



Integrated Annual Report 2010

Poised for growth



Scope of the report

This is the first time that Royal Bafokeng Platinum Limited (RBPlat) has reported. Our objective with this report is to provide our stakeholders with an integrated view of our economic, social and environmental performance for the financial year 1 January to 31 December 2010.

RBPlat welcomes the opportunity that integrated reporting – as recommended in the King Code of Governance Principles (the Code) – provides to demonstrate the Company's commitment to integrity, transparency and accountability. What constitutes an integrated report is the subject of debate internationally. We have chosen to be guided by the Code, what typically has constituted annual reporting best practice and the assistance of the Global Reporting Initiative's (GRI) G3 Reporting Guidelines and the International Financial Reporting Standards (IFRS).

It is the aim of the Company to provide a complete and balanced view of our performance, both the challenges and the successes. The Company is committed to being accountable to its stakeholders. The way it engages with and responds to stakeholders is described under the Stakeholder engagement section of this report on page 91 to 97.

The nature of RBPlat's business means that economic, social, environmental and ethical issues are material to its future success and also material to the interests of local communities and other stakeholders in the area where the Company operates. The Company concentrates on the matters that are material to delivering against its strategy and that are of most interest or concern to its stakeholders.

RBPlat's determination of materiality is a judgement based on a wide range of factors including developments in public policy, regulations, technology and community relations. It reviews the:

- results of the business risk assessment process
- King Code of Governance Principles for South Africa (King III)
- performance of the Company against the key performance indicators it has identified for the business
- topics and challenges reported by its peers or raised by industry associations
- external initiatives and best practice guidelines, including the GRI G3 Guidelines, the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and the JSE Limited Listings Requirements.

The issues that RBPlat currently regards as material to its business are discussed under Key performance indicators on pages 22 to 37 and the Principal risks and uncertainties section of this report on pages 17 to 21.

Apart from the audited financial statements, the scope of the assurance was limited to an initial and selected number of indicators for this first integrated annual report. These indicators were selected on the basis of their alignment with the nature of the business, vision and mission of the Company and to benchmark against key industry reporting requirements such as the Social and Labour Plan and Mining Charter.

Data is measured according to specific indicators throughout the report, particularly with reference to tables and graphs. Where GRI G3 indicators have been deemed 'not applicable'; reference is made within the GRI G3 content index table. Data is evaluated according to the Company's policies, procedures, codes and guidelines, which have been developed to meet international best practice. Where possible, data measurement is implicitly defined via units of measure. Additional information has been provided on the Company's website (www.bafokengplatinum.co.za) and is also available upon request. As this is RBPlat's first integrated annual report the question of re-statement of or changes to information provided in earlier reports does not apply. Data recorded at BRPM during 2009 has been provided for the purposes of comparison.

For non-financial data measurement and reporting purposes, BRPM includes the mine and concentrator. For safety statistics it includes Styldrift.



Feedback

RBPlat welcomes feedback on any aspect of its performance or reporting. If you would like to provide feedback or additional information, please contact lindiwe@bafokengplatinum.co.za.

About this report

More information

This icon appears in this report to indicate to readers where further information is available.

A number of acronyms are used for the names of our shareholders, the Company and our subsidiaries. To assist readers they are defined below:

- RBH – Royal Bafokeng Holdings (Pty) Limited
- RBN – Royal Bafokeng Nation
- RBPlat – Royal Bafokeng Platinum Limited
- RBPH – Royal Bafokeng Platinum Holdings (Pty) Limited
- RBR – Royal Bafokeng Resources (Pty) Limited
- RPM – Rustenburg Platinum Mines Limited
- BRPM – Bafokeng Rasimone Platinum Mine
- APL – Anglo Platinum or RPM

For a comprehensive list of acronyms refer to page 161.

Please see our website
www.bafokengplatinum.co.za

This is how the icons are used in the report

For further Information

GRI 3.1, 3.2, 3.3, 3.4 3.5, 3.6, 3.7, 3.9 3.13 **p163**

See Stakeholder engagement **p91**

See Governance and KPIs **p82**
p22

Audience

The stakeholders for whom the Company has prepared this report include existing and prospective shareholders, investment analysts, government (local, provincial and national), industry organisations, trade unions, employees and their families, communities in the vicinity of its operations, contractors, non-governmental organisations (NGOs), suppliers, customers, joint venture partners, business partners and the media.

Applying the GRI G3 Reporting Guidelines

The non-financial reporting in this report meets application level B+ of the GRI G3 Reporting Guidelines. This has been confirmed by PricewaterhouseCoopers Inc. (PwC) as indicated in their report on pages 98 to 99. There is a GRI Index to the content of the report on pages 163 to 166.

Independent assurance

In terms of the Companies Act and JSE Limited Listings Requirements, an independent auditor's report on the financial statements contained in this report is presented on page 102. In addition, the auditor's report was prepared by PwC who were also engaged to provide independent third party assurance on sustainability aspects of this report, in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Contents

Overview – a description of the business					
2	3	4	6	8	This section of the report contains information on the interesting and sometimes unusual uses there are for platinum group metals.
Our vision and strategy	Highlights of 2010	Company at a glance	Major PGM uses and BRPM prill split	Chairman's statement	
Strategy – overview of Royal Bafokeng Platinum's markets, strategy, performance and risk					
10	16	17	22	38	This section of the report provides readers with information on RBPlat's performance against the key indicators it measures itself against.
CEO's review	Management approach	Principal risks and uncertainties	Key performance indicators	Mineral Resources and Mineral Reserves	
Performance – the operational and financial performance of the Company					
52	62	70	We have measured our performance against the revised Mining Charter Scorecard released late in 2010 and included case studies of what we have achieved in areas measured by the revised Scorecard and the original Scorecard, which was in place until September 2010.		
Financial review	Operating review	Performance against the Mining Charter Scorecard			
Governance – overview of Board members and executive management, and details of our governance, including remuneration and engagement					
78	82	91	98	100	
Board of directors	Corporate governance report	Stakeholder engagement	Independent assurance report	GRI G3 application level requirements	
Financial statements – audited financial information for the Company					
101	102	103	105	109	114
Statement of responsibility by the Board of Directors	Independent auditor's report	Audit and risk committee report	Directors' report	Remuneration report	Annual financial statements
Key information for shareholders					
161	163	167	168		
Glossary of terms and acronyms	Global Reporting Index (GRI) content index	Shareholders' diary	Notice to shareholders	Form of proxy	Company information

Our vision and strategy

Our clear priorities and effective actions mean we are well placed for growth and able to respond quickly to opportunities



The Boschkopie mine and concentrator

Our vision

To seek and deliver the good from mining

Our mission

To leave a lasting legacy through sustained stakeholder beneficiation

Strategy

- To achieve operational excellence (optimising volumes and reducing costs)
- To grow organically through Styldrift
- Bring Styldrift II forward as an expansion project
- Build flexibility in the business with co-extraction
- Pursue value enhancing acquisitions and synergies

Our purpose

To realise our vision by seeking and delivering sustainable financial returns to our shareholders, through operational excellence and by pursuing carefully considered platinum group metals (PGM) growth opportunities, while fulfilling our responsibility to care for the communities and environment in which we carry out our business

Our core values

Safety and People First:

Trust, respect, teamwork and an uncompromising commitment to the safety of our people is of utmost importance to the Company

Promises delivered:

We do what we say

Mutual interests and rewards:

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

For further
Information

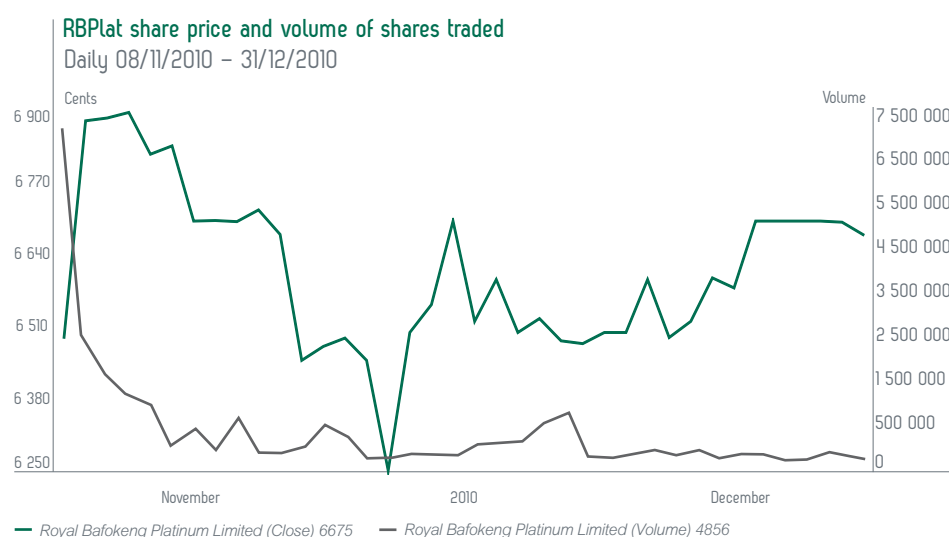


GRI 4.9

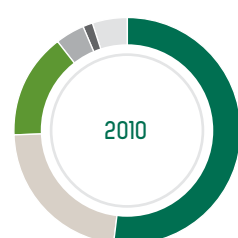
See website for details of RBPlat brand (Living our brand)

Highlights of 2010

- Successful transfer of business control to RBPlat
- Successful listing of RBPlat on the JSE
- Headline earnings of R271.7 million (R1.92 per share)
- 29% increase in business revenue as a result of stronger metal prices and higher production volumes
- Unit costs maintained at R707 per tonne
- Healthy cash and near cash investments of R115 billion
- Funding of all capex from operational cash flows
- 15% improvement in LTIFR (1.00) over 2009
- 9% increase in ROM tonnes delivered to the concentrator
- 12% increase in tonnes milled
- 7% increase in PGM 4E ounces in concentrate

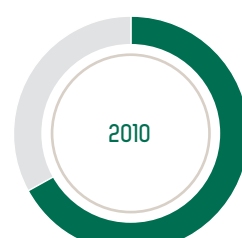


Geographical spread of public investors



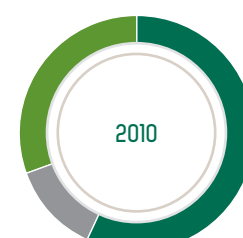
- Southern Africa 52.16%
- United States 22.45%
- United Kingdom 15.07%
- Australia 4.07%
- Rest of world 1.34%
- Rest of Europe 4.91%

