process still in progress
> An EIA and environmental management programme report (EMPR) amendment for the placement of ventilation fans on surface at Styldrift I	An EMPR amendment was submitted to the DMR in 2013 and we are waiting for approval
> Obtain approvals on the amendments to the Styldrift I and BRPM water use licences	Water use licence amendments were submitted to the Department of Water Affairs and we are waiting for approval of the amendments requested
> An EMPR amendment process to include North shaft Phase III ventilation shaft	An EMPR amendment was submitted to the DMR in August 2013 and we are awaiting their approval



OUR FOCUS
2014

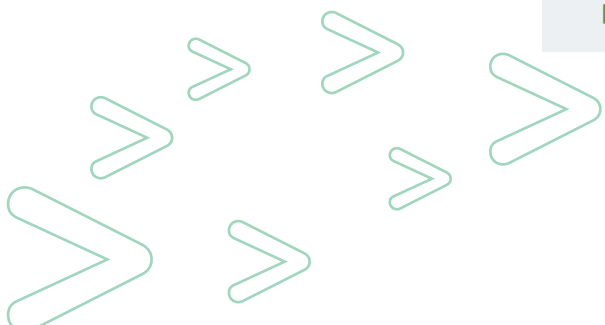
BRPM

- > Commissioning of the first phase of the water treatment plant at BRPM
- > Amendments to the BRPM integrated water and waste management plan following the finalisation of the new concentrator strategy

Styldrift I

- > Obtain approval of the amendments to the water use licence
- > Finalise outstanding amendments to EIA and EMPR applications

The public participation process, which formed part of our EIAs, was an opportunity for us to help community members gain an understanding of our processes and the steps we are taking to improve our environmental performance.



An integrated approach to our environmental responsibilities

THE ENVIRONMENTAL ACTIVITIES AND AREAS OF FOCUS THROUGHOUT OUR MINING LIFECYCLE

Mining lifecycle stages	Project planning	Project construction	Operation	Closure	Post closure
Environmental activities	Feasibility studies and environment and social impact assessment (EIA)	Management of environmental impacts: air quality, water quality and quantity management, waste management, biodiversity management and hazardous substance management	Management of environmental impacts: air quality, water quality and quantity management, waste management, biodiversity management, hazardous substance management and concurrent rehabilitation	Rehabilitation and land reclamation	Ongoing environmental monitoring

An integrated approach to our environmental responsibilities

Our approach to environmental management is based on international best practice, legal compliance and maintaining our environmental and social licence to operate. BRPM is ISO 14001: 2004 certified. This is the first year we have applied our new Group-wide environmental strategy, which was finalised in 2012. This strategy is an integral part of the safety, health and environment (SHE) management system we use to manage our environmental risks, aspects and impacts. The Environmental Manager is based at BRPM and is responsible for environmental management at both BRPM and the Styldrift I project.

We review our environmental risks and opportunities annually and at BRPM our ISO 14001 environmental management system (EMS) is audited every year by independent external parties as part of our business strategy. Styldrift I will apply for ISO 14001 certification when it begins stopping production in 2015.

Accountability

Management accountability is central to our integrated approach. Our Board of directors and our Chief Executive Officer, assisted by the Board's Social and Ethics Committee, are accountable for RBPlat's environmental management and the management of our impact on climate change. The Social and Ethics Committee, which is assisted by our Sustainable Development Committee established in 2013, also provides overall direction on our sustainable development.

Our environmental team is responsible for ensuring that RBPlat's environmental policies are aligned with all legal and regulatory requirements. The team is also responsible for the auditing of the implementation of environmental policies, standards and procedures in our operations. External environment audits are also conducted regularly to ensure compliance with the environmental procedures, standards, policies, environmental management programme reports (EMPR) commitments, permit conditions and legal and other requirements to which we subscribe.

Line management is accountable for the effective implementation of the SHE management systems.

Data measurement and gathering techniques

We measure and monitor our potable water usage, energy consumption, surface and ground water quality, dust fall out levels, ambient dust, noise levels and particulate matter, as well as ground vibration. We submit our monitoring results to the authorities as our permit conditions require.

Stakeholder responsiveness

The key stakeholders with whom we engaged, and to whom we responded this year, included the MACHARORA communities (made up of four villages: Mafenya, Chaneng, Robega and Rasimone), which are the communities nearest to our operations, the departments of Mineral Resources (DMR), Water Affairs (DWA), Environmental Affairs (DEA) and the Federation for a Sustainable Environment.

RBPlat also engaged with community members during a risk workshop facilitated by KPMG as part of a climate change vulnerability and business resilience assessment. We participate in the carbon disclosure project as part of our accountability to our stakeholders. The Environmental Manager also participates in the Eland and Hex river Catchment Management Forum.

Issues raised and our response

During the recent public participation meetings that we held as part of an environmental impact assessment process and the monthly environmental meetings we have with these communities, the MACHARORA communities raised a number of social and environmental issues. Most of these issues were dealt with in the meetings and will form part of the EIA document.

We engage with the DMR, the DWA and the DEA in connection with environmental authorisations. This year our engagement and responses have mainly been in connection with the EIA for the water treatment plant at BRPM, the EMPR amendment for the BRPM North shaft Phase III ventilation shaft and amendments to the BRPM and Styldrift water use licences. We have not had any legal directives, fines or penalties issued against our operations due to non-compliance with regulations and/or licence use requirements.

NATURAL CAPITAL (continued)

Our environmental performance (continued)

During our public participation meetings a number of concerns were raised on behalf of the communities. These included damage to access roads, the visual impact of our Styldrift I project and the distribution of water by the Magalies Water. Responses to these concerns have been formulated and will be included in the EIA and EMPR submissions following the public participation process.

Our approach to climate change

Climate change remains an important longer-term risk for our business. During 2013 we engaged KPMG to conduct a detailed climate change vulnerability risk assessment of our operations. The assessment identified the business risks climate change presents for RBPlat, how well prepared we are in terms of the steps we have taken to identify these risks and how to reduce our exposure to them and our potential to adapt and respond to these impacts.

The risks are complex as they include operational risks such as business continuity, employee health and safety, environmental aspects, regulatory aspects and community needs and their perceptions of the impact of the mining industry on their environment.

The highest risks to our operations were identified as flooding and extreme storms which could cause business interruptions.

RBPlat has included the information gained from this assessment in its risk management model to ensure we reduce our exposure to these risks.

Our operations are located in an arid water-scarce area where prolonged drought conditions could limit production growth or prevent us from operating. A reduction in the availability of clean water from Magalies Water could also interrupt our business. It could also have health impacts and create tension between RBPlat and the communities in which we operate.

Understanding our carbon footprint

We have assessed our carbon emissions every year for the past four years. We use the results of these assessments to help us improve our carbon intensity. Not only is it socially responsible to make every effort to reduce our carbon intensity but it also makes good business sense as reducing our carbon intensity will mean improving our efficiency in terms of the amount of fuel and electricity we use to produce a tonne of concentrate.

In 2013 our carbon intensities decreased by 6.6%, mainly as a result of a decrease in electricity consumption.

The emissions intensity in relation to the tonnes milled and ROM tonnes delivered to the concentrator decreased from 0.135 to 0.134 t CO₂e per tonne year-on-year.

The increase in our revenues, together with the decrease in Scope 1 and 2 emissions resulted in the revenue metric decreasing by 20.7%.

Our carbon intensity per employee has also decreased by 7.6% year-on-year.

Managing our resources and emissions

RBPlat achieved a 12.9% reduction in its total CO₂e tonnes year-on-year. Our most significant emissions to air are indirect greenhouse gas (GHG) emissions, known as Scope 2 emissions, which are produced during the production of the electricity we purchase from Eskom. We achieved an 8.7% reduction in our Scope 2 emissions year-on-year by reducing our electricity consumption by 19%. As expected, our Scope 1 emissions increased 4.7%, which was largely due to the increased consumption of diesel by heavy off-road vehicles working on the Styldrift I project's development.

The energy reduction projects that we implemented at BRPM in 2013, following a gap analysis conducted in 2012, helped us achieve this reduction in electricity consumption. They included:

- > the extension of our underground compressed air control system to lower levels
- > reduction of leakage from our main compressed air system
- > automation of our main dewatering pump stations at both BRPM shafts
- > automatic control of main ventilation fans vanes at both shafts
- > shutting down of ventilation fans over weekends.

Emphasis was also placed on employee behavioural change. In conjunction with Eskom we launched an energy awareness campaign in July 2013. Subsequently energy management was introduced as part of our employees' mine induction and ex-leave programme.

The marked decline in our Scope 3 emissions was largely due to a 97% reduction in waste generation and disposal, which in 2012 included waste generated from the demolition of vacant houses in and around the mine.



TOTAL DIRECT AND INDIRECT GHG EMISSIONS BY WEIGHT

	2013			2012			RBPlat % change year-on-year
	Total RBPlat CO ₂ e tonnes	BRPM CO ₂ e tonnes	Styldrift I CO ₂ e tonnes	Total RBPlat CO ₂ e tonnes	BRPM CO ₂ e tonnes	Styldrift I CO ₂ e tonnes	
Scope 1 emissions – direct GHG emissions from sources that are controlled or owned by RBPlat (source: fuel such as diesel and petrol)	3 494	1 746	1 748	3 336	2 147	1 193	4.7
Scope 2 emissions – indirect GHG emissions from purchased electricity to run our operations, generated mostly from burning fossil fuel	289 278	267 043	22 235	316 681	296 631	20 050	(8.7)
Scope 3 emissions – other indirect GHG emissions from sources not owned or controlled by RBPlat	1 333	998	316	17 692	11 332	6 359	(92.5)
Total CO₂e tonnes	294 105	269 787	24 299	337 709	310 110	27 602	(12.9)

ENERGY CONSUMPTION

Type of energy	2013	GJ	2012	GJ	2011	GJ	% change
Electricity consumption (MWh) BRPM	224 910	809 676	285 362	1 027 303	287 304	1 034 294	(21)
Electricity consumption (MWh) Styldrift	22 590	81 324	19 377	69 757	7 791	28 047	17
Total electricity consumption (MWh) RBPlat	247 500	891 000	304 739	1 097 060	295 095	1 062 342	(19)
Diesel (kl) RBPlat	771	29.9	405	16	429	17	88
Petrol (kl) RBPlat	82	2.8	22	1	22	1	250
Total energy use in GJ		891 033		1 097 077		1 062 360	(19)

NATURAL CAPITAL (continued)

Our environmental performance (continued)

Water

Water is a finite and precious natural resource, essential to the sustainability of the communities in which we work and our mining and metallurgical processes.

We use water in our mining and processing activities, as well as dust suppression and garden maintenance. Our potable water supply is provided by Magalies Water.

Water management

Our operations are in a water-scarce region where the increasing demand for fresh water has led to a shortage of water in some parts of the North West province.

Our management of water resources includes:

- > reducing our potable water consumption by improving water use efficiencies and water recycling
- > preventing the contamination of ground and surface water resources
- > securing the availability of sufficient water for our current and future mining operations.
- > No water sources, except Magalies Water, are significantly affected by withdrawal of water for RBPlat's operations

Water efficiency

During the year BRPM reduced its potable water consumption by 3% and Styldrift I by 15%.

WATER CONSUMPTION

	2013	2012	2011	% change year-on-year
Potable water – BRPM (ML)	2 026.1	2 090.6	2 184.9	(3)
Potable water – Styldrift (ML)	63.0	74.3	–	(15)
Potable water – RBPlat (ML)	2 089.1	2 164.9	2 184.9	(3.5)
Recycled water (ML)	1 194.53	1 706.0	2 204.1	30

Following the legal approval for the installation and operation of a water treatment plant to treat the excess water on site at BRPM, our objective of using water as efficiently as possible is within our reach. The plant is designed to treat four megalitres of water a day. BRPM currently uses about six megalitres of fresh water a day. We expect to install and commission the treatment plant during the second half of 2014. Last year we reported that we planned to install a mini pump station at North and South shafts to pump out fissure water for reuse in our mining processes. The installation of these pump stations will be completed during 2014.

The automation and expansion of our potable water metering and management system has given us a better understanding of how and where we use water and as a result has improved our ability to control our water usage.

The water filtering system we installed at Styldrift I has allowed for the reuse of mine water and it will reduce our consumption of Magalies Water. We are in the process of developing a strategy to effectively manage our mine water consumption at Styldrift I during ramp-up and when the mine reaches steady state.

Sufficient water for our current and future mining operations

RBPlat has secured a sufficient water allocation for our current and future mining requirements.

Preventing contamination

The work we did on the clean and dirty water infrastructure at BRPM during 2012 has improved our water management by ensuring that we divert clean rainwater away from our operations. The infrastructure in place at Styldrift I also ensures that rainwater is effectively managed.

We operate a closed loop system at BRPM, using recycled water from the return water dams and the mine shaft areas reuse water from the Eriksson dams. We have also established a closed loop system at Styldrift I.

The explosives we use during our mining activities deposit nitrates in the water. We monitor the level of nitrates in the industrial water and make the relevant authorities aware when nitrate levels increase. We also ensure that there is no discharge of industrial process water into the environment in the vicinity of our operations.

Biodiversity and land management

The disturbed land footprint for BRPM remains at 949 hectares and 238.8 hectares for Styldrift I.

Potential impacts

A biodiversity assessment was conducted in 2003/2004 and updated in 2009. These assessments identified eight distinct biodiversity management units at BRPM and delineated biodiversity management plans. Baseline biodiversity and landscape function studies were conducted as part of the environmental impact assessment for Styldrift I.

The aim of our biodiversity management plans is to protect and enhance the local ecology. We are committed to rehabilitating and restoring the land both during the life of our mines, as well as after mining activities have ceased.

To manage the diversity on our sites we have developed a long-term biodiversity monitoring programme which includes:

- > an alien plant control programme
- > a fire management plan
- > the promotion of the sustainable use of natural resources within the area
- > improving our understanding of the biodiversity in the area.

Our biodiversity plan lists the number and types of fauna in the lease area. Based on the latest fauna distribution data and habitat availability within the area it is estimated that about 164 animal species and 294 bird species may occur in the area.

We maintain firebreaks to reduce the loss of biodiversity during fires. We plant indigenous trees on our property and in local communities during Arbour Month.

RBPlat identifies and mitigates the negative environmental impacts of its activities by conducting an annual risk assessment with objectives and targets to address activities that are significant or highly rated.

The primary human activities which could adversely impact the biodiversity at our mine and projects include: digging quarries in sensitive/intact areas, infrastructure construction, the disturbance caused by the presence of humans, altered or inappropriate fire regimes, the destruction of slow-moving fauna by vehicles, noise, dust, airborne and gaseous emissions, the fragmentation of

habitats by roads, habitat loss, the disturbance of vegetation, invasion of a site by alien vegetation and a deterioration in water quality.

Closure liability assessments are conducted annually for both BRPM and Styldrift I and financial provisioning is made for the environmental rehabilitation. An environmental trust fund document has been compiled and submitted to the DMR, in accordance with the DMR's requirements. BRPM has an interim closure plan in place. The final closure plans will be prepared five years prior to closure of the mine. As the Styldrift I project is not yet operational no closure plan has as yet been prepared.

Effluents and waste

Effluent

Our operations are zero-effluent discharge operations. In terms of our licence conditions no discharges are permitted. As mentioned previously, we operate a closed loop system.

Our mining and metallurgical operations generate hazardous and non-hazardous waste, which must be correctly disposed of to prevent any negative impacts on the environment. Our environmental strategy and policies set stringent standards for the management of waste and mine residues (tailings and waste rock).

The tailings from our concentrator operations are disposed of at the BRPM tailings dam and waste rock is dumped at the waste rock dumps situated at BRPM's North shaft, South shaft and at Styldrift I shaft.

We prioritise the maintenance of the integrity of our tailings dam, which is designed to handle a 100-year flood. We have processes in place to ensure we continually check the structural capacity of these dams.

Some of the waste rock dump is reclaimed for further beneficiation and is used in the civil construction section in and around the area.

General/domestic waste

The aim of our waste management plan is to reduce, reuse and recycle whenever possible. We dispose responsibly of the waste we generate and minimise the amount of waste we send to the landfill. During 2013, through improved sorting of waste at its salvage yards, BRPM reduced the amount of waste sent to its licensed

landfill site by 71%. The waste from Styldrift I project will increase over the next few years as activity increases. However, in terms of our waste management plan we are actively managing the amount of waste generated on site. Despite the considerable increase in Styldrift's waste production we have reduced our overall waste production and disposal by 51.8%.

After reviewing a number of proposals we will start recycling our paper during the first quarter of 2014.

For two years running BRPM has been recognised for reducing the amount of photocopying paper it used. In 2013 Xerox gave BRPM 22 trees to plant, which represent the paper we saved. In total we have planted 66 trees donated by Xerox on the BRPM property and the six neighbouring schools.

Medical waste

Appointed contractors are responsible for collecting and transporting the medical waste to the approved site. Medical waste from our BRPM clinic is incinerated at the approved Roodepoort medical waste incinerator.

Industrial waste

We sort most of our industrial waste on site and reuse where possible. We recycle our industrial waste responsibly, which includes scrap metal, by using accredited service providers to transport our recyclable waste to recycling companies.

Explosives waste

As required by the Explosives Act (Act No 26 of 1956) our explosives waste (empty boxes, cartons and packaging which has previously contained blasting material) is destroyed daily by burning in the demarcated destruction bay.

Hazardous waste

Our hazardous waste produced at both BRPM and Styldrift I is collected, transported and disposed of by appointed service providers at Holfontein, an approved hazardous waste site. RBPlat does not import, export or treat waste deemed hazardous under the Basel Convention Annexures I, II, III and VII.

NATURAL CAPITAL (continued)

Our environmental performance (continued)

WASTE PRODUCTION AND DISPOSAL

Type of waste	2013 tonnes	2012 tonnes	2011 tonnes	% change year-on-year
BRPM				
Landfill waste	1 624	5 645	3 227	(71.2)
Incinerated medical waste	1.2	2.4	0.6	(48.7)
Recycled industrial waste	1 735.4	2 130	1 829	(18.5)
Hazardous waste	209	146	105	43.2
Total BRPM waste	3 569.6	7 923.4	5 161.6	(54.9)
Styldrift I project				
Landfill waste	171	65	55	163.0
Recycled waste	94.9	17.3	3	448.6
Hazardous waste	24	–	–	–
Total Styldrift I waste	289.9	82.3	58	252.2
Total RBPlat waste	3 859.5	8 005.7	5 219.6	(51.8)

Materials use

There were no major changes in our use of materials in 2013. Having achieved a reduction in the amount of explosives we used in 2012 through improved drilling and blasting efficiencies this reduction was maintained in 2013.

MATERIALS USED BY RBPLAT FOR THE PAST TWO YEARS

Material	Units	BRPM		% change year-on-year	Styldrift	Total for RBPlat
		2013	2012		2013	2013
Liquid petroleum gas (LPG)	kg	–	48	(100)	–	–
Acetylene gas	kg	2 494	3 079	(19)	1 352	3 846
Explosives	kg	4 549 475	4 866 287	(6.5)	462 425	5 011 900
Fire extinguisher materials	kg	459	303	51.5	–	459
Refrigerants	kg	–	2	(100)	–	–
Company-owned vehicles (petrol)	litres	29 386	21 593	36.1	52 279	81 665
Company-owned vehicles (diesel)	litres	282 426	340 153	(17)	–	282 426
Heavy off-road vehicles	litres	7 074	19 090	(63)	434 514	441 588
On-site petrol machinery	litres	463	376	23.1	–	463
On-site diesel machinery	litres	6 195	6 381	(2.1)	48 257	54 452

Product responsibility

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

Our metals

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

Many of the unique properties of PGMs make them indispensable to modern technology and

industry and their markets are many and varied, from the automotive industry to the medical field. The markets for our products are the same as those for all platinum producers (see our Operating context section on page 8).

Product uses

As a vital component in autocatalytic converters, PGMs play a significant role in reducing air pollution by limiting the discharge of carbon monoxide, hydrocarbons, nitrous oxides and particulates. Approximately 56% of global PGM production is used in autocatalytic converters.

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

Product stewardship

We systematically address the safety, health and environmental issues relating to our products at all stages of the product lifecycle. The refiners and marketers of our PGMs have specific measures in place to protect the health and safety of those using or delivering our products. Procedures for assessing product health and safety are addressed during conceptual development, research and development, product certification, manufacturing and production, marketing and promotion, storage, distribution and supply, use and disposal, or recycling. Mineral safety development sheets are provided with all mining products and directed at industrial users.

Our products are not delivered directly to customers. We are committed to minimising the dispersion of metals back into the biosphere and reducing the environmental and health risks associated with this.

We aim to ensure the health, safety and environmental risks associated with the use, recovery, recycling and disposal of our products are properly understood by customers and mitigated. Since our metals are sold into a global marketplace, we

believe that meeting our product stewardship commitment is best done in collaboration with key stakeholders. Much of our engagement on product stewardship is done via our membership of the International Platinum Group Metals Association (IPA).

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

The metals produced from our concentrate are sold into the global marketplace by Anglo American Platinum, which meets its product stewardship commitments in collaboration with key stakeholders including government, industry associations, the scientific community and civil society organisations. There have been no incidents of non-compliance with regulations and voluntary codes concerning our products and we have not received any fines for non-compliance with laws and regulations concerning the provision and use of our products and services.



Geologists Charl Zietsman (left) and Tim Raymond at the Styldrift II drilling site

NATURAL CAPITAL (continued)

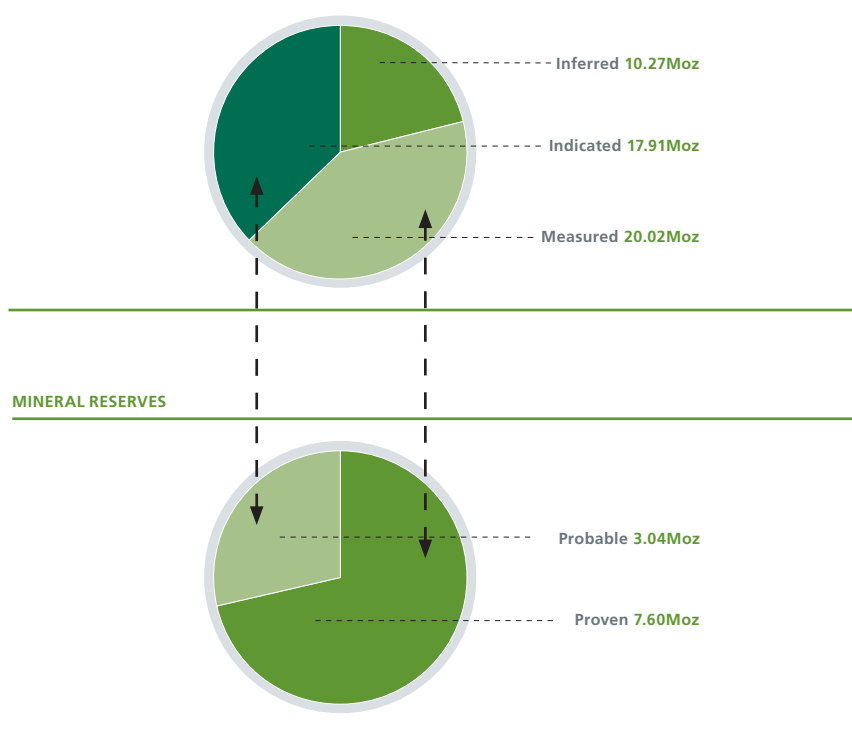
Mineral resources and reserves

Mineral resource overview

The total remaining in-situ Merensky and UG2 mineral resources attributed to Royal Bafokeng Platinum (RBPlat) constitute 243.01 million tonnes (Mt) at a grade of 6.17g/t which contains 48.20 million ounces (Moz) of 4E metals. RBPlat's 67% interest mineral portfolio underlies the properties of Boschkoppe 104 JQ, Styldrift 90 JQ and portions of Frischgewaagd 96 JQ. The 2013 geological resource models were discounted by updated geological losses and depletion from BRPM. Due to limited exploration drilling in 2012 no sampling intersections were added to the mineral resource models. Therefore, the mineral resource classification 2013 – 2012 is unchanged. The Merensky reef tonnage consists of 45% measured, 35% indicated and 20% inferred mineral resources and the UG2 reef tonnage consists of 38% measured, 40% indicated and 22% inferred mineral resources compliant with SAMREC.

FIGURE 1: RBPLAT 2013 MINERAL RESOURCES AND MINERAL RESERVES CLASSIFICATION OF THE MERENSKY AND UG2 REEFS

INCLUSIVE MINERAL RESOURCES



Geological setting

RBPlat's mining operations and projects are located directly south of the Pilanesberg Igneous Complex, in the Western Limb of the Bushveld Igneous Complex (BIC), in the stratigraphic sequence referred to as the Rustenburg Layered Suite. The Rustenburg Layered Suite hosts several commodities which include the PGMs and chromitite. The mineable economic horizons include the platiniferous chromitite layers of the Upper Group number two seam (UG2 reef) and the Merensky reef, which are layered within the Critical Zone of the Rustenburg Layered Suite of the BIC.

Mineral rights

The status of mineral rights is indicated in Table 1. Sixty seven percent of all mineral rights on the specified farms and portions as tabled below are attributed to RBPlat and 33% to Rustenburg Platinum Mines, a wholly owned subsidiary of Anglo American Platinum, as per the BRPM Joint Venture agreement.

TABLE 1: RBPLAT'S MINERAL RIGHTS STATUS

Properties	Percentage interest	Status
Boschkoppie 104 JQ	67%	New Order Mining Right
Styl drift 90 JQ	67%	New Order Mining Right
Frischgewaagd 96 JQ Ptns 10, 14	67%	New Order Prospecting Right
Frischgewaagd 96 JQ Ptn. 17	67%	New Order Prospecting Right

Mineral resource management

Mineral resources

Salient points regarding resources

- > Mineral resources are reported as in-situ tonnes and grade and allow for geological losses
- > Mineral resources for 2013 are estimated at a minimum cut of 0.90m
- > All mineral resources and reserves stated in this chapter are reported as the 67% attributable interest of RBPlat
- > No mineral resources are excluded from the 2013 declaration relative to 2012 as a result of the cut-off grade calculation derived from the mineral reserve pay limits
- > For UG2 a 30 centimetre geotechnical support beam has been applied
- > Rounding of figures may result in computational discrepancies.

Mineral resources summary

Due to limited exploration drilling during 2012 as a result of capital budget deferment, the Merensky and UG2 resource estimates have not been updated with new drillhole data in 2013. Effectively, geological loss updates from structural models, internal boundary changes and depletion on the BRPM North and South shafts have been the changes since last year.

TABLE 2: RBPLAT'S INCLUSIVE MINERAL RESOURCES AT 31 DECEMBER 2013

Reef	Resource classification	Tonnes Mt		4E grade g/t		Contained 4E Moz	
		2013	2012	2013	2012	2013	2012
Merensky	Measured	47.64	48.49	7.51	7.49	11.50	11.68
	Indicated	39.28	39.34	6.98	6.98	8.82	8.83
	Inferred	20.83	20.86	7.80	7.80	5.23	5.23
	Total	107.75	108.69	7.37	7.37	25.55	25.74
UG2	Measured	49.82	51.60	5.32	5.31	8.52	8.82
	Indicated	55.32	55.98	5.11	5.14	9.09	9.24
	Inferred	30.12	27.96	5.21	5.25	5.05	4.72
	Total	135.26	135.55	5.21	5.23	22.65	22.78
Total	Measured	97.46	100.09	6.39	6.37	20.02	20.50
	Indicated	94.60	95.32	5.89	5.90	17.91	18.07
	Inferred	50.95	48.82	6.27	6.34	10.28	9.95
	Total	243.01	244.23	6.17	6.18	48.21	48.52

Keynotes:

The Merensky reef resources inclusive of mineral reserves, decreased by 0.94Mt and 0.2Moz due to the following factors, of which each contributed less than a 1% change to the content compared to 2012:

- > Depletion on BRPM
- > Increase in geological loss of 0.05%
- > Geological boundary changes.

Our Mineral reserves and resources statement for 2013 can be found at www.bafokengplatinum.co.za/im/files/reports/2013/RBPlat-AR-2013-reserves-resources.pdf



NATURAL CAPITAL (continued)

Mineral resources and reserves (continued)

The UG2 reef resources inclusive of mineral reserves decreased by 0.28Mt and 0.12Moz due to the following, of which each contributed less than a 1% change to the content compared to 2012:

- > Depletion on BRPM
- > Increase in geological loss of 0.37%
- > Geological boundary changes.

TABLE 3: EXCLUSIVE MINERAL RESOURCES 31 DECEMBER 2013

Reef	Resource classification	Tonnes Mt		4E grade g/t		Contained 4E Moz	
		2013	2012	2013	2012	2013	2012
Merensky	Measured	20.94	20.80	8.06	8.06	5.43	5.39
	Indicated	25.90	25.92	7.10	7.10	5.92	5.92
	Inferred	20.83	20.86	7.80	7.80	5.23	5.23
	Total	67.68	67.59	7.62	7.61	16.57	16.54
UG2	Measured	23.34	24.75	5.20	5.21	3.90	4.14
	Indicated	47.52	48.21	5.15	5.18	7.87	8.03
	Inferred	30.12	27.96	5.21	5.25	5.05	4.72
	Total	100.98	100.91	5.18	5.21	16.82	16.89
Total	Measured	44.28	45.55	6.55	6.51	9.33	9.53
	Indicated	73.42	74.13	5.84	5.85	13.79	13.95
	Inferred	50.95	48.82	6.27	6.34	10.28	9.95
	Total	168.65	168.50	6.16	6.17	33.40	33.43

Keynotes:

The Merensky reef resource exclusive of mineral reserves increased by 0.10Mt and 0.04Moz due to the following:

- > Geological boundary changes.

The UG2 reef resource exclusive of mineral reserves increased by 0.06Mt and a decrease of 0.07Moz due to the following:

- > Geological boundary changes
- > Minor decrease in grade contributing to the slight content decrease of 0.4%.

The prill split percentages for the Merensky and UG2 reefs are indicated in figures 2 and 3, respectively.

Mineral reserves

Based on the level of confidence the resource areas scheduled have been converted to reserves.

Salient points regarding reserves:

- > RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No mineral resources are excluded from the 2013 declaration relative to 2012 as a result of the cut-off grade consideration
- > Changes in pillar layout from a yield to a non-yield pillar design
- > Modifying factors are applied using a consistent approach based on historical performance or benchmarked for new areas
- > Only scheduled resources have been converted to mineral reserves with no inferred resources converted
- > Rounding off figures may result in minor computational discrepancies.

Mineral reserves summary

Annual comparisons indicate a reduction in extraction at Styldrift Merensky. A change in pillar design was planned, reducing the span between pillars and the resultant extraction by 15%. The remaining areas indicate a stable inventory with the decrease as a result of depletion.

The Merensky reef comprises 5.97Moz at a 4E grade of 4.37g/t. The Merensky mineral reserve tonnage decreased by 11% from 47.94 Mt to 42.52Mt, and the 4E ounce content decreased by 10% from 6.64Moz to 5.97Moz (Table 4). These variances in the reserves are mainly attributed to a change in the mechanised mining pillar layout from a yield to a non-yield design at Styldrift I.

The UG2 reef comprises 4.68Moz at a 4E grade of 3.83g/t. The UG2 mineral reserves tonnage increased by 4% from 36.57Mt to 38.03Mt, and the 4E ounce content increased by 3.5% from 4.52Moz to 4.68Moz (Table 4). The increase in reserves are attributable to the inclusion of UG2 resources not previously scheduled.

TABLE 4: MINERAL RESERVES AS AT 31 DECEMBER 2013

Reef	Reserve classification	Tonnes Mt		4E grade g/t		Contained 4E Moz	
		2013	2012	2013	2012	2013	2012
Merensky	Proven	27.39	31.57	4.46	4.42	3.93	4.49
	Probable	15.13	16.38	4.19	4.09	2.04	2.15
	Total	42.52	47.94	4.37	4.31	5.97	6.64
UG2	Proven	29.47	26.93	3.88	3.88	3.67	3.36
	Probable	8.56	9.64	3.65	3.74	1.01	1.16
	Total	38.03	36.57	3.83	3.84	4.68	4.52
Total	Proven	56.85	58.50	4.16	4.17	7.60	7.85
	Probable	23.69	26.01	4.00	3.96	3.04	3.31
	Total	80.54	84.51	4.11	4.11	10.65	11.16

Resource confidence

Throughout the past three years, a steady sequence of exploration activity has produced improved confidence relating to the ore body classification in the structural and resource models, especially in the Styldrift II investment area. The continuous development of the geological models is aimed at satisfying a feasibility study. Since 2011 around 100 000m of exploration drilling has taken place, allowing for the confidence parameters to align with SAMREC compliant study requirements. In 2013, 22 000m were drilled on the Styldrift 90 JQ farm.

Initially, exploration drilling focused on designed drill spacing to confirm resource grade and width continuity to enable classifying a SAMREC compliant measured and indicated mineral resource. The latter was achieved by targeting the study area in the centre of gravity and thereafter outwards to the extremities of the area. Secondary to delineating mineral resource confidence, geological structures and anomalies which emerged from 3D seismic interpretations were targeted. Drilling delineated structures gives assurance to the discount factors used in geological loss calculations, reef facies transitions and ore body planarity. Future infill drilling and

geological assessment will lean towards hydrogeology, geotechnical, mineralogy and flotation response.

Regulatory compliance

Mineral resource management forms an integral part of RBPlat's business and sustainability strategies. The focus of exploration programmes, continuous investigations, and viability studies concerning our ore bodies is to optimally mine and extract the metals contained in the RBPlat mineral portfolio.