Participation in the BRPM joint venture



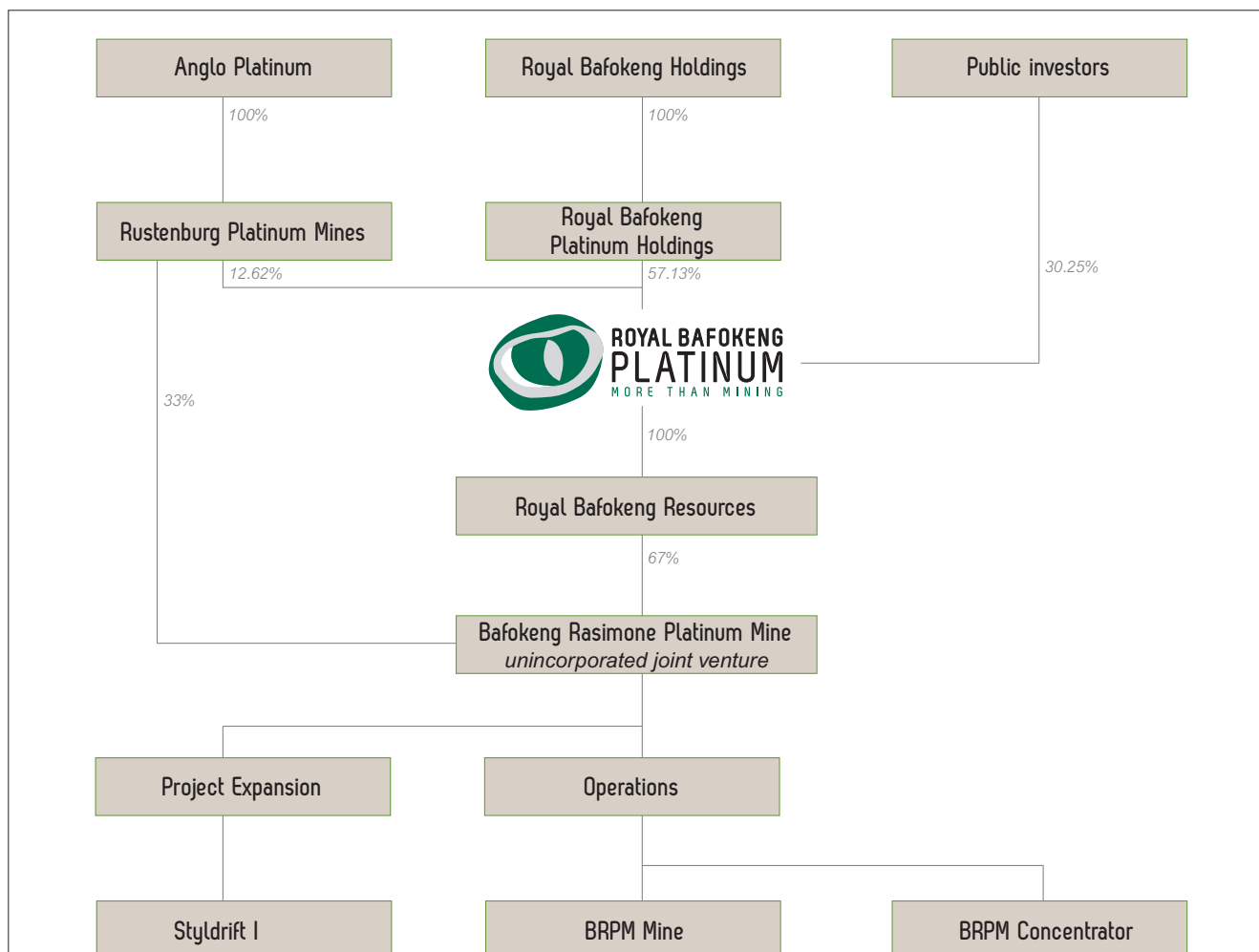
- RBPlat 67%
- RPM 33%

RBPlat shareholder breakdown



- Royal Bafokeng Holdings 57.13%
- RPM 12.62%
- Free float 30.25%

Company at a glance



- Black owned and controlled mid-tier platinum group metals (PGM) producer
- Listed on the main board of the JSE Limited in the Platinum and Precious Metals sector (share code RBP) on 8 November 2010
- Supportive shareholders – combined experience and capabilities of Anglo Platinum and Royal Bafokeng Holdings (RBH)
- Experienced and independent Board
- Owns 67% of Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV)
- BRPM JV, managed by RBPlat, is a well-established shallow Merensky reef producer on the Western Limb of the Bushveld Complex (BIC)
- Attractive margin operations with scope for cost reduction
- Experienced management team with clear focus and operating flexibility
- Poised to grow organically and through consolidation

Location of BRPM operations on the Bushveld Igneous Complex



Source: Company

BRPM joint venture

Existing operation – mine and concentrator

- 4E resource base of 73 Moz (45 Moz, measured and indicated)
- Conventional underground mining through two decline shaft systems
- Capacity of each shaft approximately 100 000 tonnes per month (tpm)
- Concentrator capacity of 2.4 million tonnes per annum (mtpa) producing approximately 190 000 platinum ounces in concentrate and 290 000 PGM 4E ounces in concentrate per annum, at a mass pull of approximately 2.5%

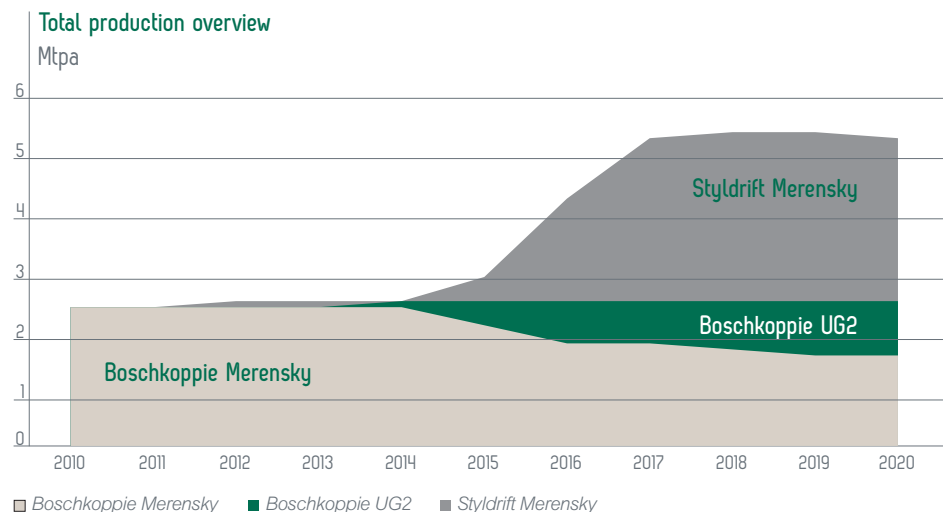
- Concentrate sold to Anglo Platinum for beneficiation in its refineries

Expansion project

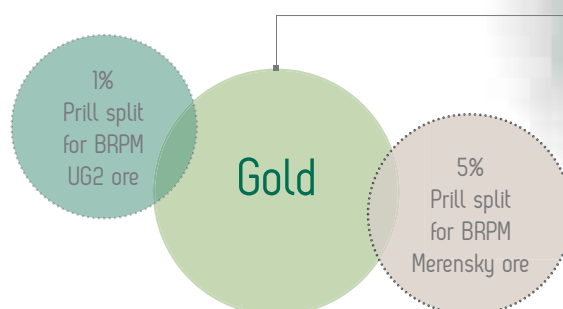
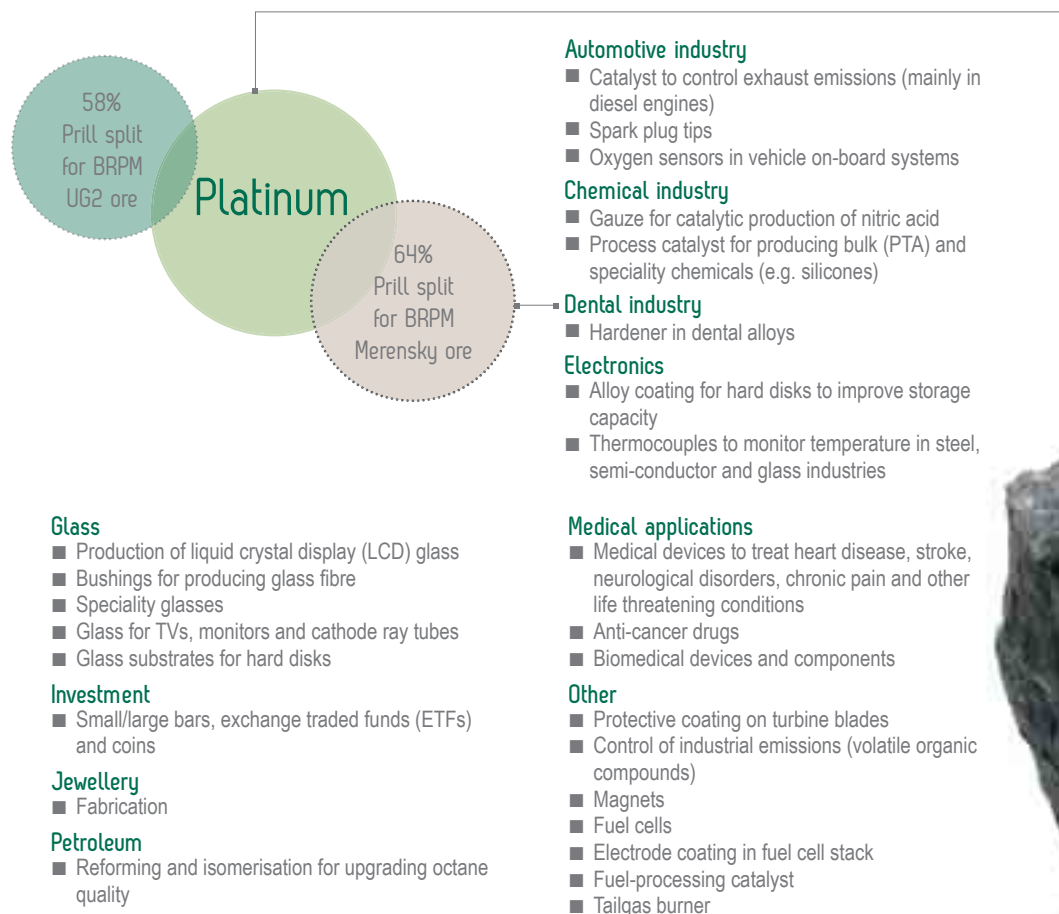
- Styldrift I Expansion Project, approved in 2008
- Development of a new underground mine to a depth of 740 metres expected to produce 2.7 mtpa of ore and 320 000 PGM 4E ounces per annum. To reach steady state in 2017
- Expected to increase BRPM production to 611 000 PGM 4E ounces

Overview of BRPM production

This graph illustrates BRPM's mining production until 2020 when the bulk of production will still be from shallow Merensky reef.



Major PGM uses and BRPM prill split



Investment

- Small/large bars and coins

Jewellery

- Fabrication

Dentistry

- Dental alloys

Medical applications

- Tumour ablation technology
- Nano-particle-enabled diagnostics
- Antimicrobials

Automotive industry

- Autocatalysts

Science and technology

- Water purification
- Emission prevention
- Fuel cell catalysts

Electronics

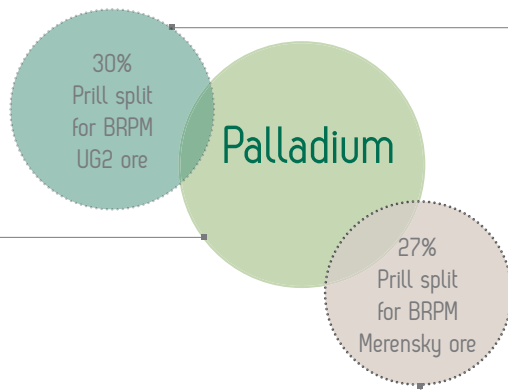
- Electronic components
- Battery efficiency
- Touch screens

For further

Information



The prill split provides the proportion of the individual elements in the grade produced by a particular mine. See www.bafokengplatinum.co.za About platinum



Automotive industry

- Catalyst to control exhaust emissions (particularly hydrocarbon control) mainly in gasoline engines
- Oxygen sensors in vehicle on-board diagnostic systems

Chemical industry

- Catchment gauze to recover Pt and Rh in nitric acid production
- Process catalysts

Dental industry

- Alloying agent

Electronics

- Conductive paste in multi-layer ceramic chip capacitors
- Conductive tracks of hybrid integrated circuits
- Salts for plating processes

Petroleum

- Hydrocracking to achieve higher yields

Other

- Control of industrial emissions (volatile organic compounds)

Fuel cells

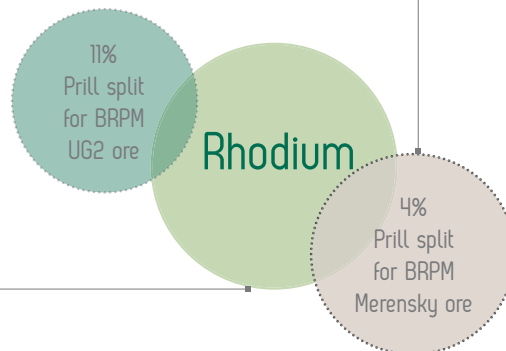
- Tailgas burner

Investment

- ETFs
- Coins

Jewellery

- Fabrication
- Alloying agent in platinum jewellery
- Whitening agent in production of white gold



Automotive industry

- Catalyst to control exhaust emissions (essential for NOx – oxides of nitrogen – control)

Chemical industry

- Process catalysts e.g. acetic acid, oxo alcohols and rubber products
- Alloy with platinum in nitric acid production

Electronics

- Alloyed with platinum in thermocouples

Glass

- Alloyed with platinum in producing LCD glass
- Alloyed with platinum in bushings

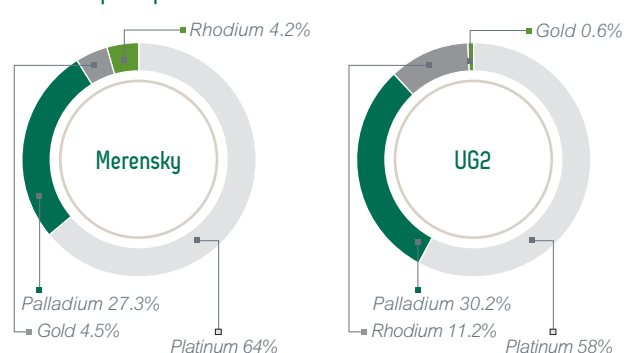
Jewellery

- Electroplating to give jewellery white finish

Fuel cells

- Fuel-processing catalyst

BRPM 4E prill split



Chairman's statement



Advocate Kgomotso Moroka SC
Chairman (independent)

It is the first time there has been a community-driven initial public offering of an operating company on the JSE

I am delighted to have this opportunity to acknowledge and welcome to RBPlat the shareholders who chose to invest in us and the numerous stakeholders¹ who played an integral part in our successful listing.

The listing of RBPlat is remarkable in a number of ways. It is the first time that there has been a community-driven initial public offering (IPO) of a Company on the JSE in which the community not only has a controlling shareholding, but also has operational control.

Our controlling shareholder, Royal Bafokeng Holdings, which is the primary investment vehicle of the 300 000 strong community known as the Royal Bafokeng Nation (RBN), has unique qualities. Today RBN is mostly known for its platinum wealth. It is the persistence and determination it has shown over the past 150 years to retain the 1 200 square kilometres of land that has yielded up this wealth. Previous generations of the nation worked in the diamond fields of South Africa to earn money to purchase the land. The nation faced off colonisers hungry for land, the apartheid government and its acquisitive homeland leaders and, finally, the hunger for mineral wealth of big business², to become one of South Africa's best examples of the sustainable use of mineral resources to pursue an ambitious developmental agenda to uplift a nation.

Sustainability

This report will introduce you to the Company's approach to sustainability. Our Board is responsible for the sustainability of the business. We have appointed an Executive: Business Sustainability who is a member of the Executive Committee and the Safety, Health and Sustainable Development Committee who reports to the Board on the sustainability of the business³.

One of the key pillars of our sustainable development strategy is a holistic safety, health and environment (SHE) strategy introduced in 2009. Its main purpose is to give our line managers a clear roadmap to follow towards achieving zero harm. While our operations have achieved a steady reduction in their lost time injury frequency rate over the past three years, we have at times not met our own high standards and I am saddened to have to report that in 2010 three of our valued employees lost their lives while working at our operations and projects.

For further Information



You will find a CV of the Chairman on p79

For more detailed information on RBPlat's approach to sustainability, go to our website (www.bafokengplatinum.co.za) See our governance report for more information on governance in RBPlat on pages 82 to 90

History – A proud history of community-focused mining

1860s

To establish the Royal Bafokeng Nation's patrimony it purchases the land (1 200 km²) that the nation had occupied historically

1925

Platinum is discovered in the Bushveld Complex (BIC) of which the land owned by the RBN is part. The BIC is the world's largest PGM deposit

1990s

Discussions take place between RBN and Anglo Platinum to form a joint venture

1997

Site of future BRPM (then known as Rasimone Mine) established

Governance

In the area of governance RBPlat constituted its Board in June 2010 – five months before the Company listed. The Board complies with King III recommendations in its composition of a Board. Five of its non-executive directors (including myself) are independent. At the time of his appointment the sixth non-executive director, Mike Rogers, worked for one of our shareholders.

The platinum market

The platinum market is expected to shift back into deficit in 2011, for the first time since the first half of 2008, driven by a combination of tightening emissions legislation creating a demand for off-road engine catalysts and lacklustre supply growth. During the first half of 2011 the market should remain in slight surplus with investment and currency movements dominating price movements in the near term. Thereafter it should return to deficit where it is expected to remain for the foreseeable future.

Business environment

The current operating environment is particularly challenging. Concerns around the debate on nationalisation and energy supplies are impacting negatively on investment in the South African mining industry. As a result, development and job creation in our industry is lagging behind the rest of the world. At the same time the mining industry suffers from skills shortages across a range of disciplines.

These issues present a challenging operating environment for a business such as ours. However, our response is one of constructive engagement with our stakeholders in order to seek development opportunities of mutual benefit. This is in line with our vision, to seek and deliver the good from mining and we believe that we possess the characteristics that will enable us to sustain our business into the future.

RBPlat believes in an empowered ownership culture where ownership of the running of the business is the responsibility of the people doing the work. Our management team seeks to establish a direct relationship between our employees and the organisation. This is an important element of our strategy to retain and develop our employees.

Despite the concerns I have touched on we are excited about the future of RBPlat. The North and South Shafts Phase II replacement projects at BRPM will both be completed by 2012, the North Shaft Phase III replacement project was approved in December 2010 and our expansion project, Styldrift I, is expected to begin producing in 2014 and to reach steady state in 2017.

Conclusion

On behalf of the Board I thank our Chief Executive Officer, and his hard-working executive team, the management team and all our employees and contractors at BRPM and the Styldrift project, for the passion and dedication they have demonstrated throughout the year in their efforts to achieve our objectives.

I also wish to express our appreciation to our suppliers, business partners and other stakeholders for their support during our first year of operation, which included a very demanding listing process.



Kgomotso Moroka
Chairman

3 March 2011

Notes:

¹ We refer you to the table on pages 91 to 97 in which we have listed the stakeholders in RBPlat that we have been able to identify. We have also provided information on our methods of engagement with them, the material issues that involve each stakeholder and the concerns that have been raised and responded to during our engagement. If you feel there are stakeholders or issues we have not identified please let us know.

² For more information on the history of the Royal Bafokeng Nation visit www.bafokeng.com or www.bafokengholdings.com.

³ See page 16 for more detail on our management approach.

1998

Opencast mining of the Merensky reef commences at Rasimone Mine

2002

50/50 JV established with Anglo Platinum regarding BRPM

December 2009

BRPM JV restructured and RBPlat obtains 67% interest in BRPM

January 2010

Operational control of BRPM transferred to RBPlat

November 2010

RBPlat lists on JSE Limited under share code RBP

Chief executive officer's review



Steve Phiri,
CEO and executive director

- Successful IPO process
- Enhanced relationship with employee representatives
- Unit costs per tonne contained
- Progress towards operational excellence

This review will provide you with an overview of the economic, social and environmental performance of our business during 2010, our progress against our strategy and an overview of the market outlook for platinum group metals (PGMs) in 2011.

Safety performance

Our first value of Safety and People First drives our uncompromising commitment to the safety of our people, which is of the utmost importance to us.

BRPM's overall safety performance improved this year and exceeded the target set for the year. Sadly, we did not achieve our goal of zero harm. There were three deaths at BRPM this year. Mr Mzingisi Mduduma, a diamond drill assistant working for contractor Rosond (Pty) Limited, lost his life in the South Shaft of BRPM Mine in February of this year. He was single with no children. On 27 October this year Mr George Khoza, a full-time employee of BRPM working in North Shaft as a winch driver, died as a result of injuries he sustained. Mr Khoza was also single.

After 953 342 hours without a lost time injury, the Styldrift Project had its first fatality in November when Mr Mojalefa Lekoro, a contractor working for Shaft Sinkers as a loader driver, lost his life in the main shaft, which is under construction. Mr Lekoro is survived by his wife and three children. I deeply regret these deaths and extend my condolences to the families of these three men. We are determined to achieve our target of zero harm and will be working hard in 2011 to do so.

A team from the Inspectorate of Mines visited the scene of all three accidents and RBPlat worked with the Department of Mineral Resources (DMR) to find ways of preventing further tragic deaths occurring.

Economic performance

RBPlat achieved an increase in business gross profit of 132% as a result of the change in control and basis of accounting in 2010 (83%) and an actual increase at BRPM operational level (49%). The 49% actual gross profit increase at BRPM was due to higher revenues and as the majority of costs are fixed, the major portion of higher revenues filtered through to the profit line. Normalised earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue improved from 28.6% in 2009 to 38.7% in 2010.