The reporting of mineral resources and mineral reserves is compliant with the JSE Limited and industry, professional guidelines and best practices. The categories of classification are based on the South African Code for reporting mineral resources and reserves, namely the SAMREC Code 2007 edition (amended July 2009). RBPlat reporting procedures for mineral resources and mineral reserves include, but are not limited to, the sign off by a group of professionals classified as Competent Persons according to the SAMREC Code, in their respective professions. In respect of publicised reporting of mineral resources, RBPlat has an agreement with its business partner Anglo American Platinum to jointly sign off

Figure 2

MERENSKY REEF – 4E PRILL SPLIT (%)

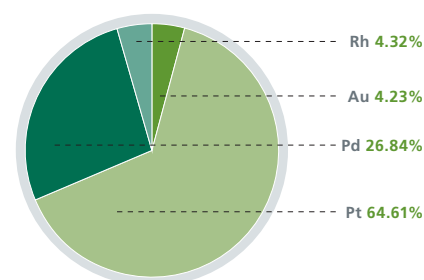
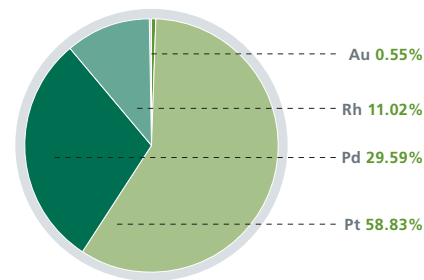


Figure 3

UG2 REEF – 4E PRILL SPLIT (%)



the annual mineral resource statements.

The Competent Persons for mineral resources and reserves are as follows:

Mineral resources:

- GJ Vermeulen**
BSc Hons Geology, PrSciNat (400232/12)
RBPlat Group Geologist
- GP du Plessis**
BSc Hons MSc Geology, PrSciNat (400050/50)
RBPlat Project Geologist
- K Mohanlal**
BSc Hons Geology, PrSciNat (400003/05)
Anglo American Platinum Resource Geologist

Mineral reserves:

- C Ackhurst**
BEng, PrEng ECSA (20090200)
RBPlat Mineral Resource Manager, BRPM
- G van Greunen**
BEng, PrEng ECSA (20110356)
RBPlat Mineral Resource Manager
Styldrift



6

INTELLECTUAL CAPITAL

- 109 Technology and innovation
- 110 Governance framework
- 112 Business improvement skills
- 113 Project management skills



ACHIEVEMENTS



- > SAP Africa Quality Gold Award for ICT migration
- > Established our governance framework
- > Cost management project reduced cash operating costs (1% per 4E ounce and 2% per platinum ounce)

IMPROVEMENTS



- > Shared services model introduced
- > Negotiated contract cost savings

CHALLENGES



- > Continuous innovation

DISAPPOINTMENTS



- > Delay in installation of water treatment plant

INTELLECTUAL CAPITAL

ELEMENTS OF OUR INTELLECTUAL CAPITAL ARE:



- > Technology and innovation
- > The skills and experience of the team responsible for our production (see page 32 to 33 of this report for information on our management team and the Manufactured capital section on page 51 for the performance of our operations)
- > Our ability to keep our people safe (see the Safety section on page 76 of this report)
- > Our ability to adapt to a changing business environment, achieve cost efficiencies and the courage to make tough decisions
- > Our project management skills (see the Manufactured capital section on pages 59 and 60)
- > Stakeholder relationships (see the Stakeholder relationships section on page 91)
- > The strategies, policies, procedures and codes that govern how we do business
- > Robust and fit for purpose computer systems
- > Our investment in our people and the communities in which we operate (see the Human capital section on page 65 to 83 and the Social and relationship capital section on page 85 to 91).

We have chosen to focus on the knowledge and expertise behind the way we do things in RBPlat in this section of our report.

A REAL BUSINESS ASSET

This is the first year we have included intellectual capital in our integrated annual report.

There are many definitions of intellectual capital. We liked a very simple definition that explained that the intellectual capital in a business has three sources: products and intellectual property; human capital; and the knowledge and expertise that resides in the way things are done in a business, which includes systems, procedures and protocols. There is no doubt that intellectual capital is a real business asset, although measuring it can be difficult. Certainly the investment we make in training our employees and community members will contribute toward our business value for many years and we would refer you to the Human capital section on page 66 and Social and relationship capital section on page 88 of this report in that regard.



Technology and innovation

We believe that the development of new technologies provides us with opportunities to extract incremental benefits from specific components of the mining industry value chain. These include exploration, mining, mineral processing, beneficiation, associated health and safety issues, environmental issues and post mining operations. To this end, RBPlat stays abreast of industry developments and establishes key partnerships with industry stakeholders to explore various options and to ensure the best technology is available to the Group.

Some of the technology and innovation projects presently underway at RBPlat include engineering, processing and environmental projects.

Engineering

Styldrift winders induction drive

The electrical drive system of both the Man and the rock winders at Styldrift I use AC induction motors with an RMS rating of 4.569kW. The conversion of the 11kV 50Hz AC power supply to the winders is carried out at a voltage of 3 300 Vac using pulse width modulated (PWM) IGBT, 8.4MW rated MV7 308 inverters. Unique to the platinum mining industry, this drive is at the forefront of PWM drive technology.

Its components and control provide up to 99% efficiency, high reliability, low operating costs, high quality of supply to the motor, and minimum network interference (low harmonics, high power factor).

Processing

Kell process

The Kell process represents a leap forward in PGM and base metal concentrate processing technology. Its benefits include reduced power costs, ease of processing, and environmental benefits. Developed for the extraction of PGMs, gold, silver and base metals from sulphide flotation concentrates, this hydrometallurgical process includes pressure oxidation and chlorination. The process has been successfully demonstrated on several different flotation concentrates.

Kell process benefits:

- No requirement to smelt concentrates
- Kell can process a bulk Ni/Cu/Co/PGM/Au concentrate
- Final metal products tailored to user's marketing requirement
- Reduced carbon emissions and carbon tax liability.

Kell amenability test work has been conducted at the Kell process laboratories in Australia using BRPM concentrate. The results show a high recovery of PGMs and base

metals into separate product streams and indicate that the BRPM concentrate is amenable for processing by Kell. We will be consulting further with Kell in 2014 to determine the next phase of test work.

Ore crushing using the Chameleon ore crushing technique

The Chameleon crusher technique was investigated in the early 1960s, but was poorly understood and conventional comminution equipment was chosen over it. The purpose of comminution is to reduce the particle size of rock materials and liberate valuable minerals.

Crushing can be divided into two different categories: energy conditioned and compressive conditioned.

The Chameleon crusher uses energy conditioned crushing, which is achieved through the transfer of kinetic energy to particles. Compression conditioned crushing occurs when particles compressed to a given degree or a given displacement between two or more surfaces absorb high energy. Conventional cone crushers, gyratory crushers (essentially similar to cone crushers) and jaw crushers are three types of crushers, which apply compressive crushing.

The benefits of a Chameleon crusher include that:

- it employs a third of the power used to fracture and break particles
- a high reduction ratio of 1:40 on first pass
- lower wear rates compared to traditional compression conditioned crushing
- no recirculation loads.

A Chameleon crusher pilot scale test work conducted on BRPM ore proved highly successful. A full scale test for a six month trial period in a production unit is currently being set up at the BRPM concentrator.

Environmental

Water treatment plant

The scarcity of water resources and the deteriorating quality of water in South Africa is constraining economic growth and development. To this end we are improving our water use efficiency by installing a state of the art 4ML per day water treatment plant to treat our tailings return water and excess underground water to different quality standards. This water will supplement our current potable water supply from Magalies Water.

Construction of the plant will commence in 2014, with the first phase being commissioned in 2014 and the second phase in 2015.

INTELLECTUAL CAPITAL (continued)

GOVERNANCE FRAMEWORK

When we took over operational control from Anglo American Platinum (Amplats) of the BRPM Joint Venture in 2010, BRPM was still applying Amplats' environmental, safety and health strategies, policies and procedures and we had service level agreements with Amplats with regard to supply chain, computer systems and other management functions. Over the past four years we have developed our own policies and procedures, migrated and optimised our information, communication and technology (ICT) infrastructure and the mine technical system and set up our own supply chain capability.

2010

- > We listed on the JSE Limited
- > Our Board Charter was drafted and adopted together with the policies and practices of the Board
- > Terms of reference for our Board sub-committees were adopted
- > We established the Mahube Trust employee share option plan

2011

- > We developed our Code of Ethics, which was endorsed by our Board and we established an ethics hotline
- > Our legal compliance policy and framework was endorsed by the Board and implemented alongside our risk management process
- > Our Board was evaluated in terms of its economic, environmental and social performance
- > We developed, finalised and applied a BRPM specific safety strategy
- > We signed a three-year wage agreement with the union on 1 July 2011
- > We finalised and distributed our new environmental strategy
- > KPMG replaced Amplats' Business Assurance division (ABAS) as internal audit service providers from 1 January 2011
- > Both our human resource development and transformation strategies and our remuneration philosophy and related policies were developed and adopted


 2012

- > Our new Memorandum of Incorporation was adopted at our Annual General Meeting in compliance with the Companies Act
- > The Board's Safety, Health and Sustainable Development Committee became the Social and Ethics Committee with new terms of reference
- > RBPlat's revised ethics policy was approved by the Board
- > The Board adopted our stakeholder engagement framework
- > Our new health and wellness strategy was completed and our environmental strategy was implemented
- > We appointed an Executive: Risk and Assurance
- > Our new risk management policy and framework was endorsed by the Board and we started implementing it
- > RBPlat became a signatory to the United Nations Global Compact
- > Our ICT strategy and governance framework was developed and adopted by the Board and we started implementing it
- > We successfully and cost efficiently completed the transition of our ICT and mine technical systems
- > A competent supply chain capability was established and we migrated our supply chain contracts from Amplat to RBPlat


 2013

- > Our Social and Ethics Committee terms of reference were revised
- > Our Board adopted an alternative dispute resolution governance framework and policies and they were implemented
- > The new health and wellness strategy document was distributed within RBPlat
- > The Board approved our talent management and succession planning strategy and plan and we began implementing it
- > Our ICT policy was developed and adopted
- > We implemented our risk and compliance governance framework
- > The necessary governance was put in place to manage change approvals
- > We further optimised our systems
- > The supply chain operational readiness project for Styldrift I began

INTELLECTUAL CAPITAL (continued)

Business improvement skills

Cost management project

The South African platinum industry is currently faced with reduced demand for its PGMs. The increased pressure on labour costs, as well as rising electricity and water costs have resulted in industry's operating costs tripling since 2003. To protect and improve our operating margins and achieve our strategic objective of moving to a low cost culture to maintain a low position on the industry cost curve RBPlat needs to reduce costs and eliminate wastage.

In 2013 we managed to reduce our operating cost base by looking for cost reductions across all business areas including operating expenditure, replacement capital expenditure, stay-in-business expenditure and bottom line costs. Our focus areas this year have been:

- > A labour review which included restructuring our labour and stringent labour management
- > Review of our key contracts with a view to reducing costs
- > Enforce our contracts to ensure that the commercial terms and conditions are complied with
- > Implement power saving and water conservation initiatives
- > Increase budget holder control and improve our cost management systems
- > Continue using reclaimed material and establish refurbishment contracts.

The role of supply chain management in cost management

Supply chain management, which plays a key role in cost management, is one of the first functions to provide a shared service in RBPlat. During 2013 supply chain management reviewed and refined all the strategic contracts which it took over last year and has been able to reduce costs

significantly through refining and renegotiating contracts.

The supply chain function has set up a strategic sourcing team which will manage the supply chain process from procurement to the end of life of the equipment or service procured. It also ensures items are ordered at the right price, quantity and quality and are delivered in time. It will also make sure we have effective retention strategies in place for our stay-in-business procurement and wherever possible negotiate contracts with long lead times in hand. Standardisation also plays an important role in our supply chain management as it reduces the number of spare parts that we need to keep in stock.

Organisational redesign to achieve a lean fit for purpose organisation

We need to provide Styldrift I with all the services it requires to operate as a mine. The relatively close proximity of our BRPM and Styldrift I operations provided us with an opportunity to review our organisational structures with a view to sharing services between the two operations and designing a lean fit for purpose organisation. Compelling reasons for establishing shared services included: economies of scale, where it would not affect operational capability to centralise a function (these are usually high volume transactional activities); establishing a centre of expertise (COE) that can service both operations equally, which will ensure standardisation and governance; and where sufficient capacity exists in one operation, use it to provide a service to the other, which will avoid duplication of functions and possibly positions.

To support our Towards operational excellence strategy it is critical that we put in place effective and efficient structures. Our redesign of our organisational structures was guided by the following principles:

- > Any shared services function we establish will be integrated into the various functions, which will avoid a silo approach
- > There will not be a Head of shared services, instead reporting lines will be within the existing structures at either our operations or corporate office, giving us a fit for purpose hybrid model for shared services
- > Heads of department, general managers and Executive Committee members were extensively involved in the design of the organisational structures, including the extent of what would become shared services.

Some functions, such as supply chain management, are already functioning as a shared service. The rest of the structure will be rolled out in 2014.

Systems projects

Having taken over the management of our ICT systems and conducted a review of them in 2013 we are busy optimising them. We need to make sure that our data is accurate and credible. We appointed a Chief Information Officer in 2013 who is driving the optimisation of our ICT systems. In 2014 our focus will be on changing our reporting from the nature of account principle to base it on accountability. This change means our people will be better empowered to take ownership of their part of the business and will have the information they need to better manage their costs. We will also have a particular focus on ensuring that throughout RBPlat, from our CEO to operational level, our people are provided with appropriate and relevant reporting in real time so they have information available that they need to make informed business decisions.

Our innovation and excellent project implementation recognised

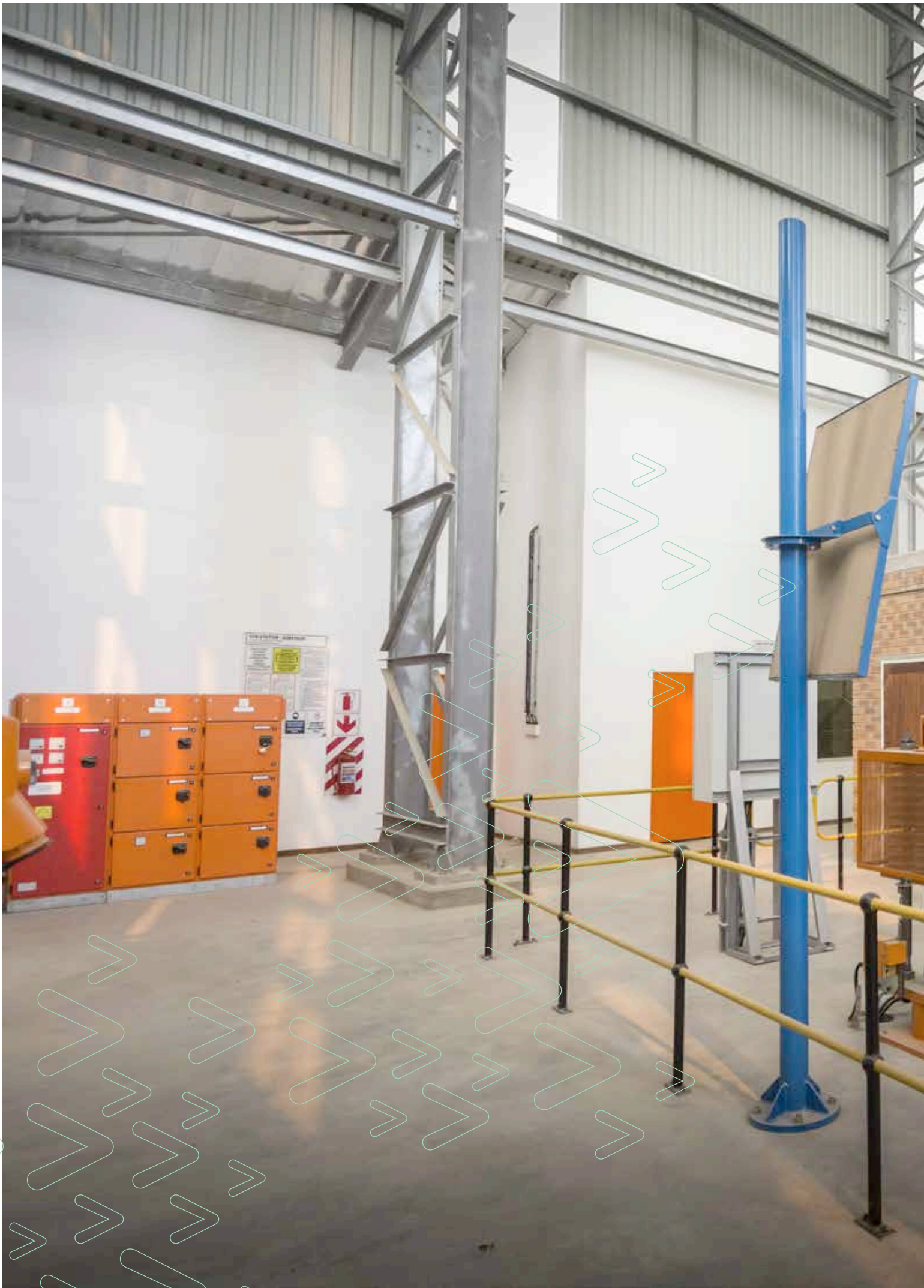
RBPlat, competing with companies across Africa, was a Gold winner of a SAP Quality Award for excelling in the planning and execution of a SAP software implementation in the medium implementation category. The project for which we won this award was the transitioning of our SAP and peripheral systems portfolio in 2012. This achievement now puts us up against winners from the Europe, Middle East and Africa regions in the next stage of the competition. The judges complimented the RBPlat team on its thorough and detailed understanding of the scope of the project, the commitment of key stakeholders, super users and sponsors to achieving the goals and deadlines and the fact that the project came in on time and on budget. They also recognised that the implementation was well aligned with our business requirements and that we had a comprehensive understanding of the risks and properly mitigated these risks through technical and user testing and proactive efforts to reduce the complexity of the risks. The judges also recognised our innovative use of the SAP Landscape Transformation tool for the first time in Africa.