For the year-ended 31 December 2010 we essentially contained our average unit costs per tonne milled, however cash operating costs per platinum ounce produced increased 5.2% mainly as a result of reduction in head grade.

Our operations at BRPM achieved an actual increase in business revenue of 29% during the financial year-ended 31 December 2010. This was as a result of higher production volumes and stronger metal prices.

For further Information

The CV of the CEO can be found on page 79 of this report. See the Financial review on p52 for more detailed information on our financial performance. For more information on our operational performance, see the Operating review on p62. You can find our performance against the Mining Charter Scorecard on pages 70 to 77.

Towards operational excellence

During 2010 we had a number of successes on our journey towards operational excellence. These included the 15% improvement in our lost time injury frequency rate (LTIFR) with which I was particularly pleased. Other successes were a 9% increase to 2 366 kt of run of mine (ROM) tonnes delivered to the concentrator, a 7% increase in tonnes milled and a 7% increase in PGM 4E concentrate to 288.1 koz.

People performance

We could not have achieved these results without the commitment and performance of our people. My congratulations to our management team on the outstanding work they did of identifying and managing the risks and costs associated with the handover of control of BRPM from Anglo Platinum to ourselves and the operational efficiencies and excellent project management they have achieved during the year.

I hope that the employee share ownership plan (ESOP) we have put in place, known as the RBPlat Mahube Trust, will encourage a sense of ownership among our employees.

The management team would not have been able to achieve this first step on the way to operational excellence without the support of the employees on our operations and the trade unions. Thank you to all of you for playing your part in helping RBPlat achieve its strategic objective of operational excellence. I greatly value the partnership being forged between employer and employee in RBPlat.

Our ability to attract and retain the best people with the appropriate skills at every level of our business is essential to the successful execution of our strategy. We are currently reviewing our remuneration and human resource development strategies to ensure that we provide industry-leading career opportunities.

The Styldrift project and the cooperation projects, which I have discussed under 'Progress against our strategies' will create much needed employment opportunities and will also contribute to infrastructure development once these mines are in operation and are contributing through their Social and Labour Plans (SLPs).

While we are performing well against our transformation targets, there is always room for improvement and transformation will be a priority in RBPlat over the next five years.

Environmental performance

Water management and reducing energy consumption are two major environmental challenges facing the mining industry and BRPM is no exception. We have already managed to achieve a reduction in energy consumption per tonne mined and milled. We will be measuring our carbon footprint in 2011 and looking for innovative ways to further reduce energy consumption.

We are investigating ways of treating and storing our processed water at BRPM that will allow us to provide for the mine's potable water requirements and reduce our dependence on the limited water resources in the area.

Progress against our strategies

I reported under Economic performance on our progress towards operational excellence during 2010. We have a number of initiatives already under way that will help us unlock further value in 2011.

Organic growth

We made good progress towards organic growth in 2010. Specifically, the Styldrift I project progressed quite significantly and continues to achieve big milestones. We are also pleased to

Chief executive officer's review continued

report that initial indications from our studies for Styldrift II show the potential to convert the project to an expansion project from a replacement project as currently planned. By the end of 2010 Styldrift I, which is planned to reach its maximum production level of 2.7 million tonnes per annum (mtpa) by 2017, was ahead of schedule and under budget.

Co-extraction

In pursuit of optimal PGM extraction from the lease area we started with the early mining of UG2 and concluded an ore offtake agreement with Anglo Platinum for processing.

Cooperation and consolidation opportunities

I am pleased to announce that we have agreed terms for the second of two cooperative agreements with our neighbours, Impala Platinum Holdings Limited (Implats).

Market outlook

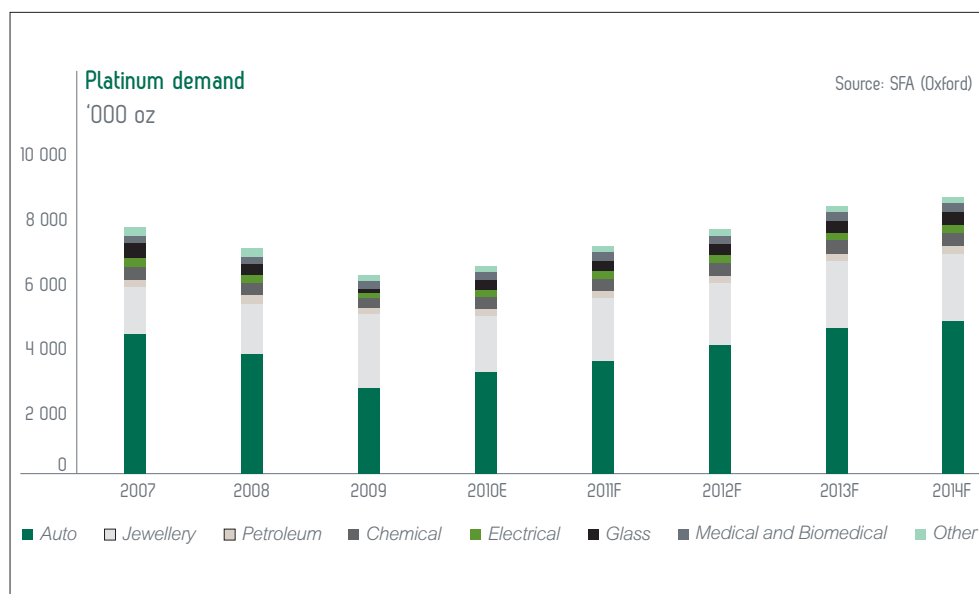
Platinum demand finished 2010 stronger than expected. Higher vehicle production, a recovery of diesel's share of passenger cars in Europe to approximately 50% and a pick-up in other industrial end uses (electrical, glass, chemicals) lifted the year's demand by 334 koz to reach 6.45 moz. The PGM sector's fundamentals remain strong driven by a market deficit and strong demand.

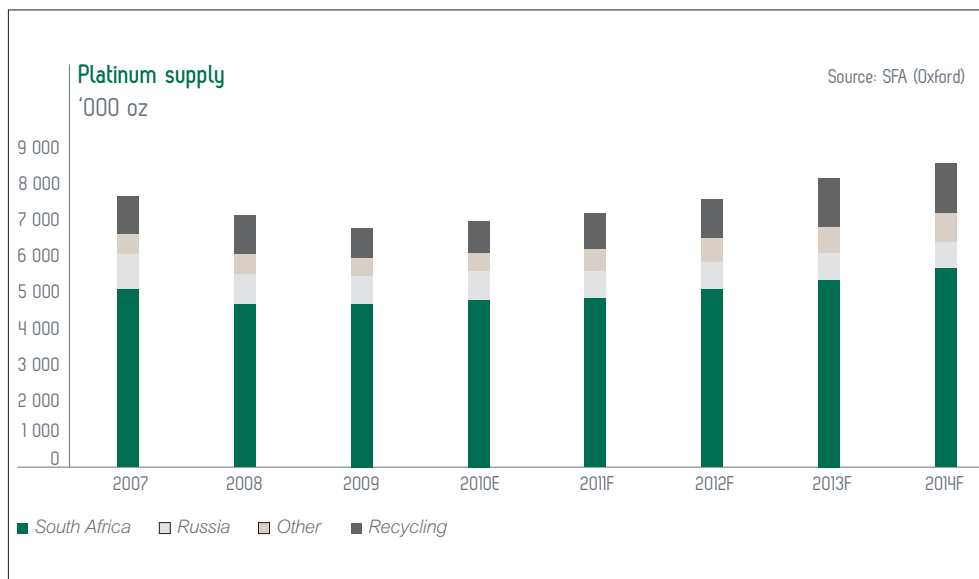
We remain positive regarding the outlook for PGMs, while we recognise that the debt situation in Europe could delay platinum's recovery.

Our view is based on supply growth for platinum and palladium remaining flat in 2011 as a result of structural issues concerning likely substantial increases in the underlying cost of future PGM production and a shift back into deficit for platinum in 2011.

Platinum

In Europe the recovery in sales of diesel cars is expected to increase the demand for platinum for use in autocatalysts. While the slowdown in the recovery of the European and North American automotive industry that was experienced in the third quarter of 2010 may continue into 2011, platinum demand will get a boost from tightening emission standards, particularly for heavy duty diesel vehicles in North America.





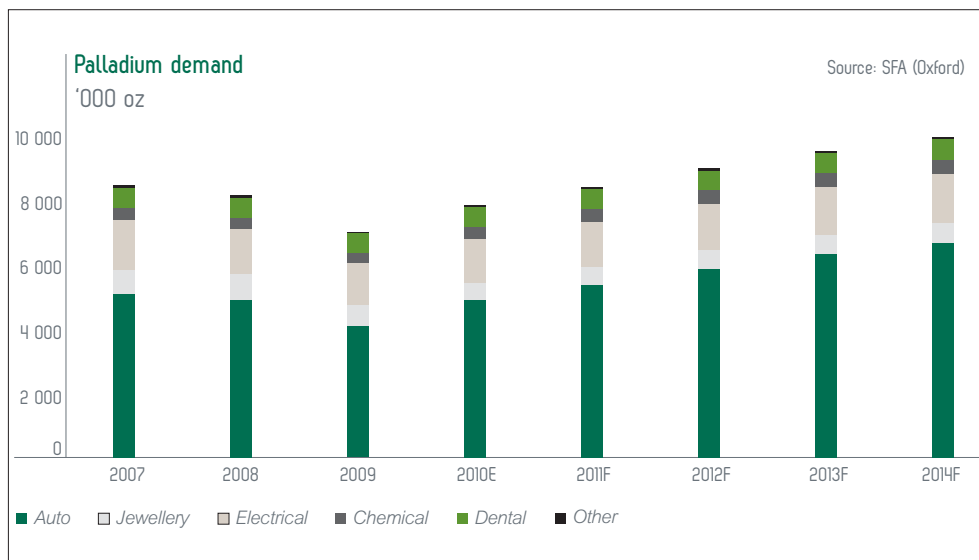
Industrial output, which is expected to continue recovering in 2011, is likely to drive the demand for platinum in process catalysts and the electrical sector. While industrial growth in the traditional North American and European markets may be restrained, the faster growth in China and the Rest of the World region is likely to result in high demand for platinum in 2011.

The significant growth potential for platinum jewellery in China, as a result of ongoing urbanisation and the growth of its middle class, together with increased industrial demand, points to a full recovery in total platinum usage by 2012. This is with the proviso that Europe's rate of recovery remains a risk for platinum.