Project management skills

Capital projects

Organic growth is a key pillar of our strategy and the future sustainability of RBPlat depends on our ability to achieve this growth. Our project team, which was formed in 2009, is responsible for the successful delivery of our projects and has a key role to play in achieving this strategy.

The right level of owner involvement is the key to project success. We identified a team with appropriate management, technical and supervisory skills at all levels of project organisation and all with the ability to work as integrated members of the team with a common goal. Our definition of a successful project is one that is delivered on time, within budget and according to plan.





7

TRANSPARENCY AND ACCOUNTABILITY

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TRANSPARENCY AND ACCOUNTABILITY

Chairman's corporate governance review



Adv Kgomotso Moroka *Chairman*

At RBPlat we recognise the leadership role of the Board in taking responsibility for the good governance of the Group on behalf of our stakeholders. It is also our objective as a Board to provide responsible leadership by directing the Group's strategies and operations in a manner that will allow it to achieve sustainable economic, social and environmental performance. To achieve this we monitor the non-financial matters, risks and the impact of our operations on all our key stakeholders every quarter. In addition, the Social and Ethics Committee and the Executive Committee address key sustainability matters at their respective quarterly and monthly meetings.

Good governance is at the heart of RBPlat's Board and committee structure. It is also the forum that sets the Company's values and empowers our management team to execute our strategy and be accountable for delivering against it. We are committed to being responsible, accountable and fair in all that we do and to continue to build on the governance foundations we have established and uphold the highest standards of ethics, transparency and good governance. To better understand the approach to ethics in our business we undertook a baseline assessment in 2013 and will be addressing any gaps we identified during 2014. Our enterprise risk management framework is also designed to ensure thorough and transparent risk governance.

By appointing strong independent directors we benefit from their expertise and perspective and the introduction of different thinking to our deliberations.

I also believe that by practising good corporate governance in the appointment of our directors and in the separation and clear definition of the roles and responsibilities of the Chairman and Chief Executive Officer we have equipped our Board not only to make decisions in the right way, but to make better decisions.

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

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

Adv Kgomotso Moroka
Independent Chairman



Corporate governance

Our approach to governance

RBPlat understands that a sound and robust approach to Group corporate governance standards throughout our organisation requires a focus on performance as well as conformance. We also recognise that strategy, performance, sustainability and risk are inseparable. Through our strategic pillars

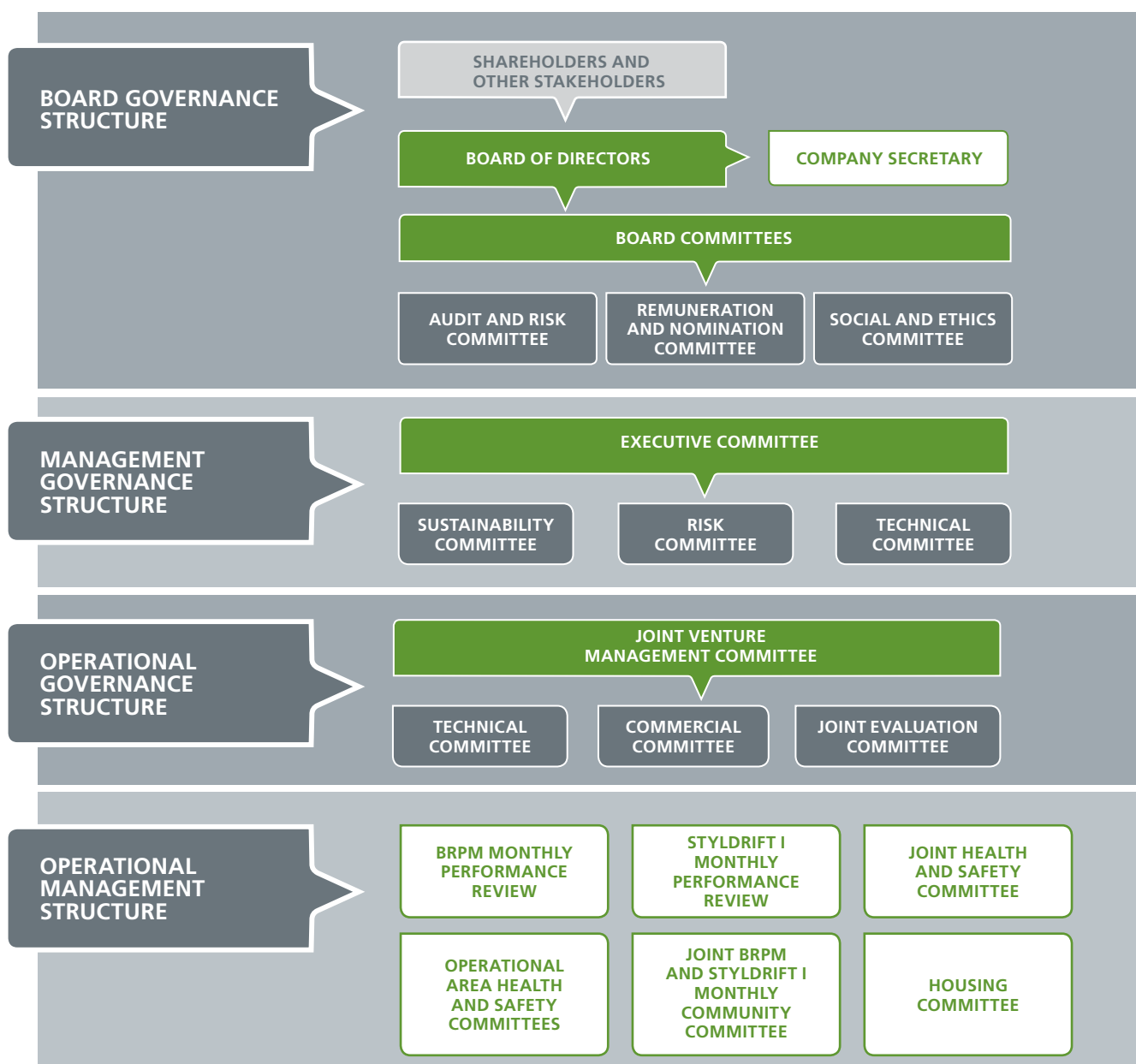
we pursue the long-term sustainability of RBPlat's business. We establish clear lines of accountability for these pillars from board level down.

To ensure that we consistently practise effective corporate governance throughout the Group, our Board materially applies the principles of King III. In terms of the King III

principles the Board must consider the concerns and priorities of its wider stakeholder environment in its strategic guidance and decision-making processes.

RBPlat has been included in the JSE SRI Index for the past two years. We are a signatory to the UN Global Compact and we participate in the Carbon Disclosure Project.

Our governance framework



TRANSPARENCY AND ACCOUNTABILITY (continued)

Corporate governance (continued)

Establishing materiality

RBPlat follows the Global Reporting Initiative's principle of materiality, which encourages companies to establish and report on their most relevant and important issues. We define material issues as those which have the potential to substantially impact on our ability to create and sustain value for stakeholders. RBPlat's process for determining materiality is described on page 20 of our integrated annual report.

Governance and management systems

Our Board performs its duties within a framework of policies and controls which provide for effective risk assessment and management of our economic, environmental and social performance. It also plays an important role in setting ethical standards of conduct. Each of the Group's subsidiary companies has a separate board of directors, however, the main Board and its committees oversee all significant aspects and transactions of the subsidiaries. The subsidiaries are also governed by the limits of authority set by the Board, which are set out in our authority policy.

The Board's responsibilities are outlined in its Charter which is reviewed and adopted by the Board annually. All the Board committees operate under Board-approved mandates and terms of reference, which are updated when necessary to keep them aligned with current best practice. All our Board committees, except the Social and Ethics Committee, are chaired by independent non-executive directors. The chairmen of these committees attend our annual general meeting to respond to any

shareholder queries. The mandates, charters and terms of reference governing the Board and its committees are available from the RBPlat secretariat or the Company website. The Audit and Risk and the Social and Ethics committees are statutory committees in terms of the Companies Act as well as King III. Shareholders are required to elect the members of the Audit and Risk Committee at the Company's annual general meeting. While the Social and Ethics Committee is also a statutory committee, its members are re-appointed every year by the Board at the first Board meeting following the annual general meeting.

The Board

The RBPlat Board Charter, which details the responsibilities of the Board, is closely aligned with the recommendations of King III and forms the basis of the Board's responsibilities and duties. Our Memorandum of Incorporation also addresses certain of the directors' responsibilities.

The Board convenes a minimum of four times a year. It also holds an annual strategic planning session for the entire Board and convenes additional meetings as necessary.

Board process for approving and authorising the integrated annual report

Every year the Board reviews two consecutive proofs of the integrated report, holds a workshop at which it provides feedback to the team that prepares the report and reviews the final proof before authorising the report's publication.

Composition

Our Board membership at year end comprised five independent non-executive directors, two non-executive directors and three executive directors. Matsotso Vuso resigned as an independent non-executive director on 27 August 2013.

ROLES, RESPONSIBILITIES AND FOCUS AREAS OF OUR BOARD AND ITS COMMITTEES

SUMMARY OF ROLES AND RESPONSIBILITIES		MEMBERS	MEETING ATTENDANCE
RBPlat Board	Role and responsibilities of the Chairman The Chairman is responsible for ensuring: <ul style="list-style-type: none"> > the overall effectiveness of the Board and its committees > that the Board provides effective leadership, maintains ethical standards and is responsible, accountable, fair and transparent > that strategies are developed and implemented with the objective of achieving sustainable economic, social and environmental performance. To achieve this she fosters a culture of openness and constructive challenge within the Board that allows for the expression of a diversity of views in effective debates and discussions. She also makes herself available to shareholders for discussions on key corporate governance matters and matters of concern to shareholders, as well as other stakeholders.	Kgomotso Moroka (Chairman)	7 out of 7
		Steve Phiri (CEO)	7 out of 7
		Martin Prinsloo (CFO)	7 out of 7
		Nico Muller (COO)	7 out of 7
		Linda de Beer	7 out of 7
		Robin Mills	7 out of 7
		Lucas Ndala	5 out of 5
		David Noko	7 out of 7
		Francis Petersen	7 out of 7
		Mike Rogers	7 out of 7
		Matsotso Vuso	3 out of 5
	Roles and responsibilities of the Board As fiduciaries, the Board is accountable to shareholders as a whole and they also owe a duty of care and diligence to the Group. They act in the best interests of the Company and its shareholders. The Board: <ul style="list-style-type: none"> > governs the Company on behalf of its shareholders > is responsible for strategy, strategic decision-making and execution > regularly assesses the Company's performance > ensures constructive engagement with stakeholders > is responsible for RBPlat's approach to corporate citizenship, safety, health, the environment, ethics and risk > takes responsibility for its own governance, including the rotation of directors, training of directors, conflicts of interest and the appointment of directors > regularly monitors and assesses RBPlat's reputation in the marketplace. To fulfil these responsibilities Board members participate in rigorous and effective debate and discussion. <ul style="list-style-type: none"> > Annually assess the performance of the Company Secretary, the Board and its subcommittees. 		
	Summary of key focus areas for 2013 <ul style="list-style-type: none"> > Implementing the most appropriate remuneration and reward structure for the Group > Employee housing project and associated risks > Concentrator solution > Life of mine strategy > Current economic and political climate during lead up to 2014 elections and its impact on capital markets, fund raising and operational stability > Impact of industry/PGM market recession on the PGM basket price and revenues > Potential tax liability 		
	Summary of key focus areas for 2014 <ul style="list-style-type: none"> > Continue to entrench the safety strategy for the organisation and progress toward a resilient state where zero harm can be achieved > Further embed risk management in the organisation > Adopt a Combined Assurance plan in 2014 > Review and optimise the composition of the Board and its committees and review the Board Charter as well as the Committee terms of reference > To agree the overall housing strategy for the organisation and the impact on the business > Manage and monitor stakeholder relationships. 		

TRANSPARENCY AND ACCOUNTABILITY (continued)

Corporate governance (continued)

ROLES, RESPONSIBILITIES AND FOCUS AREAS OF OUR BOARD AND ITS COMMITTEES

SUMMARY OF ROLES AND RESPONSIBILITIES		MEMBERS	MEETING ATTENDANCE
Audit and Risk Committee	<p>The Audit and Risk Committee members are independent non-executive directors. The committee:</p> <ul style="list-style-type: none"> > reviews the Group's financial statements and integrated reporting > oversees the governance of risk in conjunction with the Social and Ethics Committee through its risk management framework and the system of internal controls > refers to the findings of the internal and external auditors > obtains assurance on the financial statements, internal controls and sustainability information included in RBPlat's integrated annual report > carries out its statutory duties set out in Section 90 of the Companies Act, 2008 > satisfies itself as to the expertise and experience of the Chief Financial Officer and the financial function. <p>The Audit and Risk Committee report can be found on page 152 of this report.</p> <p>Summary of key focus areas for 2013</p> <ul style="list-style-type: none"> > Approval and monitoring internal audit's progress in terms of its annual work-plan as well the embedding of risk management processes > The implementation of governance principles and adopted strategies, especially around ethical management, IT and supply chain policies and processes > Risk profiles, especially with regard to the housing project > Fraud and corruption prevention policies and procedures > Compliance framework and policy development > Assurance provisions, especially on sustainable development information <p>Summary of key focus areas for 2014</p> <ul style="list-style-type: none"> > Combined risk assurance > Enhancement of risk management and maturity of fraud and corruption risk prevention and detection mechanisms. 	<p>Linda de Beer (Chairman)</p> <p>Robin Mills</p> <p>David Noko</p> <p>Francis Petersen</p> <p>Matsotso Vuso</p>	<p>4 out of 4</p> <p>4 out of 4</p> <p>1 out of 1</p> <p>4 out of 4</p> <p>3 out of 3</p>
Remuneration and Nomination Committee	<p>This committee's remuneration responsibilities include:</p> <ul style="list-style-type: none"> > approving, guiding and influencing key human resource policies and strategies > monitoring and guiding progress in regard to the requirements of the Employment Equity and Basic Conditions of Employment acts in conjunction with the Social and Ethics Committee > ensuring appropriate, transparent disclosure of remuneration > skills development > recommending appropriate levels of remuneration to be paid to the members of the Board of directors > upholding, reviewing and amending, if appropriate, the Company's remuneration philosophy and policy with particular reference to the remuneration of executive directors and senior management > ensuring that executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance, having regard to the interests of stakeholders and the financial condition of the Group > approving remuneration packages designed to attract, retain and motivate high-performing executive directors and senior management, including, but not limited to, basic salary, performance-based short- and long-term (and share-based) incentives, pensions and other benefits > establishing appropriate criteria to measure the performance of executive directors and senior management > reviewing the effectiveness and approving the operation of the Company's share-based and other incentive schemes. <p>The committee's nomination role includes:</p> <ul style="list-style-type: none"> > identifying and evaluating suitable candidates for appointment to the RBPlat Board and succession planning > ensuring RBPlat's leadership is representative of all race groups and is in accordance with the spirit and targets set out in the Mining Charter Scorecard > ensuring the appointment of our directors is transparent and governed by the formal procedures set out in the committee's mandate and terms of reference and the Board Charter. 	<p>David Noko (Chairman of Remuneration Committee)</p> <p>Kgomotso Moroka (Chairman of Nomination Committee)</p> <p>Mike Rogers</p>	<p>5 out of 5</p> <p>5 out of 5</p> <p>5 out of 5</p>

ROLES, RESPONSIBILITIES AND FOCUS AREAS OF OUR BOARD AND ITS COMMITTEES

SUMMARY OF ROLES AND RESPONSIBILITIES		MEMBERS	MEETING ATTENDANCE
Remuneration and Nomination Committee (continued)	<ul style="list-style-type: none"> > ensuring directors retire and are re-elected in accordance with the mandate and the Company's Memorandum of Incorporation > reviewing and reporting to the Board on the adequacy of succession planning policies for the Board, Chairman, CEO and executive directors > Ensuring induction and ongoing development of directors takes place > Regularly review the skill, knowledge, expertise and composition of the Board and make recommendations to the Board regarding any adjustments deemed necessary. <p>Summary of key focus areas for 2013 The committee reviewed the long-term incentive pay mix and motivated to the Board for its approval the:</p> <ul style="list-style-type: none"> > reduction of the bonus share plan component in the long-term pay mix of executives > implementation of the forfeitable share plan > continuation of the existing share option plan only for ad hoc, discretionary grants in cases of new appointments and promotions > approved the targets and weighting of the performance scorecard measures of the short-term incentive plan > approved executive salary increases > approved the short-term incentive payments > reviewed and approved the Company's remuneration report and policy > reviewed the King III principles and alignment of the remuneration approach to best practice guidelines. <p>Summary of key focus areas for 2014</p> <ul style="list-style-type: none"> > Implementation of new long-term incentive scheme > Embedding succession planning and talent management within the organisation > Comprehensive Board and committee evaluation process > Aligning of performance criteria with incentive plans both short and long term. 		
	<p>The primary role of the committee is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of social, ethics and sustainable development related matters which include:</p> <ul style="list-style-type: none"> > safety > health and wellness > environmental management > climate change > ethics management > social and labour plans (SLPs) > human resource development > employment equity and transformation > Mining Charter and legislative compliance > mine community development > stakeholder engagement > protection of Company assets. <p>The committee is also responsible for carrying out its duties as prescribed in the Companies Act, 2008, and for reporting the discharge of its duties in this regard to the Board and shareholders. The committee's statutory report can be found on page 128.</p> <p>Summary of key focus areas for 2013</p> <ul style="list-style-type: none"> > Ethics policy/framework and its management > Risk management and assurance provision around sustainable development > Monitoring progress with regard to social, human and capital management > Ensuring sustainable natural development framework finalised and approved > Risk management of operational and project risks, including housing project <p>Summary of key focus areas for 2014</p> <ul style="list-style-type: none"> > Safety review > Implementation of sustainable development framework > Reporting structures to improve reporting on all aspects of SD and climate change matters > Regulatory and compliance assessments and reporting > Housing project risk management 	Mike Rogers (Chairman) Robin Mills David Noko Francis Petersen	4 out of 4 4 out of 4 4 out of 4 4 out of 4

TRANSPARENCY AND ACCOUNTABILITY (continued)

Corporate governance (continued)

Company Secretary

The RBPlat Company Secretary is responsible for administering the proceedings and affairs of the directorate, the Company and, where appropriate, owners of securities in the Company, in accordance with the relevant laws. The Company Secretary is available to assist all our directors with advice on their responsibilities, their professional development and any other relevant assistance they may require.