Palladium

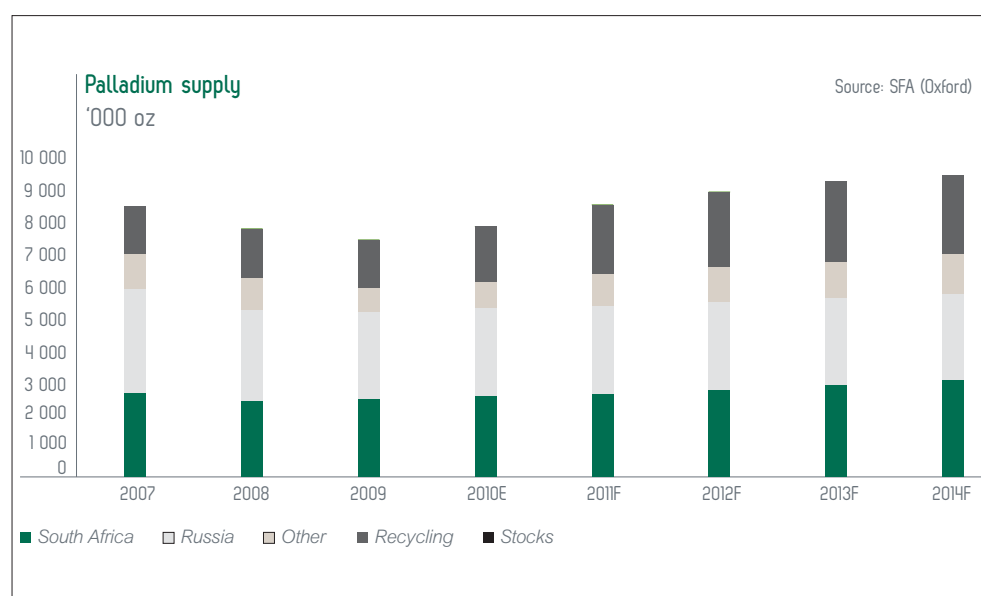
The outlook for palladium, which is also expected to be in deficit in 2010, remains positive over the next 12 months as demand for gasoline vehicles continues to increase in China and the Rest of the World region.

If the developed world's economic growth continues at the slower pace of the third quarter of 2010 its demand for palladium used in industrial applications could soften while it remains strong in China and the Rest of the World. Higher palladium production in all regions, together with steadily increasing industrial demand, is expected to keep the palladium market close to balance in 2011.



Chief executive officer's review continued

There are two sensitivities that could affect the performance of palladium in 2011. They are upside demand from China and the possibility of no shipments of Russian state stocks of palladium taking place in 2011. If this happens the palladium market could be substantially in deficit. On the other hand, because the demand outlook for palladium is so strongly weighted towards Chinese economic and industrial growth, any softening of that growth could reduce demand and move the market closer to balance.



The palladium price, like the platinum price, does not appear to be linked to these fundamentals. Instead it seems rather to be tied to the performance of the gold price and other industrial commodities.

Base metals

In addition to the opportunity for RBPlat to benefit from increased demand for platinum in 2011, we will also benefit from any increase in base metals prices and nickel in particular, if the increased sales in the automotive industry driving up the nickel price continue. Nickel accounts for approximately 11% of our income from metal sales.

Assurance

It is significant for RBPlat that we have produced our first Integrated Annual Report, including a limited assurance engagement (assurance of selected indicators) conducted by an independent assurance provider in accordance with the GRI B+ reporting level. This is our first attempt at integrated reporting and we are pleased to have achieved an unqualified assurance report.

Overall the findings of the assurance were positive, however, opportunities remain to implement improvements in some of our data systems and processes. A key issue of concern was the significant under expenditure on social development, arising from delayed establishment of appropriate RBPlat procedures following the takeover of the operation in January 2010. A plan is now in place with adequate human and financial resources to ensure effective expenditure to improve the livelihood of our surrounding communities. We anticipate that we will be in a position to conduct full independent assurance within three to five years.

RBPlat in 2011

After a year filled with considerable corporate activity, 2011 will be a year of consolidation for RBPlat. We will be focusing on business improvement and achieving operational excellence, with a particular emphasis on initiatives that will help us achieve our target of zero harm and delivering on all our strategies.

Appreciation

I wish to take this opportunity to express my appreciation to the RBPlat Executive and Board for their commitment and support during a challenging and rewarding year. A special word of thanks goes to our Chairman, whose wise counsel proved invaluable. Once again my thanks to the BRPM team and the team at our Corporate Office for their support and commitment.'



Steve Phiri

Chief Executive Officer

3 March 2011

Management approach

Ownership is a key element of RBPlat's management approach. It was the first community-driven initial public offering (IPO) on the JSE. Many of its employees are members of that community and therefore have every reason to have a sense of ownership. The management team promotes a sense of ownership and acceptance of individual responsibility throughout the business for meeting the Company's economic, social and environmental responsibilities.

RBPlat has an integrated approach to managing sustainability. The aim of this section of the report is to provide readers with an overview of the management approach we have adopted to achieve integration.

Disclosures on the management approach to specific economic, environmental, labour, human resources, social development and product responsibility issues are included in the relevant sections throughout the report.

The Company's Board, with the assistance of its executives, is responsible for the sustainable development of the business. In addition, the Board has appointed an Executive: Business Sustainability who is a member of the Executive Committee. He is the custodian of issues relating to sustainable development, provides counsel on sustainable development matters and ensures that other functions are addressing sustainability issues relevant to their areas of responsibility.

The Board has charged management with ensuring that adequate resources are applied and sufficient attention is given, to the implementation of sustainable development principles throughout the organisation.

In turn the executive management team relies on heads of departments in both the corporate office and the operations to ensure that all the key aspects of sustainable development pertinent to the Company's activities are addressed. Sustainable development is a line function.

Functions with responsibility for key sustainability issues:

Function	Responsibility
Community engagement and development	Managing corporate social investment projects, relevant components of social and labour plans, community engagement at operational level and protecting community human rights (See page 35)
Company Secretary	Corporate governance, including all aspects related to the King Code (See Governance section pages 82 to 90)
Finance and investor relations	Managing and providing advice on the Company's finances, putting in place policies, procedures and systems to protect the Company from fraud and corruption, ensuring economic sustainability and managing relations with investors (See pages 52 to 61)
Human resources	Skills development, recruitment, transformation components of the social and labour plans and protecting employee human rights (See pages 30 to 34)
Procurement	Implementing the vendor criteria and a particular focus on HDSA and local procurement (See pages 70 and 71)
Safety, health and environment	Reduce incident rates and eliminate fatalities; eliminate employee illness from the operations by providing a workplace that is free from significant occupational health and hygiene hazards; implement the Company's HIV and AIDS strategy and manage the impact of its operation on the natural environment and the communities in which RBPlat operates

Principal risks and uncertainties

Risk is an intrinsic aspect of business and it is inseparable from opportunity. The objective of our approach to risk management is to create a business where we can confidently grow shareholder value and pursue business opportunities while developing and protecting our people, our assets, our environment and our reputation.

The risks set out below represent some of the principal uncertainties and trends which may have an impact on the Company's ability to execute its strategy effectively. These risks have been assessed according to materiality, likelihood and residual risk after controls. In order to mitigate the risks involved in the transfer of the management of BRPM from Anglo Platinum to RBPlat, the Company undertook a comprehensive and detailed analysis of the potential risks involved and what steps it needed to mitigate these risks. The analysis of the risks involved and the mitigating actions taken (See the Financial review on page 52 and the Operating review on page 62 for details) resulted in a smooth and successful handover of management control.

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

For further
Information

GRI 2.1
For more information on the impact of Commodity price volatility and fluctuations in currency exchange rates see the Financial review

p52

Risk	Impact	Response
Safety and Health		
RBPlat operates an underground conventional mine which poses risks, from fall of ground, moving machinery and noise, to the safety and health of employees conducting mining activities in these conditions.	Low morale and reduced employee productivity due to injury and sickness from unsafe working conditions will impact on the ability of the operations to achieve its business objectives.	Safety and people first is the Company's first value. Employees continually receive training on how to monitor and implement safe and healthy working conditions.
HIV/AIDS prevalence poses a threat to the health of employees, the Company and the community within which we operate	Prevalence of HIV/AIDS rates will impact on RBPlat's dependence on the local community for human capital for its expanding operations, certain local services and products and the Company's strategy for improving local socio-economic development.	New technology is being investigated for rock drilling machinery which will reduce noise-induced hearing loss. The wellness programme provides a holistic approach to the treatment of employees who have contracted HIV/AIDS, including ART, VCT and TB treatment, which are extended to family members.
Environment		
The mine is a net producer of water, resulting in a requirement for additional water storage facilities that are currently not provided for in the Integrated Water Use Licence.	Potential penalties for breach of the water use licence conditions.	The water use licence for BRPM was issued in mid-2010 after submission of an application in 2005. Management is continuing its engagement with the DWA to align current water usage with licence conditions. Further, RBPlat will be implementing a water recycling plant to reduce the volume of potable water used by operations, thus providing an opportunity for sustained water availability for other social needs.

Principal risks and uncertainties continued

Risk	Impact	Response
Financial exposure as a result of commodity price volatility		
RBPlat's revenue and earnings are dependent on the prevailing prices for PGMs and base metals (such as nickel) contained in the concentrate it produces. Each PGM and base metal is globally traded and, consequently, the Company is unable to directly control the prices it receives for them. Historically, PGM prices have fluctuated widely and are affected by numerous external factors beyond the Company's control.	The impact on our operating profit of movements in the price of PGMs and base metals is set out on page 60 of the Financial review. Commodity price trends and commentary on the outlook for each is also provided in Chief Executive Officer's report on pages 10 to 15.	RBPlat manages the risk of commodity price fluctuations by aiming to continually reduce costs by maintaining low-cost, efficient operations, optimising returns throughout the commodity price cycle and optimising the employment of capital. Currently, and for the foreseeable future, it is not our policy to implement hedging initiatives.
Fluctuation in currency exchange rates		
The prices of PGMs and base metals are quoted in US Dollars, while our operating costs are incurred in Rands. As a result, fluctuations in the exchange rate can impact positively or negatively on RBPlat's earnings.	The impact of currency exchange rate fluctuations on our operating profit, together with the average exchange rates in 2010 are set out in the Financial review on page 52.	Containing production costs by means of process improvement initiatives and investments to reduce costs, cash management and strategic planning at operational level, mitigate the impact of currency fluctuations in favour of a stronger Rand.
Operational and project risk		
Operational and project risks include: ■ operational exposures due to lower than planned grades ■ loss of production due to fire/outages on conveyors and the risk of injury (all underground conveyors) ■ delayed and/or ineffective or inefficient project completion ■ non-achievement of ledging and equipping rates to make up the shortfall in IMS ■ business continuity exposure due to slimes dams capacity ■ delayed implementation of projects due to resource demands created by social economic development and community social development legislation and other community responsibilities ■ financial and operational exposure due to power outages ■ cost escalations exceeding budget ■ major catastrophic events due to geological structure complexity (failure of large excavations)	Impacts on our operating environment may adversely affect operating performance, production levels, unit costs and operating profit.	Our response to operational risk includes: ■ mine planning and production monitoring and review ■ plant process control ■ fire detection and fire suppression systems to reduce the risk of fire ■ environmental management programmes ■ comprehensive project management control ■ assessment of project management processes ■ community/social and labour plan strategy and execution ■ having a supply agreement in place and maintaining relations with Eskom ■ enhancing activity based costing and undertaking cost reduction project ■ using computer software modelling and implementing geotechnical support recommendations
IT risk		
Financial and operational exposure due to reliance on service level agreements. Roll out of independent IT strategy.	The impact of a failure of IT systems would be major on operational and financial management.	Devising comprehensive IT strategy, policies and procedures, security protocols, back-up protocols, disaster recovery protocols and performance monitoring.

For further

Information



GRI 1.2

For more information on project development see Operating review page 62 and CEO's report page 10

Risk	Impact	Response
Legal compliance		
Financial, legal and reputational exposures due to non-compliance with existing and future legislation and governance requirements.	Any of these factors could have an adverse impact on RBPlat's profitability.	Legal compliance strategy is being devised. The Company's officials maintain extensive relationships with regulators and local, regional and national government bodies. It ensures any changes to laws or regulations are addressed and it closely monitors its compliance with legislation. RBPlat works in partnership with its employees and local communities to fulfil its social and labour plan commitments and to ensure it earns and maintains its social licence to operate. It complies in full with the laws and regulations of South Africa. Its operations focus on the security of personnel and secure all access from surface to underground. The Company monitors legislative requirements and frequently engages with government and regulators to ensure full compliance. RBPlat's operations report regularly on their health, safety, environmental and social performance.
Key employees and employee skills		
■ Quality of key operational and support staff due to a lack of sufficient on-the-job training ■ The negative impact on operations and efficiency if key staff are lost ■ Shortage of key skills in the mining industry	The loss of key employees could have an adverse effect on the business. As the business develops and expands its future success will depend on its ability to attract and retain highly skilled and qualified personnel.	Putting in place: ■ staff retention strategies ■ mentoring programme ■ structured training development programmes with a focus on up-skilling
Labour unrest/industrial action		
Potential breakdown in stakeholder relationships leading to industrial action.	Labour unrest can result in loss of earnings.	Establish a negotiation committee and resolve any outstanding issues to ensure cordial relations are maintained.
Labour costs		
Increased labour costs.	Increased labour costs could have an adverse effect on the Company's operating results and financial condition.	Improve productivity and maintain relations with trade unions.
Supply chain		
Community preferential procurement expectations not being met.	Financial, legal and reputational damage could result from community preferential procurement expectations not being met.	Revisit preferential procurement strategies in light of change of operational control.

For further

Information**GRI 21**

For information on our employees see our KPIs on pages 22 to 37

RBPlat aims to attract and retain the best people at every level of its business

Principal risks and uncertainties continued

Risk	Impact	Response
Community relations and expectations		
RBPlat's operations and the development of its projects can have an impact on local communities. In some instances they may involve resettlement of communities and the relocation of infrastructure. Communities may oppose the company's activities.	If RBPlat does not gain broad support for its activities from the local communities its projects could face delays, which would impact future profitability, development costs and RBPlat's corporate reputation.	The Company engages with the communities affected by its operations to identify and evaluate their needs and concerns at every stage of a project, as well as the actual and potential impacts of RBPlat's operations on communities. It carries out baseline studies and risk assessments and engages with all communities within an operation's sphere of influence in a transparent and culturally appropriate manner. RBPlat recognises the rights of community members and respects the law, customs and cultural heritage. The Company aims to avoid the need to resettle communities, but where it is necessary it adheres to international standards on involuntary resettlement.
HIV and AIDS		
HIV and AIDS and associated diseases remain the major healthcare challenges facing the South African mining industry. If the Company's employees suffer from the symptoms associated with HIV and AIDS it could have a negative impact on BRPM's production and, consequently, on the Company's productivity and profitability.	HIV and AIDS affect employee-related costs in terms of increased absenteeism, low morale, healthcare costs, employee productivity and the production capacity of the operation.	The Company has implemented HIV and AIDS awareness and prevention programmes for its employees, their families and the local communities as part of its wellness programme. It also offers a voluntary HIV counselling and testing programme. All of its employees are covered by medical insurance which covers the costs of antiretroviral therapy for HIV-positive employees.

For further

Information



GRI 1.2

For information on communities see KPIs on page 35

Risk	Impact	Response
Reserves		
Mine reserves decline as commodities are extracted and not all reserves may be mined as profitably as anticipated due to changes in the business operating environment.	Successful exploration and development activities and access to new properties containing economically recoverable reserves are necessary for RBPlat's future success.	RBPlat annually updates the quantity and quality of its estimated resources and reserves to reflect the extraction of commodities and additional drilling that creates new resources. Reserve and resource estimates are published in this report on page 38. In order to develop its reserves the business needs to obtain various government permits and community buy-in to it accessing properties for drilling and establishing surface infrastructure. Further exploration drilling plans include proactive engagement plans with local communities and other private surface right owners who will be affected by these mine activities.
Climate change		
Future climate change legislation may lead to higher energy costs or restricted energy supply. It is also likely to increase costs for monitoring, reporting and accounting.	Failure to reduce its greenhouse gas emissions could have a negative effect on the Company's reputation. Restricted energy supplies may have an adverse impact on RBPlat's ability to maintain production and increased costs could impact on its ability to contain operating costs. Climate change may also result in weather-related events that may hamper production or damage assets. While RBPlat has not as yet assessed its carbon footprint it is aware that the majority of the greenhouse gas emissions associated with its operations are indirect emissions stemming from the production of the electricity consumed in its operations.	RBPlat has already put in place energy saving initiatives and is examining ways and means of increasing its energy efficiency. Once it has a clear understanding of its carbon footprint it will be able to assess further opportunities to reduce its emissions.



View of BRPM Concentrator Plant

Key performance indicators



The shaft being sunk at Styldrift I

Strategy:

- To achieve operational excellence (optimising volumes and reducing costs)
- To grow organically through Styldrift I
- Bring Styldrift II forward as an expansion project
- Build flexibility in the business through co-extraction of UG2
- Pursue value enhancing acquisitions and synergies

RBPlat's Board regularly monitors and assesses the Company's performance against its key performance indicators, which include its eight sustainability elements and its strategic objectives.

The eight sustainability elements against which RBPlat measures itself are: safety and health stewardship, human capital development, ore body development, economic capital, environmental stewardship, social capital, innovation capital, and its corporate governance framework.

RBPlat's vision to seek and deliver the good from mining recognises that the Company has numerous stakeholders that are affected by the activities of our operations and that stakeholders have certain expectations and rights in relation to the Company. Pages 91 to 97 lists our various stakeholders, and the related material issues raised during the period under review and the Company's response to these issues. RBPlat has a structured approach to engaging with its stakeholders, which provides the Company an opportunity to address issues proactively and effectively, leading to sustainable solutions which create stakeholder value.



Carol Mosue (left) Shaft surveyor and Vincent von Plaste, section surveyor discuss the mining plan for South Shaft

The principal risks and uncertainties (pages 17 to 21) inherent within the business present challenges to our sustainability which, with effective response management, provide opportunities for value creation for the benefit of our stakeholders.

Challenges and opportunities

The economic, environmental and social impacts, risks and opportunities RBPlat currently faces include:

- Workplace safety – a significant improvement has been achieved in this area in comparison with the previous period when measured in terms of the lost time injury frequency rate (LTIFR). However, regrettably, three members of the workforce lost their lives during the same period. Consequently, a new safety strategy has been developed to further improve safety performance in terms of LTIFR and to significantly reduce the serious injury and fatality rates during 2011 and subsequent years.
- Critical skills shortages in the mining industry – approaches to addressing this risk across all levels of employees include targeted training, accelerated on-the-job training and retraining of current employees; provision of opportunities to improve education levels through ABET programmes; graduate development programmes for employees with tertiary education; and executive development programmes for senior management. These initiatives will be further aligned to the Company's strategy. Health issues in the workplace and in the communities adjoining RBPlat's operations (in particular HIV and AIDS) – our initiatives to reduce the HIV prevalence rate and manage infections is beginning to show positive results. Although 2010 was the first official measurement of this key performance indicator, an emerging trend compared with historical measures indicates reduction in the prevalence rate. Efforts to maintain this downward trend will be intensified during 2011.
- Environmental challenges of water management, climate change, biodiversity and land use management – our operations are net producers of water, a key resource for the sustained production of PGMs. Consequently, additional storage of water is required. Currently, the mined out open pits are used for this storage and discussions are ongoing with the DWA to obtain approval for this temporary storage facility while we seek a longer term solution. Other opportunities for water stewardship include increasing the volume of recycled water used by the mine, thus reducing the amount of potable water used by the operation. The first baseline assessment of RBPlat's carbon footprint will be conducted as a first step towards a holistic climate change programme for the business. Developments in this regard will be reported in the following year's annual report. Biodiversity and land use management are important to RBPlat. The Company is leasing the surface rights from the RBN upon which its operations are located. Biodiversity and Land use management are governed through corporate governance structures as well as a formal stakeholder engagement structure in the form of the Surface Lease Management Committee. This Committee aims to address negative impacts of mining operations on the environment and possible rehabilitation and mitigating responses including possible positive impacts on the surrounding communities.
- Challenges of how best to manage the impact on the business of increased costs and fluctuating commodity prices – management implemented Project Kgolo during 2010 with the main aim of achieving operational excellence. For the year-ending 31 December 2010 a 12% improvement in tonnes milled was achieved at the same cost as the previous year. Project Kgolo will continue for at least the next 18 months to two years and beyond, sustained by internal champions.
- Increasing expectations from surrounding communities – following the takeover of the operation by RBPlat, a change in strategy was developed with regards to social development in the surrounding communities. A key aspect of the strategy is the consideration of sustainability in all social projects developed by the Company. Other considerations for social development include increasing investment in enterprise development and procurement from local black-empowered and black-owned businesses. This will provide RBPlat with an opportunity to improve its business performance whilst contributing to the socio-economic development of the communities in which we operate.

Key performance indicators continued

Targets are described in the relevant sections for each key performance indicator. However, where targets have not been provided, management and the Board are engaging in discussions to establish new targets for the Company which are aligned to its vision, mission and strategy; for example targets for climate change indicators will be established on conclusion of a baseline carbon footprint and development of a climate change strategy.

Over the next three to five years, the Company's primary objectives are to continue to enhance the operational excellence of the current operations as well as to deliver the Styldrift Merensky Phase I project safely, on schedule and on budget to produce an additional 300 000 4E ounces of PGMs. This strategy will consider the impact of key risks such as employee safety given the changing nature of mining operations, energy security and water stewardship, availability of skills to occupy key roles for the Styldrift project and community expectations.

The Board has the ultimate responsibility and accountability for business sustainability. This responsibility is managed through the: Audit and Risk Committee; Safety Health and Sustainable Development Committee; Nominations and Remuneration Committee and the BRPM JV Management Committee.

The roles and specific responsibilities of each of the above committees are described on pages 87 and 88.