Lester Jooste is the duly appointed Company Secretary of RBPlat. He is not a director of RBPlat or any of its subsidiaries and on that basis the Board is comfortable that he maintains an arm's length relationship with the executive team, the Board and the individual directors in terms of Section 3.84 (j) of the JSE Listings Requirements.

Lester Jooste has worked in the company secretariat environment for 13 years, which includes 10 years with listed entities, and is an associate of the Institute of Chartered Secretaries. He has never been censured by the JSE or penalised or fined for any misconduct. The Board, having assessed his abilities based on his qualifications, experience and the level of competence he has demonstrated as RBPlat's Company Secretary over the past three years, as required in terms of Section 3.84(i) the JSE Listings Requirements, agreed that Lester Jooste is sufficiently qualified, competent and experienced to act as RBPlat's Company Secretary. The Board endorsed and confirmed his appointment as Company Secretary at its meeting held in February 2013.

MANAGEMENT COMMITTEES' ROLES AND RESPONSIBILITIES (EXCO AND MANCO)

COMMITTEE	ROLES AND RESPONSIBILITIES	MEMBERS	MEETING ATTENDANCE
Executive Committee (Exco)	<p>The Executive Committee, which meets at least once a month, is responsible for:</p> <ul style="list-style-type: none"> > implementing the Group's strategy > carrying out the Board's mandates and directives > the operational activities of the RBPlat Group > monitoring operating and financial performance against set objectives > executing RBPlat's compliance and disclosure obligations. <p>The committee assists the Chief Executive Officer in the performance of his duties by:</p> <ul style="list-style-type: none"> > taking responsibility for the operational activities of the Group > developing strategy, operational plans, policies, procedures and budgets for consideration by the Board > assessing and controlling risk > prioritising and allocating resources. 	Steve Phiri (CEO)	13 out of 13
		Martin Prinsloo (CFO)	13 out of 13
		Nico Muller (COO)	13 out of 13
		Reg Haman (Executive: Risk and Assurance)	13 out of 13
		Mpueleng Poee* (Executive: Corporate Affairs and Communication)	2 out of 3
		Vicky Tlhabanelo (Executive: Human Resources)	13 out of 13
		Mzila Mthenjane (Executive: Business Sustainability) (Resigned on 1 April 2013)	5 out of 5
		Neil Carr: Head of Projects and Engineering	12 out of 13
		Glenn Harris (General Manager: BRPM)	7 out of 13
The Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture Management Committee (Manco)	<p>The BRPM Joint Venture (JV) Management Committee is responsible for the management of the BRPM JV. The committee has wide-ranging powers in terms of the JV, including the power to acquire and dispose of BRPM JV assets, borrow money, establish pension funds and other employee benefit schemes and institute legal proceedings. Royal Bafokeng Resources (RBR) (a wholly owned subsidiary of RBPlat) is allowed five of the eight appointments to this committee. Some committee decisions require unanimous approval while the participation interest of either joint venture partner is greater than 20% or while the participation of our joint venture partner, Rustenburg Platinum Mines (RPM), is greater than 20% and RBR's participation interest is 50% or more.</p>	Velile Nhlapo (General Manager: Styldrift I)	9 out of 13
		Steve Phiri (Chairman)**	3 out of 3
		Martin Prinsloo**	3 out of 3
		Nico Muller**	3 out of 3
		Vicky Tlhabanelo**	2 out of 3
		Gary Humphries***	3 out of 3
		Vinogaren Pillay***	2 out of 3
		Avischen Moodley*** (Replaced by Franscelene Naidoo in October 2013)	3 out of 3

* Joined in October 2013

** Represents RBR

*** Represents RPM

Statement of internal control

The Board acknowledges overall responsibility for the Group's system of internal controls. This includes the establishment of an appropriate control environment and framework, as well as reviewing the effectiveness, adequacy and integrity of this system.

Our framework of internal control is based on ongoing processes designed to identify the principal risks to the achievement of strategy, policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Our internal controls are designed to manage rather than eliminate

risk. Accordingly, the system can only provide reasonable and not absolute assurance against the occurrence of any material misstatement or loss.

> Delegation of authorities

The Group has in place a clearly defined delegation of authorities for both executive and operating management, which includes authorisation levels for all aspects of the business. The delegation of these authorities is reviewed annually.

> Policies and procedures

Clearly documented policies and procedures have been developed and adopted (see the Intellectual capital

section on page 110 to 111 for details) and are subject to regular review and updating.

> Code of ethics

The Group has an established Code of Ethics which reinforces corporate values and ethical behaviour (see page 127 of the Governance report for further details).

> Whistle-blowing

The Group has in place a confidential whistle-blowing facility, which is independently run by KPMG. All tip-offs are actively investigated, followed up on and resolved.

REPORTING IN TERMS OF SECTION 3.84 OF THE JSE LISTINGS REQUIREMENTS ON BOARD GOVERNANCE PROCESSES

Requirement	Principle	Approach
3.84(a)	There must be a policy detailing the procedures for the appointment to the board. Appointments must be formal and transparent and a matter for the board as a whole, assisted where appropriate by a nomination committee. If a nomination committee is appointed, such committee must only constitute non-executive directors and the majority must be independent. The committee must be chaired by the chairman of the board.	RBPlat's directors are appointed by means of a transparent and formal procedure, governed by the mandate and terms of reference of our Remuneration and Nomination Committee and the Board Charter. The Board Charter and the terms of reference of all our committees are available on our website at www.bafokengplatinum.co.za/a/gov_policies.php , and the Nomination Committees terms of reference are summarised on page 120 of this report. As of February 2014 all members of our Nomination Committee are independent non-executive directors and the Chairman of the board chairs the committee (see page 120 of this report). We comply with the definitions of non-executive director and independent director in terms of paragraph 3.84 (f) (ii).
3.84(b)	There must be a policy evidencing a clear balance of power and authority at board level to ensure that no one director has unfettered powers.	Our Board Charter demonstrates that there is a clear balance of power and authority at board level and that no one director has unfettered powers. Decisions, if not unanimous, are taken by a simple majority with one vote per director. The Chairman does not have a casting vote.
3.84(c)	Issuers must have a CEO and a chairman and these positions must not be held by the same person. The chairman must either be an independent director or the issuer must appoint a lead independent director as defined in the King Code.	The CEO and Chairman positions in RBPlat are held by different people and RBPlat's Chairman is an independent non-executive director.
3.84(d)	Issuers must appoint an audit committee in compliance with the King Code.	RBPlat has a combined Audit and Risk Committee. Its membership is set out on page 120 of this report. The committee currently has four members all of whom are independent non-executive directors, as set out in the King Code. The Chairman of the Board is invited to attend committee meetings.
	Issuers must appoint a remuneration committee in compliance with the King Code.	As previously indicated RBPlat has appointed a combined Remuneration and Nomination Committee. The Committee has three members, all of whom, as at the end of February 2014 are independent non-executive directors. The Chairman of the board is a member of the combined committees and Chairman of the Nomination Committee.
	Where appropriate, issuers must appoint a risk and nomination committee.	As already explained RBPlat has a combined Audit and Risk Committee and a combined Remuneration and Nomination Committee.
	The composition of such committees, a brief description of their mandates, the number of meetings held and any other relevant information must be disclosed in the annual report.	Brief descriptions of the mandates of these committees and the number of meetings held during the year are available on pages 120 and 121 of this report and their terms of reference are available on our website.

TRANSPARENCY AND ACCOUNTABILITY (continued)

Corporate governance (continued)

Requirement	Principle	Approach
3.84(e)	Brief CV of each director standing for election or re-election must accompany relevant notice of meeting.	Brief curricula vitae of our directors are to be found on page 30 to 31 of this report which also contains the Notice of our Annual General Meeting.
3.84(f)	Capacity of directors in relation to executive, non-executive and independent must be categorised and disclosed in the relevant documentation.	The curricula vitae mentioned at 3.84(e) also contain information as to whether a director is independent, non-executive or executive. The composition of our committees is in accordance with the requirements of the Companies Act and the King Code.
3.84(g)	Issuers must have a full time executive financial director.	RBPlat has a full time Chief Financial Officer who does not hold any other position nor does he have any other commitments that could be considered as full or part time employment.
3.84(h)	The audit committee must consider on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director and report thereon in the annual report.	Our Audit and Risk Committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the Chief Financial Officer and has reported on its findings in its Audit and Risk Committee report on page 149 of our Annual Financial Statements.
3.84(i)	The provision deals with the competence, qualifications and experience of the company secretary and the board of directors' responsibility in relation thereto.	We would refer you to page 122 of this report where the Company Secretary's competence, qualifications and experience are set out and so are the Board's assessment of his abilities to carry out his responsibilities.
3.84(j)	The provision deals with the arms-length relationship between the board of directors and the company secretary and the board of directors' responsibility in relation thereto.	We also refer you to page 122 of this report where it is stated that the Board is comfortable that the Company Secretary maintains an arm's length relationship with the executive team, the Board and the individual directors.

Assurance of our integrated annual report

Our integrated annual report has been externally assured in the following manner:

- > PricewaterhouseCoopers Inc. audited our annual financial statements (see page 155 for the unqualified audit report)
- > Gilden Assurance externally assured the report. Their report is on page 139
- > KPMG, our internal auditor, assured our internal controls (refer to our Audit and Risk Committee report on page 149 to 150)
- > Our Mineral resources and reserves statement (pages 102 to 105) is signed off by Competent Persons
- > To meet our responsibility to effectively mitigate and control risks the Group monitors and maintains financial and other internal control measures. We would refer you to the Audit and Risk Committee report on page 149 to 150, and the Social and Ethics Committee report on page 126.

Our application of King III

Every year we consider the 75 corporate principles set out in King III. We have provided an update below of our actions in terms of the principles we listed in 2012 as not yet fully applied by RBPlat. A comprehensive assessment of all of the 75 principles can be found on our website at www.bafokengplatinum.co.za

KING III PRINCIPLE	CURRENT AND FUTURE ACTIONS
Ethics framework	<p>2012 Revised ethics policy approved by Board An ethics framework and the measurement thereof to be established in 2013 as part of the risk management process</p> <p>2013 An ethics framework and a monitoring and measurement system are now in place (see the Ethics and human rights section on page 127)</p> <p>2014 Implement framework and monitoring and measuring system</p>
Succession planning for the Chairman, CEO and senior management	<p>2012 Succession plan for senior management agreed and its implementation was considered.</p> <p>2013 A succession plan for senior management has been agreed and a talent management plan which identifies talent for succession planning up to the CEO will be implemented in 2014</p> <p>2014 A talent management plan, which identifies talent for succession planning up to the CEO, will be implemented in 2014</p>
Risk management framework and implementation plan	<p>2012 A comprehensive enterprise risk management policy and framework and risk management strategy and implementation plan was approved by the Board in 2012. We also appointed an Executive: Risk and Assurance to lead the risk management and assurance development and implementation in conjunction with the CEO and the Audit and Risk Committee</p> <p>2013 A risk management policy, framework and risk management strategy and implement plan have been adopted and are being implemented and risk management programmes are being embedded in the organisation (see the Risk report on page 128 to 133)</p> <p>2014 Ongoing implementation of risk management policy, framework and risk management strategy</p>
ICT governance	<p>2012 RBPlat's ICT strategy and governance framework were developed and adopted by the Board in November 2012 and implementation has commenced</p> <p>2013 An ICT strategy and governance framework have been developed and adopted and implementation has begun, including the appointment of a Chief Information Officer (see Intellectual capital section on page 107 to 113 for more information)</p> <p>2014 Ongoing implementation</p>
Legal compliance framework	<p>2012 The Executive: Risk and Assurance revised the framework and policy, to be tabled in early 2013 for the Board to consider. A legal compliance policy and framework is in place</p> <p>2013 Our legal compliance framework and policy have been adopted and will be implemented in 2014. They form part of our risk management process (see Risk report on page 128 to 133)</p> <p>2014 Implementation of the legal compliance policy and framework</p>
Alternative dispute resolution (ADR)	<p>2012 An ADR policy was considered by the Executive Committee</p> <p>2013 The Board approved a policy which was adopted and communicated to all heads of department (see Governance report on page 117)</p> <p>2014 No further action required</p>
Governing stakeholder relationships and corporate citizenship	<p>2012 RBPlat's stakeholder engagement framework has been adopted by the Board. Reporting into the Board still needs to be enhanced</p> <p>2013 Our revised stakeholder engagement framework has been adopted and a Sustainability Committee has been formed at operational level to oversee the implementation of all sustainability matters, including stakeholder engagement</p> <p>2014 Implementation of the framework is ongoing</p>

TRANSPARENCY AND ACCOUNTABILITY (continued)



Community vegetable garden

Social and Ethics Committee report

RBPlat's Social and Ethics Committee (the committee) was established in 2012 in accordance with the requirements of the Companies Act 71 of 2008.

The committee derives its mandate, powers and duties from the legislation in terms of which it was established and its terms of reference as approved by the Board.

The terms of reference of the committee can be viewed on the Company's website. The terms of reference are reviewed and amended at least once every year.

The committee consists of four non-executive directors, three of whom are independent. Details of members of the committee as well as the record of attendance at the committee meetings appear on page 123 of the integrated annual report.

The primary role and purpose of the committee is to assist the Board with the oversight of social and ethical matters and in ensuring that the Company is and remains a socially committed corporate citizen. The duties of the committee are more fully set out in the terms of reference which have already been referred to.

The committee is accountable to the Board and reports, through its Chairman, to the shareholders at the Company's annual general meeting on the matters within its mandate.

More information on the committee's role can be found in the Natural, Social and Relationship capital as well as the Human capital section of the integrated annual report which appear on pages 65, 86 and 93.

Mike Rogers

Chairman

Ethics and human rights

We believe in ethical business conduct and have a zero tolerance approach to corrupt behaviour and any behaviour that may compromise human rights.

RBPlat requires all its representatives to act in good faith and in a manner that promotes our aspiration to be a good corporate citizen. The issue of corporate ethics receives attention from the highest level of management within RBPlat, with our Chief Executive Officer being ultimately responsible for implementing our Code of Ethics. We also require all of our suppliers to acknowledge and confirm in all supply contracts that they have read and understood our Code of Ethics and agree to be guided by it in terms of their actions and behaviour.

The Board, Audit and Risk and Social and Ethics committees monitor compliance with our Code of Ethics through the quarterly report they receive from the Executive: Risk and Assurance, which includes feedback from our whistle-blower hotline and our internal audit department.

During 2013 we conducted a baseline assessment of our ethics culture using feedback provided by senior management and an external facilitator. This process identified the gaps we need to address regarding ethical behaviour. We have begun implementing a programme aimed at increasing understanding and awareness of unethical behaviour among our employees and encouraging the use of the confidential whistle-blowing hotline available to our employees, suppliers and other stakeholders should they believe they have witnessed unethical behaviour. This programme will continue throughout 2014. Our induction programme also includes training in human rights and ethics. We also established a process to monitor and report on ethics in RBPlat.

Fraud risks are included in our risk assessment process which includes all our business units. During 2013 we provided our heads of department with awareness training on our fraud and corruption policy and procedures. Information on fraud and corruption and our ethics hotline forms part of our induction and refresher training and information on RBPlat's policy on fraud and corruption as well as information on our ethics hotline is regularly included in our staff newsletter.

Incidents of fraud and corruption that are reported or detected through management controls are formally investigated by the Executive: Risk and Assurance and/or our Security Manager, depending on the incident's severity. Where control weaknesses are identified we implement control enhancement measures. Where an investigation proves that our fraud and corruption policy has been transgressed we follow a formal disciplinary process, which could lead to dismissal and/or criminal charges being instituted.

During 2013 we developed and implemented a fraud and corruption policy which regulates

the behaviour of our employees. The fraud and corruption policy was distributed to all heads of department and discussed at our monthly business review meetings to ensure that our first level of management is aware of its provisions and that they cascade it down the management line. All heads of department are required to declare their interests, irrespective of whether or not there is an existing conflict of interest. This information will form the foundation of future fraud prevention activities.