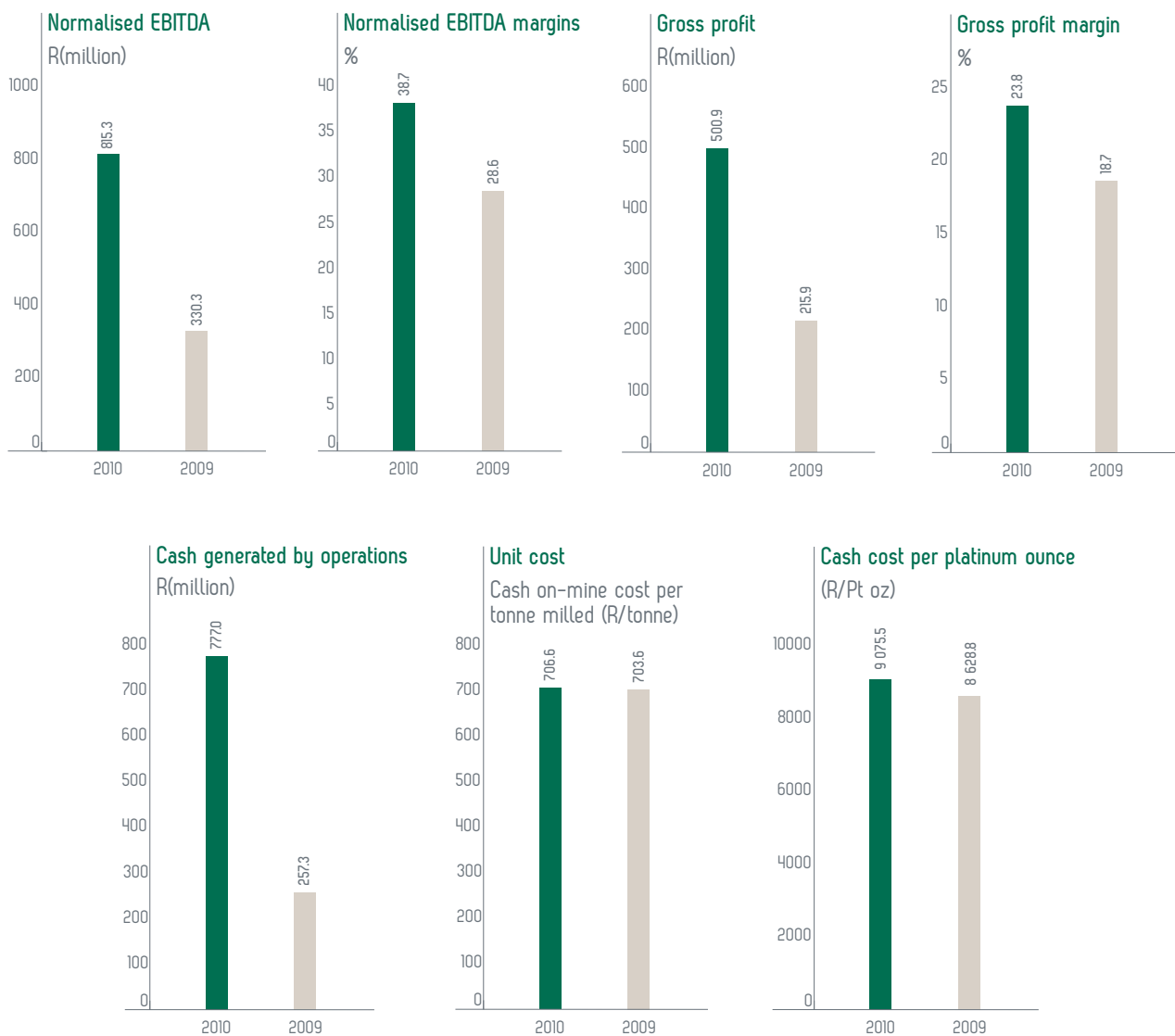
Economic capital

A detailed discussion of RBPlat's financial performance during 2010 can be found in the Financial review on page 52.

For further
Information



See www.bafokengplatinum.co.za for more information on key performance indicators covered in this section of the report.



Human capital

When RBPlat took over operational control of BRPM in January 2010, its key performance measures with regard to human resources were:

Performance measure	Achievement
■ Retain key personnel, put in place people with the appropriate managerial and operational skills at both BRPM and the RBPlat corporate office	✓ GM retained + 78% of HODs Corporate office personnel increased by 60%
■ No industrial action during transition to BRPM control and minimal disruption to operations during the process	✓ No disruption to operations, instead production increased (See Operating Review for details)
■ Communicate and engage with employees effectively	✓ Smooth transition as a result of effective engagement with labour. Communication strategy and plan in place and being implemented
■ Agree a collective wage agreement and conditions of employment	✓ Agreement signed with organised labour to honour current wage agreement A replacement employee share ownership plan established Labour recognition policy governing relationship with labour revised
■ Maintain high safety standards	✓ Partially achieved – LTIFR target exceeded, but three fatalities (See Safety below)

Safety

Safety performance

	Target for 2011	2010	Target for 2010	2009	Target for 2009
Fatality frequency rate (FFR)*	0.000	0.036	0.000	0.012	0.000
Lost time injury frequency rate (LTIFR)*	0.790	1.001	1.075	1.180	1.860
Serious injury frequency rate (SIFR)*	0.440	0.531	0.366	0.390	0.290

* Rate refers to per 200 000 hours worked

Safety and People First is RBPlat's first value. Trust, respect, teamwork and an uncompromising commitment to the safety of our people is of utmost importance to the Company. It is committed to providing a safe workplace and believes that every work-related incident, illness and injury is preventable.

During the past three years the safety performance of Bafokeng Rasimone Platinum Mine (BRPM) has shown an improvement in terms of its LTIFR and the number of incident-free days on the mine. The operation has achieved a million fatality-free shifts on eight occasions in the past. The most recent of these achievements was in September 2010.

Regrettably, three fatal accidents occurred during the year. The first fatality occurred in February 2010 during ore transport activities underground involving a locomotive and a hopper. In October 2010 another employee lost his life during nightshift winch and scraper operating activities. The third fatal accident occurred during cleaning activities at the Styldrift I shaft sinking operation. Operations were suspended immediately after each accident. Mine management and the DMR then conducted intensive investigations to identify the root cause of each accident and devise preventative measures.

In 2009 BRPM embarked on a holistic safety, health and environment (SHE) strategy, the main purpose of which was to give line managers a clear roadmap towards achieving zero harm.

The safety principles supporting the strategy are:

- All injuries are preventable
- BRPM's simple non-negotiable standards and procedures must always be applied
- BRPM will learn from unwanted events and put systems in place to prevent them recurring.

It has retained its Occupational Health and Safety Assessment System (OHSAS) 18001 certification every year since 2004 and has also retained its International Standards Organisation (ISO) 14001 certification every year since April 2002.

Health



A sister consulting with a patient at the BRPM clinic

Occupational health

RBPlat's operations aim to identify, assess and control occupational health hazards and, where practicable, eliminate work-related diseases. Occupational illnesses can have a long latency, in particular noise induced hearing loss (NIHL) and cases can be related to historical operating practices. Other illnesses can be attributed to more recent exposure, such as respiratory disease relating to dust exposure and contact dermatitis. In each case, RBPlat aims to identify, assess and control occupational exposure to hazards with an overall aim of eliminating occupational illnesses.

Thirteen new cases of occupational illness were reported among BRPM employees in 2010. Five of these cases were irritant contact dermatitis. After a new type of explosive had been introduced at the mine, employees complained of skin irritation and two employees who had handled these explosives reported to the BRPM clinic with severe irritant contact dermatitis on their hands. The suppliers were informed and acted swiftly, changing the composition of the product within a week. Thereafter employees experienced no further problems while handling explosives. Two further cases of irritant contact dermatitis were reported. The employees believed it was their gloves that caused the irritation, but as they could not produce the gloves for testing this could not be proved. They were issued with new gloves and the dermatitis disappeared. One person reported irritant contact dermatitis from a claimed exposure to blasting fumes. The shaft ventilation department investigated the site and found it to be on the ventilation intake side, receiving only fresh air.

NIHL is one of the most common occupational illnesses in the mining industry. All employees entering the mining industry undergo a baseline assessment of their hearing. BRPM has a proactive hearing conservation programme in place at its operations. Its major noise generating equipment has been silenced to below the 2013 milestone set for noise (below 110 decibels), or has been replaced with equipment that operates at noise levels below the milestone. During 2010 the Company recorded eight instances of noise induced hearing loss. There are 10 S36 Drop Raise machines that exceed 110dBa. One of these is being fitted with a newly developed silencer to determine effectiveness.

Health continued

Occupational health statistics

Instances of occupational illness	2010	2009
NIHL of more than 10%, which qualifies for compensation	4	5
NIHL of more than 10%, but does not qualify for compensation	4	4
Irritant contact dermatitis	5	1
Occupational asthma	0	1

HIV and AIDS

Targets for 2010

- **100% of employees to receive counselling – achieved**
- **97% of those counselled were voluntarily tested – exceeded target**

At RBPlat the impact of the Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) have been managed as an integrated response along a continuum of care (from prevention through to care and support), taking into account the larger socio-economic conditions that are a co-factor in the pandemic and closely linked to strategies for prevention.

A partnership agreement supporting the Company's HIV and AIDS policy and all other HIV and AIDS initiatives has been signed between RBPlat, the trade unions and associations.

HIV counselling and testing (HCT) in 2010

Programme	2010 statistics	Maximum HIV prevalence for 2010*
Number of employees counselled	4 585	
Number of employees counselled who were tested	4 409	
Number of employees tested who were HIV positive	539	15.6%
Number of contractors counselled	8 860	
Number of contractors counselled who were tested	8 220	
Number of contractors tested who were HIV positive	915	17.6%

Note: Prevalence = those that tested positive and those that did not test.

In 2009, 285 safety representatives were trained to SETA standards as peer educators. They implemented a system of reporting, supervision, mentoring and coaching. The objective is to have one peer educator for every 50 employees.

HIV counselling and testing (HCT) is available annually, together with education and information, to all ex-leave and new employees to make them aware of the risk of HIV, tuberculosis (TB) and sexually transmitted infections (STIs). The 2010 targets were for 100% of employees to be counselled and 85% of those counselled to be voluntarily tested. Both these targets were achieved.

At RBPlat's operations male and female condoms, advisory and treatment services for STIs and TB and post-test support and follow-up psychological support are provided, together with an education programme which is aimed at achieving behaviour change.

Active TB screening is part of the annual medical examination. Infected employees are provided with comprehensive treatment for TB. Initial data from the antiretroviral (ART) programme shows a decrease in the risk of TB among employees on ART, which reflects the efficacy of the TB treatment programme.

RBPlat's wellness programme is intended to keep employees healthy and free from opportunistic infections such as TB and pneumonia and to delay ART as long as possible. Under the programme prevention of mother-to-child transmission (PMTCT) treatment and post-exposure prophylaxis (PEP) are both provided and both have been actively promoted among employees. Ten women were enrolled onto the PMTCT programme in 2010.