RBPlat has grievance and corrective action procedures in place to ensure that any corrupt behaviour or behaviour that may compromise human rights that we become aware of is dealt with accordingly.

No requests for information were made to RBPlat during 2013 in terms of the Promotion of Access to Information Act.

During the year under review RBPlat was not subject to any penalties, fines or criminal prosecutions.

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

Our Code of ethics

Our Code of Ethics, which was revised in 2013 to bring it in line with international best practice, explains that we do not tolerate acts of bribery or fraud by our employees, contractors, suppliers, joint venture partners and other business partners. We take immediate action (which may include dismissal and legal action) against any organisation or person committing bribery or fraud and have systems in place to prevent these misdemeanours. We are also committed to fair trade and purchasing in an ethical manner.

A copy of our Code of Ethics is available on our website at www.bafokengplatinum.co.za/a/f/2013/RBPlat-ethics-policy-aug2012.pdf

Human rights

RBPlat became signatories of the United Nations Global Compact (UNGC) in May 2012 (see our Annual Communication on Progress to the UNGC on our website at www.bafokengplatinum.co.za/a/f/2013/rbplats_cop_aug13.pdf). We are committed to upholding the UN Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and complying with all the relevant South African legislation.

We are committed to eliminating all forms of forced or compulsory labour and prohibit any form of child labour in our operations.

RBPlat requires that any security personnel working at our operations, either as direct employees or as contractors, receive appropriate human rights training and we monitor compliance with this requirement.

TRANSPARENCY AND ACCOUNTABILITY (continued)

Risk management

Our approach to risk management

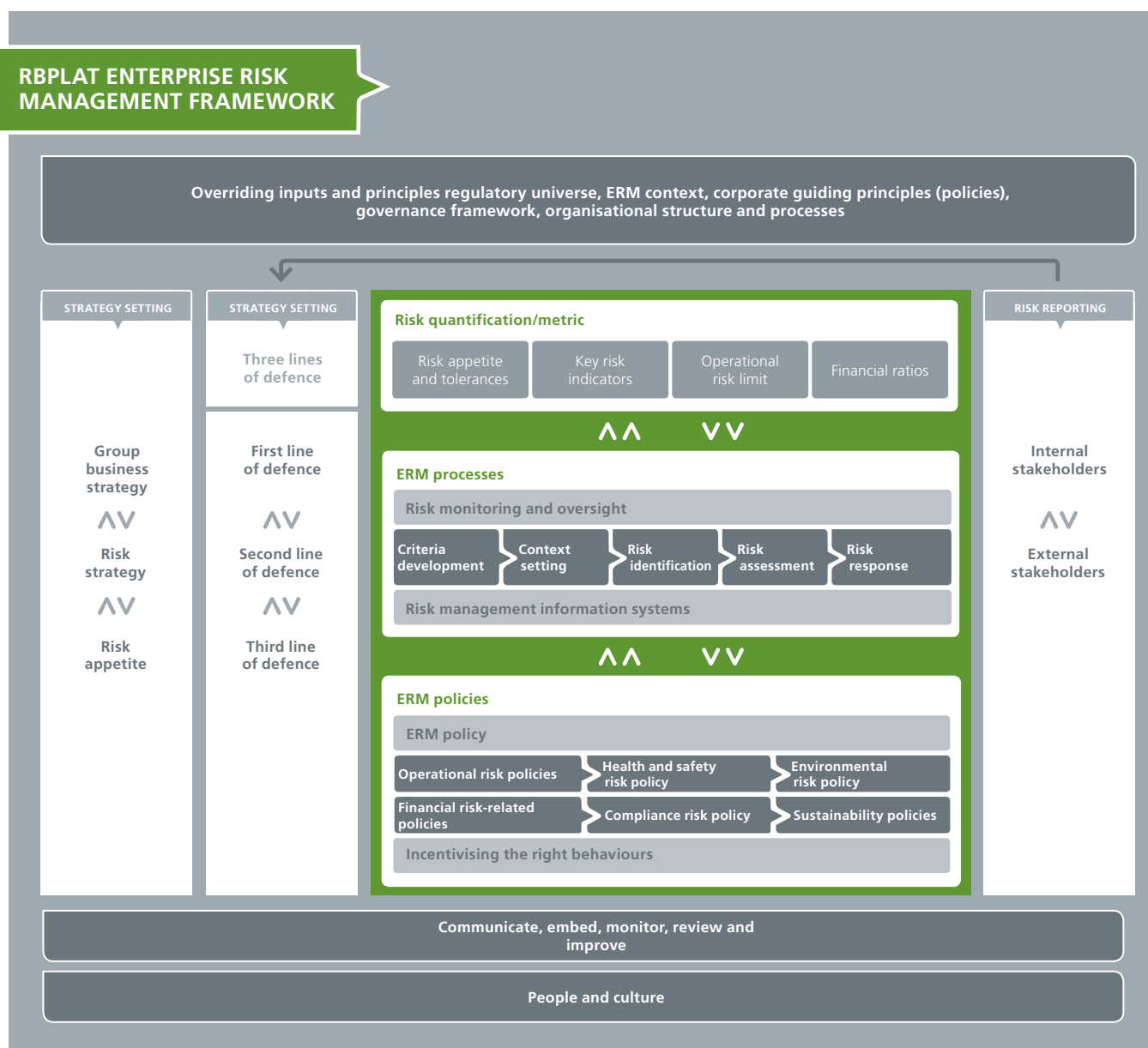
Recent global and local developments have highlighted the need for a robust, integrated risk management approach across businesses. We adopted an enterprise risk management (ERM) approach to risk in 2012 because it provides an integrated approach to the management of our business risks within a complex and ever-changing environment.

Our ERM strategy, framework and policy, which are all closely aligned with our business strategies, were developed and approved by our Board in 2012. Our ERM strategy includes a detailed three-year risk management plan, which forms the basis of our risk management and assurance activities and focus. The plan allows us to actively manage risk and ensure it becomes part of RBPlat's business culture.

The Board tracks progress against the plan on a quarterly basis. This includes a review of our risks at operational level with a specific focus on the implementation of risk response plans. We also review the plan itself annually to ensure it remains relevant.

In line with global best practice RBPlat adopted the three lines of defence model in 2012 to guide it in achieving effective risk management and a high standard of risk governance.

RBPLAT ENTERPRISE RISK MANAGEMENT FRAMEWORK



The key driver of the success of our risk process is active management of risks within span of control for decision making at an operational or strategic level. This allows the risk and governance control functions, including the SHE function, to provide adequate second level assurance.

The mine business review meetings are effectively utilised to gain feedback from heads of departments on their risk profiles and to ensure alignment with the mine's

operational and financial performance. The risk and assurance unit assists the various departments to actively manage their risks. It does this by actively tracking the implementation of risk response plans and internal audit findings, and facilitating risk assessments. A combined assurance plan was also developed in 2013 to ensure that adequate third line assurance is provided across the Group in line with its risk profile and to ensure that there is no gap or duplication in assurance efforts.

RBPLAT BOARD

Three lines of defence

	First line	Second line	Third line
Responsibility	<ul style="list-style-type: none"> > Day-to-day identification, assessment, managing and reporting of all risk within span of control > Ensuring risk exposures stay within limits > Responding appropriately to challenge by the second line of defence > Implementing recommendations by third line of defence 	<ul style="list-style-type: none"> > Clear and well-communicated risk policies > Effective control and monitoring systems > Providing assurance that risks are being appropriately managed across the business > Providing robust challenge to first line > Facilitating actions to respond to levels of risk deemed to be beyond or close to tolerance > Assessing the overall risk profile of the mines/functional areas 	<ul style="list-style-type: none"> > Independent assurance and oversight on the effectiveness of: <ul style="list-style-type: none"> – Systems of governance – Risk management – Internal control
Accountability	<ul style="list-style-type: none"> > Chief Executive Officer > Corporate management and staff > Mine management/supervisors and employees 	<ul style="list-style-type: none"> > Mine/corporate risk forums > Executive Risk and Governance Committee > Executive: Risk and Assurance > Risk champions 	<ul style="list-style-type: none"> > Internal Audit > External Audit > Board sub-committees (Audit and Risk, Social and Ethics, Remuneration and Nomination)

TRANSPARENCY AND ACCOUNTABILITY (continued)

Risk management (continued)

Our achievements against our three-year ERM risk management plan in 2013

Risk review

- > Completed two strategic reviews
- > Safety, health and environmental (SHE) policy and strategy reviewed and aligned with ERM methodology
- > Developed SHE risk profile and risk response plan
- > Ongoing monitoring of SHE risk profile and risk response plan continued

Compliance

- > Updated RBPlat regulatory universe
- > Drafted new compliance policy and framework to meet our regulatory and other legal responsibilities

Internal audit

- > Aligned 2013 internal audit plan with our risk profile
- > New process for audit execution to ensure all relevant internal stakeholders are consulted in the audit planning process and included in the audit close-out process
- > Aligned management and internal control and strengthened our internal control environment
- > Developed an audit findings tracking tool which assists management and the Audit and Risk Committee with timeously clearing out all previous audit findings
- > Actively monitored the execution of the 2013 audit plan to ensure the key risks are covered at the appropriate time

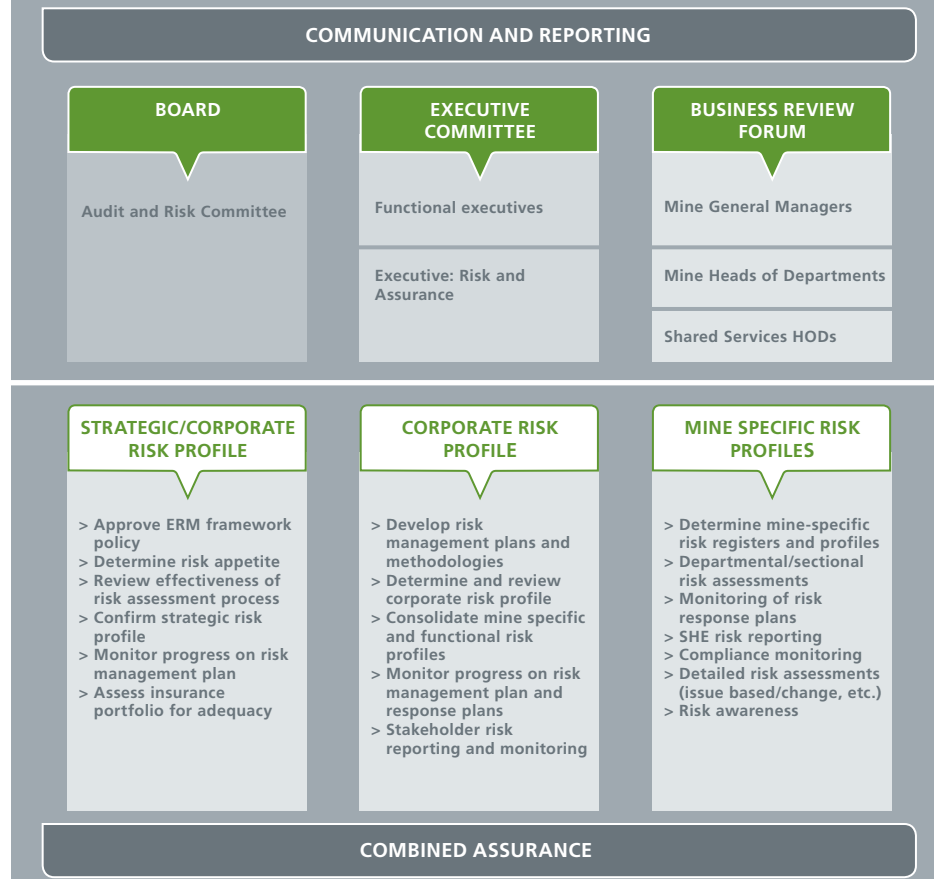
Combined assurance

- > Reviewed all our existing assurance providers to ensure there are no new assurance gaps or duplication, which formed the foundation for drafting our very first combined assurance plan for 2014

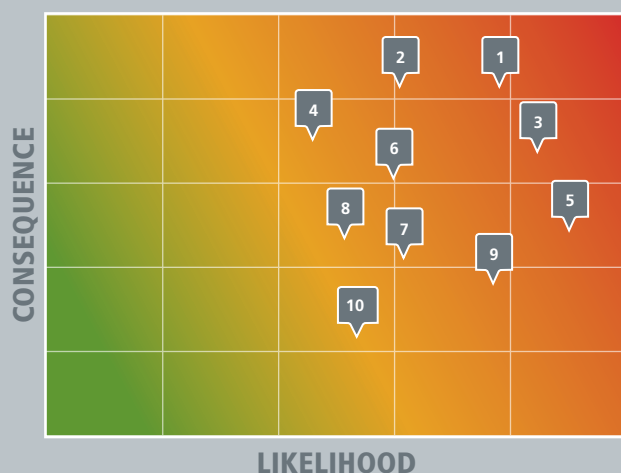
Physical assurance

- > Reviewed our insurance portfolio in 2013 and developed a risk-based annual insurance strategy and renewal plan
- > Restructured our assets insurance programme in the market with significant savings and enhanced cover

OUR RISK MANAGEMENT REVIEW PROCESS AND REPORTING STRUCTURE



OUR TOP TEN INHERENT RISKS



1. Potential breakdown in stakeholder relationships
2. Failure to adhere to Mining Charter requirements
3. Higher than planned operational cost escalation
4. Inadequate safety performance
5. Operational exposure due to poor operational performance and/or planned shaft shutdown
6. Delays in project completion
7. Inability to provide adequate housing
8. Potential tax liability
9. Community unrest as a result of unemployment and other socio-economic issues
10. Financial exposure due to significant drop in PGM prices

Our top ten inherent risks

This heat map provides an indication of the likelihood of these risks occurring and how serious the consequences would be if they did occur. Red represents the most extreme situation and green the least likely.

We do, however, consider an additional five strategic risks as being key to our business for Executive Committee and Board reporting. These are included in the table that follows.

OUR KEY RISK INDICATORS

Risk description, root cause and potential impact	Response to risk	Risk rating as at 31 December 2013	Risk rating as at 31 December 2012
Potential breakdown in stakeholder relationships and/or unprotected industrial action could negatively impact on RBPlat's ability to meet its production and financial targets. Potential breakdown in stakeholder relationships	Our stakeholder engagement framework was updated to ensure proactive management of stakeholder-related risks. An effective employee engagement model has been agreed with employee representative bodies and continuous engagement takes place. Current measures account for a three-year wage agreement which expires in June 2014 has regulated our labour issues. RBPlat participates in industry initiatives to enhance relationships with all stakeholders. An Executive: Corporate Affairs was appointed in 2013 to manage the stakeholder-related risk at strategic level in support of initiatives at our operations (see pages 33 and 91 for additional information).	1	1

TRANSPARENCY AND ACCOUNTABILITY (continued)

Risk management (continued)

Risk description, root cause and potential impact	Response to risk	Risk rating as at 31 December 2013	Risk rating as at 31 December 2012
Failure to adhere to Mining Charter requirements , including social and labour plan progress, could lead to negative impact on mining licence/rights	A stakeholder engagement model has been adopted as part of our Sustainable Development Framework and Policy. Active implementation of social and labour plan (SLP) projects is ongoing in consultation with all stakeholders (see page 91 for additional information). A review of our SLP compliance was conducted and a monitoring process put in place to proactively manage our exposure. A Section 102 application was completed to regularise our existing and past SLP projects which were not included in our original approved SLP.	2	2
Higher than planned operational cost escalations (due to safety stoppages, higher staff costs, supplier costs, etc) could impact on the Group's ability to fund projects from operational cash flows	Focus on improving productivity and reducing costs across the business operations and corporate office. A cost containment project in the first nine months of the year has been successful and we are focusing on achieving further sustainable cost savings. We reviewed our supply chain management process and implemented changes to support the cost saving initiatives. We are also implementing effective activity-based accounting at shaft level to manage costs (see pages 47 and 57 for additional information).	3	5
Inadequate safety performance resulting in risk of injuries and/or work stoppages due to Section 54s may impact on RBPlat's ability to meet production and financial targets	Adoption of zero harm philosophy. Extreme X-audits/ internal shaft audits/safety strategy model (see the Safety section on page 76 to 83 for additional information).	4	4
Operational exposures due to poor operational performance and/or plant/shaft shutdown could impact unit costs and operating profit	Effective mine planning and production monitoring and review processes are in place. In addition, various processes are in place to manage operational risks, including safety, fire, environment and plant processes. The replacement of the mill head in our concentrator was completed successfully but it did impact on our performance in quarter three (see Manufactured capital on page 56 for additional information).	5	7
Delays in project completion , especially the Styldrift project, could negatively impact on future revenue, costs and reputation	Effective project management capability has been developed and adequate governance and financial management structures are in place (see pages 60 and 63 for additional information).	6	8
Inability to provide adequate housing in line with the three-year wage agreement could lead to business interruptions due to strike action	A housing collective agreement was drafted and consultation is in progress. RBPlat is negotiating affordable finance for home owners. Phase 1 of the housing project commenced and is well under way. A contract between the developer, project financiers and RBPlat has been concluded. Progress has been made to secure the land at Waterkloof Hill for the construction of additional houses. We are consulting with neighbouring mining companies to look at the potential of cooperating on specific housing projects to speed up delivering housing to employees.	7	

Risk description, root cause and potential impact	Response to risk	Risk rating as at 31 December 2013	Risk rating as at 31 December 2012
Potential tax liability stemming from shareholder loan treatment/mining rights transfer matter	Senior counsel has been engaged to advise on the issue. Various engagements with SARS and Royal Bafokeng Holdings have taken place to try and resolve the matter amicably (see Financial capital page 41).	8	
Community unrest as a result of unemployment and other socio-economic issues could negatively impact RBPlat's reputation and could also affect us financially	We have monthly engagement sessions with the communities and have a recruitment strategy and development programme that favours local community members. We have also ensured that we more than meet our SLP commitments (see Social capital page 85).	9	
Financial exposure due to significant drop in PGM prices and/or strengthening of the rand	Focus on achieving cost reductions and maintaining a low cost base, by increasing operational efficiencies and production enhancements.	10	3
Failure of the power supply or an inadequate power supply could lead to business interruptions and delays in expansion projects, negatively impacting our financial and operational performance	We have a supply agreement with Eskom in place and the power supply for Styldrift I has been secured. The existing main sub-station is adequate for BRPM for the foreseeable future.	11	12
Non-compliance to key legislation may lead to withdrawal of mining-related licences (mineral rights/water, etc) negatively impacting mining operations	Ongoing monitoring of licence requirements and addressing deviations where identified. Regulatory compliance and business sustainability frameworks and policies are in place and are actively implemented and monitored.	12	6
Failure in human resource development could lead to loss of key employees and/or drop in quality of skills, which will negatively impact on achieving SLP requirements and operational efficiencies	Maintain momentum on current human resource development strategy to meet SLP and operational requirements. Enhance the talent management and succession planning process to ensure key individuals and functions are retained.	13	10
Insufficient immediately stopable reserves could lead to inability to achieve ledging and equipping rates to make up the shortfall	Sound mine-approved mining production planning programme and supervisory structure is in place.	14	9
Fire on conveyor systems, in concentrator plant, etc, could lead to risk of injury to employees and result in business interruptions	Comprehensive fire detection suppression and monitoring systems are in place and are being tested regularly.	15	13

TRANSPARENCY AND ACCOUNTABILITY (continued)

Remuneration and performance

RBPlat's executive remuneration policy continues to be driven by performance, and it rewards executives for the value they add and the resultant shareholder returns. Financial performance measures and executive scorecards determine the extent of the rewards provided to executives and management.

We have taken a balanced approach to remuneration and have ensured that both the short-term operational and long-term strategic objectives of the Group are incentivised. Short-term performance is measured against net operating profit before tax, headline earnings per share (HEPS) and scorecards of key financial and operational indicators. Long-term incentives are now linked to achievement against financial and operational scorecards, and to the comparative total shareholder return (TSR) of the Group in relation to the Platinum Index companies.

Remuneration philosophy, strategy and policy

RBPlat's remuneration philosophy is to establish fair and equitable reward levels that will attract, motivate and retain high calibre executive directors, prescribed officers, senior managers and key talent.

The primary intention of our reward strategy is to enhance shareholder value through an integrated approach, which encompasses a balanced design in which all components are aligned to our strategic direction, business-specific value drivers, and are fully integrated into other management processes.

In this context, we are committed to maintaining pay levels on a total cost to employer basis that reflect an individual's worth to RBPlat, a performance management system that serves to differentiate individual and/or team performance and incentives that recognise and reward, where appropriate, both operational performance and strategic achievements.

Our guaranteed package comprises base pay, allowances, retirement and medical aid benefits and it is managed in relation to the market median.

Our short-term incentives are designed to instil a high-performance culture and to motivate and reward the attainment of short-term objectives for executive directors, Executive Committee members and senior managers. Long-term incentives which have recently been enhanced, are designed to incentivise the generation of long-term shareholder value.

Remuneration review

In 2013, RBPlat commissioned a specialised exercise to review the Group's provisions for executive pay and specifically for long-term (share-based) incentivisation. Subsequent to this review an appropriate long-term (share-based) incentive strategy was designed. This is in line with best practice in the South African mining industry and addresses the issues and concerns highlighted in shareholder feedback, which resulted in a number of votes against the Company's remuneration policy last year. The Group's policy on the various components of pay is described below.

Key remuneration decisions taken in the 2013 financial year for the Board's consideration and approval

- > Review and approval of a revised long-term incentive pay mix:
 - the reduction of the bonus share plan component in the long-term pay mix of executives
 - the implementation of the forfeitable share plan
 - the continuation of the existing share option plan for ad hoc, discretionary grants, and new appointments and promotions
- > Approval of the targets and weighting of the performance scorecard measures of the short-term incentive plan
- > Approval of executive salary increases
- > Approval of the short-term incentive payments
- > Review and approval of the Company's remuneration report and policy
- > Adoption of King III principles and alignment of the remuneration approach to best practice guidelines.

Guaranteed remuneration

RBPlat is committed to establishing an integrated pay line with pay levels throughout the Group that ensure that it is able to remain competitive, while managing employment costs.

We currently compare ourselves to the general market, as represented in surveys published annually, but also specifically look to compare ourselves to mining sector surveys. The surveys provide a basis for establishing external pay relativity for most positions, and additional internal relativity comparisons are undertaken for executives and senior managers. Benefits such as travel allowances and contributions to retirement and medical funds are maintained at market-competitive levels.

We benchmark the guaranteed remuneration packages for executive directors, Executive Committee members and senior managers against the market median of similar-sized companies within our industry. A number of key roles have been evaluated using an executive evaluation system to establish both external and internal relativity. Over and above the role size and complexity, the system takes the following into consideration:

- > Skills and knowledge
- > Conceptual abilities
- > Interpersonal skills
- > Job impact
- > Problem-solving abilities
- > Decisions and resource control.

The Remuneration Committee reviewed guaranteed packages for executive directors, Executive Committee members and senior managers, as recommended by the Chief Executive Officer, taking into consideration market data as provided by the results of the evaluation system, individuals' experience and current levels of performance.

The Remuneration Committee approved the target range of the guaranteed package and aligned it to the market median. Progressive annual adjustments must be made over the next two years for any incumbents whose packages fall outside this target range, taking into consideration their performance levels.

To ensure that the different elements of guaranteed packages are aligned across the Group, fringe benefits and allowances like medical aid subsidies and car allowance structures have been standardised for the Executive Committee and for senior managers.

Details of the basic salary and guaranteed packages (basic salary plus benefits) paid to each of the executive directors and prescribed officers and directors of major subsidiaries during the 2013 financial year are set out in Note 26 on page 184 of this report.

King III recommends that the remuneration of the top three earners who are not directors should be disclosed. This recommendation has substantially been incorporated into the Act with the prescribed officers' disclosure. The latter has been included in note 26.

A general increase of 5.67% was applied to executive guaranteed packages with effect from 1 January 2013, except where there were changes in responsibility and span of control.

Reward strategy – pay mix

RBPlat is moving towards a pay mix policy that supports the philosophy that the performance-based pay of senior executives should form a greater portion of their expected total compensation as opposed to guaranteed salary. Furthermore, within the performance-based pay of the most senior executives the orientation should be towards rewarding long-term sustainable performance (through long-term and/or share-based incentives), more so than operational performance (through annual cash incentives).

The mix of fixed and variable pay is designed to meet RBPlat's operational needs and strategic objectives, based on stretched targets that are verifiable and relevant.

The pay mix proportionalities of an executive director and of executives are shown in the schematics below. Please note that the term "target reward" used in the schematics is defined as the present

TRANSPARENCY AND ACCOUNTABILITY (continued)

Remuneration and performance (continued)

value of the future reward outcome of an offer, given the targeted future performance of the individual and the company and/or its share price.

Current remuneration

Short-term incentives

Short-term incentives are offered to all executives (including executive directors) and all levels of management. There are various incentive schemes in place in RBPlat, tailor-made to specific parts of the Group and our businesses. They incentivise various categories of employees and are reviewed regularly to ensure they remain appropriate.

Financial and operational component

For Executive Committee members the financial and operational component is based on a scorecard of actual Group/business entity performances relative to predetermined targets. This element is a structured incentive in which the formulaic result from individual and/or team scorecards is modified by a factor that recognises the overall performance of the Company in delivering headline earnings performance for shareholders in the year.

The Group/business financial rating is determined by actual financial and operational performance relative to pre-determined targets for net profit before tax, working capital and HEPS.

Personal KPI/Company non-financial component

This element accounts for 50% of the on-target bonus and it is based solely on the results of individuals' scorecards (KPIs). It is measured on the achievement of personal targets and has no direct connection with Group/business entity financial performance.

The Group has also developed a bonus model for operational business entities based on these principles.

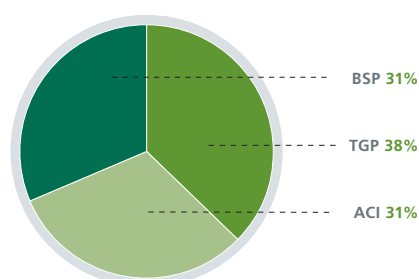
Bonus parameters

Short-term incentives are calculated as a percentage of annual basic salary and capped at 100% of total guaranteed package.

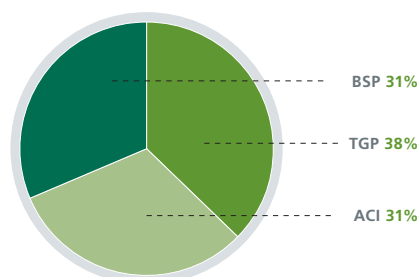
The on-target bonus percentage for the Chief Executive and Executive Committee members is 50% and is between 33% and 50% for senior management.

Existing pay mix in 2013

EXECUTIVE DIRECTOR

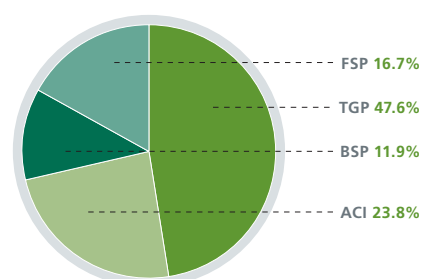


EXECUTIVE

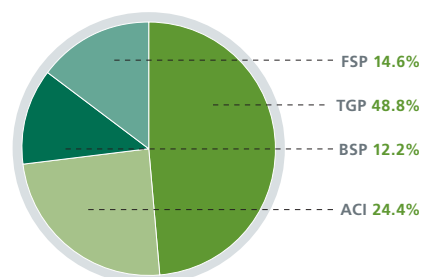


Target pay mix from 2014

EXECUTIVE DIRECTOR



EXECUTIVE



BSP – Bonus share plan
GP – Total guaranteed package

ACI – Annual cash incentive
FSP – Forfeitable share plan

The Remuneration Committee has the full authority to adjust bonuses and/or amend the rules of the scheme at its own discretion taking into account the balance between fair reward for the individual and stakeholders' interests.

Annual bonus payments made to executive directors and prescribed officers are disclosed in Note 26 on page 184 to 187.

RBPlat's performance, analysed by segments, is disclosed in Note 29 on page 191 of the annual financial statements.

Long-term (share-based) incentives **Share option scheme**

Executives and senior management were provided with a grant of share options upon joining the Company, in terms of the Royal Bafokeng Platinum Limited Share Option Plan 2010. The characteristics of this scheme are:

- > Effectively a once-off grant made at date of joining the Company
- > Option price on the weighted average trading price on the day prior to the grant date
- > Vesting in equal thirds on the third, fourth and fifth anniversaries of grant date, with an exercise horizon of 10 years from grant date
- > In general terms this scheme will continue to run its course. Discretionary grants can be made by the Remuneration Committee as and when required.

Bonus share plan

The only other form of long-term (share-based) incentivisation has been via the bonus share plan (BSP) in which a 100% matching of executive bonuses is offered in restricted shares, vesting three years after their grant, as long as the executive is still employed by the Company.

Although a bonus (and the matching restricted shares) has to be earned through the combination of individual, team and Company operational performance, it has been recognised that the matching restricted shares did not themselves offer any reward or motivation for the longer-term sustainable performance of the Company. They are a form of deferred bonus for previous performance and, other than of course that their currency is not cash but rather the value of the restricted share, they are not emphatically aligned to long-term shareholder value performance.

In recognition of this limitation, the Remuneration Committee has proposed and the Board has approved that the matching ratio in the grant of restricted shares in terms of the BSP will henceforth be reduced by 50%, with the balance now to be taken up by the award of performance vesting shares in the forfeitable share plan.

Grants of restricted shares made under the BSP to executive directors and prescribed officers during the 2013 financial year, details of vesting/exercise, and a summary of holdings are disclosed in Note 26 on page 184 to 187 of the annual financial statements.

Forfeitable share plan

In 2013 a forfeitable share plan (FSP) was documented and successfully submitted to the JSE and shareholders for approval.

The purpose of the FSP is to attract, retain, motivate and reward executives and senior managers who are able to influence the performance of RBPlat and its subsidiaries on a basis that aligns their interests with those of the Company's stakeholders. Executives and selected managers of the Company and its subsidiaries will be offered a number of forfeitable shares annually.

Offers will be governed by RBPlat's reward strategy (pay mix) in which the "target reward" of long-term incentivisation is set for defined categories of executives and senior management.

It is envisaged that the combined weighted implementation of the BSP (reduced level) and the FSP will allow RBPlat to remain competitive in terms of long-term incentives, reward long-term sustainable Company performance, act as a retention tool, and ensure that executives and management share a significant level of personal risk/reward with the Company's shareholders.

Performance share element

Annual conditional awards of forfeitable shares will be made, which will vest on the third anniversary of their award, to the extent that the Company has met specified performance criteria over the intervening period. Essentially, the value per share that vests is the full value of the share (there is no strike price). However, the number of shares that will vest will depend on whether the Company's performance over the intervening three-year period has been on target, or an over/or under performance against the target/s set at the award date.

The Board will determine the performance criteria for each award. However, for the first award and until further notice for subsequent awards, the methodology of vesting will target the Company's comparative (market capitalisation weighted) total shareholder return (TSR) in relation to the other constituent companies in the JSE Platinum Index.

As such, it is envisaged that the awards of performance shares will feature at all executive and senior management levels, but will feature more strongly the higher the participants' grade within the Group.

Executive Committee members' service contracts

None of the executive directors have extended employment contracts or special termination benefits, and there are no restraints of trade in place.

Service contracts of executive directors and members of the Executive Committee are in accordance with our standard terms and conditions of employment.

Non-executive directors' compensation

Non-executive directors' terms of appointment

Non-executive directors' remuneration is reviewed every two years and is arrived at after a benchmarking exercise performed by the Chief Executive Officer and the approval by the shareholders at the annual general meeting of the proposed compensation. In arriving at the proposed compensation, cognisance is taken of market norms and practices, as well as the additional responsibilities placed on Board members by new legislation and corporate governance principles.

Non-executive directors do not have service contracts. The Company does not grant options or shares to non-executive directors. Non-executive directors receive an annual fee for their contribution. This annual fee comprises a base retainer fee and, where applicable, a committee membership fee. Hourly fees are also paid to non-executive directors for any ad hoc work that may be required of them.

No non-executive director has an employment contract with the Company.

We have provided the details of the emoluments paid to non-executive directors in 2013 in Note 26 on page 184 in the annual financial statements.

TRANSPARENCY AND ACCOUNTABILITY (continued)

Remuneration and performance (continued)

Based on RBPlat's comparative total shareholder return over the three year period, the forfeitable shares would vest as set out in the table below.

Lower quartile or worse	Upper quartile or better	In between lower and upper quartile
Vesting outcome:		
All forfeitable shares will lapse	All forfeitable shares will vest	Forfeitable shares will vest on a pro rata basis. For example, at the median one third of the forfeitable shares will vest

Employee share ownership plan (ESOP)

RBPlat employees have the opportunity to participate in the Company's performance through the Royal Bafokeng Platinum Mahube Trust. Now in its fourth year, the Trust was originally established to ensure that employees who had previously participated in the Anglo American Platinum Kotula employee share participation scheme received equivalent benefits. It was set up differently from most employee share participation schemes. The most important differences are that it has built-in guaranteed dividends and the management of RBPlat committed to providing funds for the administration of the Trust. This has reduced the financial burden on the Trust and ensured that maximum benefits are delivered to the beneficiaries.

The Trust paid a total dividend of R1 591 129 to the beneficiaries in 2013 and a further R1 179 424 was contributed to the administration of the Trust.

Allocation of units

Units are allocated to the beneficiaries of the Mahube Trust annually, as a measure of their participation interest in the Trust's assets. To qualify for the allocation, an individual needs to be an employee of RBPlat on 31 March of the year in question and should not be eligible to participate in any other RBPlat share scheme(s). At the Trust's inception in November 2010, when the value of the Bafokeng Rasimone Management Services (BRMS) employees' participation in Kotula was transferred to the Mahube Trust in the form of 5 656 171 units, 1 656 171 of these units were allocated to the beneficiaries. In 2011 and 2012 the Trust allocated 1 000 000 units to eligible employees and a further 1 000 000 units were allocated equally to all eligible beneficiaries in 2013, resulting in each beneficiary receiving 389.94 units.

In addition to the 1 000 000 units allocated each year, the units forfeited by bad leavers are also allocated to the remaining beneficiaries.

Year	Number of beneficiaries	Number of units per beneficiary
Nov-10	2 950	Depended on the number of units held in Kotula
Apr-11	2 875	363
Apr-12	2 791	370
Apr-13	2 802	389

Capital distribution (vesting)

The Mahube Trust holds 375 942 RBPlat ordinary shares and 563 914 RBPlat "A" ordinary shares. 2013 was a pivotal year for the Trust as the first tranche of these shares vested. The proceeds of the vesting were paid to the beneficiaries in May 2013.

Amendments to scheme rules

The scheme rules, in respect of all four schemes, will be amended, subject to shareholder approval, to make provision, firstly, to allow for the accelerated vesting of securities upon mutual agreement by both parties on termination of an employee's contract. The second amendment applies only to the FSP and Mahube Share schemes and provides for an adjustment to be made to participants scheme shares as a result of any corporate action, such as rights issue. These resolutions will be tabled for adoption at the next Annual General Meeting of the Company.

INDEPENDENT ASSURANCE REPORT TO THE MANAGEMENT AND STAKEHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED

Introduction

Gilden Assurance has been appointed by Royal Bafokeng Platinum Limited (RBPlat) to conduct an independent assurance engagement in Accordance with AA1000AS (2008) in relation to the RBPlat Integrated Report (the Report) for the financial year that ended in December 2013.

Scope and subject matter selected for assurance

The subject matter as agreed with RBPlat that was identified for a moderate level of assurance in the assurance scope, was:

A. AA1000 AccountAbility Principles

RBPlat's adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness

B. Selected 2013 Key Performance Indicators (KPIs) as follows:

Human Capital

- Fatal Injury Frequency Rate (FIFR) (page 54)
- Lost Time Injury Frequency Rate (LTIFR) (page 54)
- Number of days without an injury (page 78)
- HDSA discretionary procurement spend (page 90)
- Total SLP expenditure (page 16 and 88)
- Number of production days lost due to labour action (page 69)
- Total number of employees, contractors and community members who received part-time ABET (page 73)
- Employment Equity: % of HDSA managers in core and support functions (page 71)
- Number of employees trained in terms of SLP commitments – % of workforce (page 73)
- Number of woman at mining (page 70)
- Number of new Noise Induced Hearing Loss (NIHL) cases, greater than 10% PLH (page 82)
- Number of employees and contractors undergoing HIV counselling and testing (page 83)
- Number of employees on ART (page 83)
- Number of ART default cases (page 83)

- Number of employees and contractors who were tested positive for TB (page 83)
- TB prevalence rate (page 83)

Natural capital

- Total water used (page 98)
- Total energy consumption (page 97)
- Greenhouse Gas Emissions: Scope 1 and 2 (CO₂e) (page 97)

C. Global Reporting Initiative (GRI G3) application

RBPlat's self-declared B+ level of GRI-G3 application stated on the inside front cover page (IFC).

Standards and suitable criteria applied

Gilden Assurance performed the assurance engagement in accordance with the AccountAbility AA1000AS (2008) Type 2 requirements. The following suitable assessment criteria was used in undertaking the work:

- AA1000APS 2008 (AccountAbility Principles Standard) requirements in terms of inclusivity, materiality and responsiveness;
- RBPlat's defined KPI definitions, data completeness, accuracy and validity; as well as
- GRI G3 standard disclosures required for a B+ application level.

Level of assurance and engagement limitations

Gilden Assurance planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate assurance level in accordance with AA1000AS 2008.

The evidence gathering procedures for moderate assurance are more restricted than for high assurance and therefore less assurance is obtained with moderate assurance than for high assurance as per AA1000AS 2008.

The reliability of the reported sustainability information and data is subject to inherent uncertainty, given the available methods for determining, calculating or estimating the underlying information. It is important to understand the assurance conclusions in this context.

Conversion factors used to derive emissions and energy used from fuel and electricity consumed, are based upon information and factors derived by independent third

parties. The assurance work has not included examination of the derivation of those factors and other third party information.

Work performed by Gilden Assurance

The assurance activities included:

- Interviews with relevant functional managers to understand and test the processes in place for adherence to the AA1000AS principles and the underlying data management systems for the KPIs
- Site visits to BRPM and Styldrift I, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place
- Reporting the assurance findings to management as they arose to provide an opportunity for corrective action prior to completion of the audit process
- Assessing the presentation of information relevant to the scope of work in the Report to ensure consistency with the findings
- Assessing the content of the Report against the GRI G3 B+ level disclosure requirements.

Respective responsibilities and Gilden Assurance's independence

RBPlat is responsible for preparing the Report and for the collection and presentation of information within the Report. Gilden Assurance's responsibility is to express an assurance conclusion on the agreed subject matter.

Gilden Assurance maintains a strict policy related to conflict of interest and confirms its impartiality to RBPlat in delivering the assurance engagement.

Assurance conclusion

In our opinion, based on the work undertaken as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined reporting criteria and are free from material misstatement in respect of:

- RBPlat's adherence to the AA1000 Principles of Inclusivity, Materiality and Responsiveness;
- The selected KPIs as identified above and presented in the Report, and
- RBPlat's self-declared B+ level of GRI-G3 application.

INDEPENDENT ASSURANCE REPORT TO THE MANAGEMENT AND STAKEHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED (continued)

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions above, the key observations and recommendations for improvement are:

A. AA1000 AccountAbility Principles

In relation to the Inclusivity Principle

RBPlat has a formal stakeholder engagement framework in place that include an implementation plan. The development of detailed measures to roll out the stakeholder engagement framework is still in progress. Nevertheless, responsibility has been assigned for stakeholder groups and evidence observed pointed to inclusive stakeholder engagement and collective decision-making performed, the results of which are reported to the executive committee on a monthly basis via the Monthly performance Reviews (MPR) and quarterly to the Board.

In relation to the Materiality Principle

Evidence observed confirmed that RBPlat has applied due process in determining and reporting on its material stakeholder issues in a transparent and balanced manner. Materiality determination has been applied across the organisation, has been integrated with its internal risk assessment process and applied to issues arising on a regular basis. Material issues have been considered at board level and are linked to the reported sustainability themes that are relevant to the strategic objectives of the business.

In relation to the Responsiveness Principle

The formalising of formal stakeholder management and communication processes under the stakeholder engagement framework was still in progress during the reporting period. However, RBPlat's responses to stakeholder issues observed across different stakeholder forums and case studies are considered appropriate. Matters addressed were found to be directly related to the stakeholder concerns and were conducted in an appropriate manner without prejudice to any one stakeholder group.

B. Selected performance indicators

Gilden Assurance found that comprehensive systems are in place to

provide source-data for the KPIs assessed. However, it is recommended that data reporting procedures are formalised to:

- ensure the consistent interpretation of definitions, and data generation procedures; and
- establish key internal controls that will ensure accurate data reporting throughout the year.

A comprehensive management report detailing specific findings and recommendations for sustainability reporting improvement has been submitted to RBPlat management for consideration.

C. GRI-G3 application

It is recommended that RBPlat evaluate its readiness and required reporting changes needed for moving towards reporting in accordance with GRI-G4 by 2015.



Petrus Gildenhuys

Director, Gilden Assurance (Pty) Ltd

Johannesburg, 26 February 2014



AA1000
Licensed Assurance Provider
000-156



Management response to the assurance statement

Following on the recommendation contained in this assurance statement RBPlat has already begun addressing the deficiencies in our data reporting procedures.

GLOSSARY OF TERMS AND ACRONYMS

Term/abbreviation	Explanation
4E	Four platinum group elements, namely platinum, palladium, rhodium and gold
ABET	Adult basic education and training
Aids	Acquired immune deficiency syndrome
Anglo American Platinum	Anglo American Platinum Limited
ART	Antiretroviral treatment
Au	Gold
Base metal	A common metal that is not considered precious, such as copper, nickel, tin or zinc
BC	Bushveld Complex
BRMS	Bafokeng Rasimone Management Services Proprietary Limited
BSP	Bonus share plan
CED	Community enterprise development
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base metal and precious metal minerals, these minerals are treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
CSI	Corporate social investment
Cu	Copper
DEA	Department of Environmental Affairs
Debt:equity ratio	Interest-bearing borrowings, including the short-term portion payable, as a ratio of shareholders' equity
Decibel A	A-weighted decibels, abbreviated dBA, or dBa, or dB(a), are an expression of the relative loudness of sounds in air as perceived by the human ear. In the A-weighted system, the decibel values of sounds at low frequencies are reduced, compared with unweighted decibels, in which no correction is made for audio frequency. This correction is made because the human ear is less sensitive at low audio frequencies, especially below 1 000 Hz, than at high audio frequencies
Decline	A generic term used to describe a shaft at an inclination below the horizontal and usually at the same angle as the dip of the reef
DMR	Department of Mineral Resources
DWA	Department of Water Affairs
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employees who tested HIV positive	The number of employees that have been identified as HIV positive as indicated by the test results in the reporting period. The HIV positive rate is calculated as a percentage for the people that tested positive over the number that tested for HIV in the reporting period
EMS	Environmental management system
Employment equity	Percentage of historically disadvantaged South African managers in core and support functions – 2011 targets in terms of the Mining Charter
EPS	Earnings per share
Fatality	Death resulting from an accident
GHG	Greenhouse gases (GHGs) are the gases present in the earth's atmosphere which reduce the loss of heat into space and contribute to global temperatures through the greenhouse gas effect. On earth, the most important abundant greenhouse gases are, in order of relative abundance: water vapour, carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons
GJ	Gigajoules (10 ⁹ joules)
Greenfield project	A project situated on a previously undeveloped mineral resource
Greenhouse gas emissions scope 1 and 2	As per the Greenhouse Gas Protocol (GHG Protocol) jointly convened in 1998 by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) protocol: scope 1 – LPG, acetylene gas consumption, the combustion of lubrication oil, explosives, generators (petrol and diesel), company-owned vehicles (petrol and diesel); scope 2 – electricity

GLOSSARY OF TERMS AND ACRONYMS (continued)

Term/abbreviation	Explanation
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise-level, sustainable development reports
g/t	Grams per tonne, the unit of measurement of grade
HDSA	Historically disadvantaged South African
HEPS	Headline earnings per share
HCT	HIV counselling and testing
HIV	Human immunodeficiency virus
HRD	Human resource development
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and communication technology
IFRS	International Financial Reporting Standards
IMA	Immediately available ore reserves, which is ground available for mining without any further development
IMS	Immediately stopable faces which are fully equipped and spare mining faces that can be mined immediately
Incidence rate of TB	Total number of employees, including contractors, who tested infected with TB over the number that did TB testing in the reporting period expressed as a percentage
Indicated mineral resource	"An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced closely enough for continuity to be assumed." (SAMREC 2007)
Inferred mineral resource	"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sampling and assumed but not verified geologically or through analysis of grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability." (SAMREC 2007)
In-situ	The original, natural state of the ore body before mining or processing of the ore takes place
ISO 14001	ISO 14001 is applicable to any organisation that wishes to establish, implement, maintain and improve an environmental management system and to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004 by making a self-determination and self-declaration, or seeking confirmation of its conformance by parties having an interest in the organisation, such as customers, or seeking confirmation of its self-declaration by a party external to the organisation, or seeking certification/registration of its environmental management system by an external organisation

Term/abbreviation	Explanation
JSE SRI Index	Johannesburg Stock Exchange Socially Responsible Index
koz	Thousand ounces
kt	Thousand tonnes
ktpm	Thousand tonnes per month
LED	Local economic development
LOM	Life of mine
LTIFR	Lost time injury frequency rate, which is the number of lost time injuries per 200 000 hours worked
MACHARORA	Made up of the four villages of Mafenya, Chaneng, Robega and Rasimone, surrounding our operations
Mahube Trust	Royal Bafokeng Platinum Mahube Trust
Mass pull	The mass of concentrate expressed as a percentage of total plant feed
Merensky reef	The Merensky reef is a layer in the Bushveld Complex (BC) containing one of the world's largest concentrations of platinum group metals (PGMs)
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Moz	Million ounces
Measured mineral resource	"A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity." (SAMREC 2007)
Mineral reserve	"A 'Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-Feasibility Study for a project and a Life of Mine Plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed." (SAMREC 2007)
Mineral resource	"A 'Mineral Resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories." (SAMREC 2007)
Mt	Million tonnes
Net asset value	Total assets less all liabilities, including deferred taxation, which equates to shareholders' equity
Net asset value as a percentage of market capitalisation	Shareholders' equity expressed as a percentage of market capitalisation
Ni	Nickel
NIHL	Noise-induced hearing loss
NOx	Oxides of nitrogen (nitric oxide and nitrogen dioxide) which are produced from the reaction of nitrogen and oxygen gas during combustion, especially at high temperatures
NUM	National Union of Mineworkers
Number of days without injury during the year	The number of calendar days on which no injury was reported or recorded at the BRPM Clinic. This can be for a specific area or the total mine depending on the area being reported on in the reporting period
Number of employees counselled	The number of employees that received HIV counselling before deciding if they are going to accept undergoing the HIV test (HIV counselling is compulsory for all employees during initial and periodic medical surveillance examination)

GLOSSARY OF TERMS AND ACRONYMS (continued)

Term/abbreviation	Explanation
Number of employees currently on antiretroviral treatment (ART)	The number of employees that have been identified to be HIV positive as indicated by the HIV test results and where the CD4 count is 350 or below
Number of employees tested and were infected with TB	The total number of employees that have been identified as TB-infected as indicated by the test results in the reporting period
Number of fatalities	Any death resulting from an unexpected and unplanned occurrence, including acts of violence on the premises of the Company. Deaths arising out of or in connection with work, irrespective of the time between the injury and the occurrence of the death
OEM	Original equipment manufacturer
OHSAS 18001	OHSAS 18001 is an Occupational Health and Safety Assessment series for health and safety management systems. It is intended to help organisations control occupational health and safety risks. It was developed in response to widespread demand for a recognised standard against which businesses can be certified and assessed
PAYE	Pay-as-you-earn
Pd	Palladium
PGE	Platinum group elements
PGM	Platinum group metals, six elemental metals of the platinum group nearly always found in association with each other. Some texts refer to PGE. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium
PPA	Purchase price allocation
PPE	Property, plant and equipment
Prill split	A term used to describe the ratio in which platinum group elements occur in a platiniferous ore body
Probable mineral reserve	"A 'Probable Mineral Reserve' is the economically mineable material derived from a Measured or Indicated Mineral Resource or both. It is estimated with a lower level of confidence than a Proved Mineral Reserve. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007)
Proven mineral reserve	"A 'Proven Mineral Reserve' is the economically mineable material derived from a Measured Mineral Resource. It is estimated with a high level of confidence. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a Pre-feasibility Study for a project or a Life of Mine Plan for an operation must have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. Such modifying factors must be disclosed." (SAMREC 2007)
Pt	Platinum
Redevelopment	Development work carried out for the purpose of re-establishing mining sections/panels which have been adversely affected by geological or geotechnical conditions
RBA	Royal Bafokeng Administration
RBH	Royal Bafokeng Holdings Proprietary Limited
RBN	Royal Bafokeng Nation
RBPH	Royal Bafokeng Platinum Holdings Proprietary Limited
RBP MS	Royal Bafokeng Platinum Management Services Proprietary Limited
RBPlat	Royal Bafokeng Platinum Limited
RBR	Royal Bafokeng Resources Proprietary Limited
RCF	Revolving credit facility
Rh	Rhodium
RPM	Rustenburg Platinum Mines Limited

Term/abbreviation	Explanation
SAMREC	South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SDL	Skills development levy
Section 54	In terms of section 54 of the Mine Health and Safety Act No 29 of 1996, if an inspector of mines believes that any occurrence, practice or condition at a mine endangers or may endanger the health or safety of any person at the mine, the inspector may give any instruction necessary to protect the health or safety of persons at the mine including instructing that operations at the mine or a part of the mine be halted
Section 55	If an inspector believes that an owner or manager has failed to comply with the provisions of this Act, the inspector may instruct that owner or manager in writing to take any steps that the inspector considers necessary to comply with the provision; and specifies in the instruction
SENS	Stock Exchange News Service
SHE	Safety, health and environment
SIB	Stay-in-business capital expenditure
SIFR	Number of serious injuries per 200 000 hours worked
SLP	Social and labour plan
SMME	Small, medium and micro enterprises
STC	Secondary tax on companies
Stoping	Operations directly associated with the extraction of reef
Tailings	That portion of the ore from which most of the valuable material has been removed by concentrating and that is therefore low in value but still available for future extraction pending technology development
TB	Tuberculosis
Total energy consumption	Energy from electricity purchased, plus energy from fossil fuels consumed
tpm	Tonnes per month
UASA	United Associations of Trade Unions South Africa
UG2 Reef (Upper Group 2)	A chromite layer in the Bushveld Complex, often containing economic values of PGMs
UIF	Unemployment insurance fund
VAT	Value added tax
Water used for non-primary activities	Water used for non-primary activities is total new or make-up water entering the operation and used for non-primary activities, excluding internally recycled water. Non-primary activities are those activities in which the operation engages which are not required for the production of its products
Water used for primary activities	Water used for primary activities consists of total new or make-up water entering the operation and used for the operation's primary activities. This definition excludes internally recycled water and mine dewatering discharged to surface and not used for any primary activities. Primary activities are those in which the operation engages to produce its products
Women at mining	Women employed by mining companies
Women in mining	Women who work in mining roles