HIV and AIDS statistics

Programme	2010 statistics
Enrolment in HIV wellness programme	311 (an increase of 58 on 2009)
Number of employees currently on antiretroviral treatment (ART)	185 (an increase of 45 on 2009)
Number of spouses currently on ART	8 (an increase of 3 on 2009)
Number of employees diagnosed with a sexually transmitted infection (STI)	227



Testing for HIV

Human resources

Total workforce as at 31 December 2010

Category	2010	Percentage
Fulltime employees	3 207	41
Contractors	3 586	48
Project contractors	877	11
Total	7 671	100

RBPlat aims to achieve:

- a stable relationship with its workforce
- good relations with the representatives of organised labour
- a low incidence of strike action
- low staff turnover
- high levels of productivity
- the ability to attract and retain the best talent
- a good employee welfare system
- full legal compliance
- multi-year wage agreement with organised labour
- a transformed workforce

Wherever possible the operations of the BRPM JV recruit from the local communities. Total employee turnover during 2010 was 5.5% of the total number of fulltime employees.

The Company is committed to operating safe and healthy workplaces, based on mutual respect, fairness and integrity. RBPlat is developing its remuneration philosophy that will offer equal rates of pay for male and female employees of equal experience. Our employment equity policies are based on providing all potential and existing employees with equal opportunities.

To ensure continuity during the transfer of operational control of BRPM to RBPlat, employees were offered conditions of employment and benefits that were similar to those they had enjoyed prior to the change in operational control.

The benefits the Company provides its fulltime employees (over and above the legally mandated employment benefits) include retirement benefits, medical aid and short-term and long-term incentive schemes among others.

Employees who do not fall under the bargaining units were also offered similar conditions of employment and benefits as they enjoyed prior to the change in operational control. The benefit they received from the listing of RBPlat on the JSE was in the form of share options.

There has been a continuous engagement with labour, regarding the new agreement and previous agreements entered into, to ensure operations continue to run smoothly. Engagement structures have been established and policies continue to be revised.

Unionised staff

Only two organised labour representative organisations are recognised by RBPlat: National Union of Mineworkers (NUM) and United Associations of Trade Unions South Africa (UASA). 79% of the workforce is unionised and the union membership is as follows in the table below:

Union	% in Supervisory Bargaining Unit	% Operational Bargaining Unit
NUM	58.6	75.1
UASA	30.2	3.9

Employment equity

The aim of RBPlat is not only to satisfy compliance regarding employment equity targets, but to exceed those of the revised Mining Charter.

Women in mining

	2010 Number	2010 % of total fulltime workforce	Targets for 2010 (% of total fulltime work- force)	2009 Number	2009 % of total fulltime workforce
Women in mining	316	10.50	11.66	321	10.00
Women in core positions	218	7.00	9.65	224	8.00

The percentage breakdown of HDSA managers in core and support functions at BRPM as at 31 December 2010

(excluding white women and based on Department of Labour occupational levels)



BRPM employees attend briefing sessions before their shift begins

Human resources continued

For further Information

See **p71** and **p72** for further details of the training and development programme in place at RBPlat's operations.

Training and development

Targets for 2010

RBPlat is committed to ensuring that all its workers, both fulltime employees and contractors, are given the opportunity to acquire skills and competencies to achieve their own goals as well as the organisation's objectives. The Company offers its employees the opportunity to:

- become functionally literate and numerate
- participate in learnerships
- participate in skills programmes
- acquire portable skills
- be part of a variety of other training initiatives.



BRPM invested in two years of training for Hilda Maimela at the ESTC in Randfontein. She is now a fully qualified electrician working on Boschkopie Mine's South Shaft



Process Supervisor Moshua Mahlafela at work in Boschkoppie Mine's concentrator plant

Most training interventions are provided in house by qualified staff.

Underground training centre

The underground training centre has been refurbished. An underground training centre catering for UG2 training is also being developed. Every underground employee is properly inducted at the training centre to ensure that employees mine safely.

The services of the Engineering Skills Training Centre (ESTC), based in Randfontein, are utilised for artisans and technicians learnerships which include among others electrical, fitting, plating, rigging, instrumentation, diesel and millwright.

The Processor Academy Development Programme has been developed to equip concentrator processors with the necessary skills.

Unemployed members of the surrounding community have been included on this training programme which provides them with metallurgical skills and knowledge that makes them employable. All candidates from surrounding communities who were enrolled in the academy have been employed by BRPM as processors.

Leadership and people development plays a key part in ensuring that RBPlat will have a sustainable supply of quality leaders. Employees are provided with bursaries to further their skills and are equipped through various short courses to deal with management challenges. Members of the community are provided with bursaries to ensure access to higher education to deserving students. An intake of graduates across disciplines introduces new graduates to the business annually.

Human resources continued

Average hours of training per category of employee

	2010 Hours	2009 Hours
BRPM employees	31	31
Contractors	30	30

RBPlat's investment in training

	2010 R	2009 R
Training spend	8 439 360	6 990 905

Safety training

	2010	2009
Number of safety training courses for employees and contractors	984	894

Adult basic education and training (ABET)

ABET is offered to employees, contractors and community members. Successful negotiations with the Royal Bafokeng Institute (RBI) – an education administration entity of the RBN – resulted in community learners, who had been successful participants in the BRPM ABET programme, being offered learnerships at the Institute.

ABET registrations and completions

	Social and labour plan targets	Employees	Contractors	Community
2009 registrations	230	156	95	88
2009 completion %	No targets set	63%	79%	100%
2010 registrations	590	130	198	165
2010 completion %*	No targets set	27%	49%	100%
2011 registration targets	590	118	272	200

For further Information

See p32 for further details of the training and development programme in place at RBPlat's operations.

* The drop in registration in 2010 may be as a result of the impact on the morale of the learners of the change to integrated facilitation and assessment announced by the Minister of Basic Education.

Community development



Learners at Boshhoek Primary School where BRPM invested in the Experico programme that trained teachers to teach maths and science and also gave the pupils training in maths and science

RBPlat's social responsibility policy and its sustainable development strategies are two of the key elements supporting its 'More than Mining' philosophy. They have been designed to achieve a balance between the Company's interests and those of its communities and environment and both commit RBPlat to supporting initiatives that benefit the communities within which it operates. After engaging with representatives of the Royal Bafokeng Nation and its land administration entity, the Royal Bafokeng Administration (RBA), and the Rustenburg Local Municipality on the specific needs of the communities in the vicinity of its operations, RBPlat has set up a local economic development (LED) framework for its operations to address job creation and poverty alleviation, basic infrastructure development, community education and development needs. (For further details see the stakeholder engagement table on pages 91 to 97 of this report.)

The Company's investment in community development is governed by its social and labour plan commitments. Although the focus of this investment has been mainly within the Bafokeng region, attention will also be given to communities beyond the Bafokeng borders. During 2010 R1 433 668 was spent on local economic development.

BRPM's investment over the past three years:

The Company further supports communities through its commitment to procurement from local HDSA suppliers. During 2010 it exceeded its target for local HDSA discretionary procurement of 25.1% by procuring 26.1% of its discretionary procurement from local HDSA suppliers. BRPM has actively promoted local enterprise development and has partnered with the Royal Bafokeng Enterprise Development Department to increase BRPM's procurement from enterprises based in the local communities. (See the Mining Charter Scorecard for further details of HDSA procurement on page 70).

Impacts of the programme

Enterprise development programmes have been established recently. Their impact will be monitored from 2011.

Targets for 2010

Environmental management at BRPM has improved over the years as a result of the implementation of an Environmental Management System (EMS) based on the requirements of the ISO 14001 guideline. BRPM is ISO 14001 (2004) certified. The EMS allows BRPM to identify and implement preventive and corrective measures to address the significant environmental impacts arising from its activities. The BRPM EMS is audited annually by independent external verification auditors who check its compliance with the ISO 14001 guideline. This process ensures the continual improvement of BRPM's environmental performance.

While the RBPlat environmental management system (EMS) is working effectively, there are some key environmental issues in the areas of water management and opencast pit rehabilitation that need to be addressed.

Environmental stewardship

In terms of BRPM's Environmental Management Programme Report (EMPR) and Environmental Impact Assessment (EIA) it must put in place control measures to separate clean and dirty water in accordance with Regulation 704 of the National Water Act 36 of 1998. RBPlat appointed SRK Consultants to undertake the Regulation 704 compliance audit in 2010, which revealed that clean and dirty water separation at BRPM is not fully compliant with the regulation. In order to ensure full compliance in terms of clean and dirty water separation at the operation, a number of storm water infrastructures need to be upgraded and in some cases new ones need to be erected. Work has started on achieving compliance, which will be completed during 2011.

BRPM operates a closed loop system in terms of water and the mine's process water is circulated in its operations. As a result, it has excess process water stored in old unrehabilitated opencast pits on its property. BRPM is currently undertaking a feasibility study into treating the process water stored in the opencast pits. It is envisaged that a water treatment/reclamation plant will allow BRPM to reduce its potable water footprint and its dependence on the potable water line.

Rehabilitation plans are in place as is a biodiversity action plan. Both are reported on by BRPM's environmental department. A baseline survey undertaken at BRPM listed 22 species on the International Union for the Conservation of Nature and Natural Resources (IUCN) Red Data List species. However, 20 of these species were not considered to be of concern as potentially suitable habitat does not occur within the study area or their conservation status categories had subsequently been revised to Least Concern and they were no longer regarded as threatened. The remaining two species – *Eucomois autumnalis* sub species *clavata* and *Nuxia glomerata* – were at that stage both regarded as near threatened and though neither species was found during the baseline survey, it was recommended that both species should be searched for during the recommended follow-up floristic surveys.

Climate change

Greenhouse gases

BRPM's greenhouse gas emissions result from:

Scope 1 emissions (direct)	■ Fuel such as diesel and oil used on site
Scope 2 emissions (indirect)	■ Purchased electricity used to run our operations, generated mostly from burning fossil fuels
Scope 3 emissions (from sources not owned or controlled by Royal Bafokeng Platinum)	■ Transport of materials and consumables to our operations ■ Waste sent to off-site landfill ■ Emissions from business travel

Previously BRPM's carbon footprint was included in Anglo Platinum's measurement of its energy footprint. RBPlat will be assessing its carbon footprint during 2011. The main consumers of energy in its mining operations are compressors, ventilation and cooling systems, winders and pumps. In the concentrator at the BRPM operation, energy is used for crushing, milling, flotation and its tailings operations.

Total energy consumption

	2010	2009
Electricity (MWh) (Indirect)	292 552	288 826
Diesel (1 000l) (Direct)	511.172	694.824
Petrol (1 000l) (Direct)	31.742	32.422
Total energy use (GJ)	1 074 024.90	1 073 528.77

Energy consumption per tonne of product mined and milled

	2010	2009
KWh/tonne milled		KWh/tonne milled
	123	134

Tonnes milled

	2010	2009
	2 379 655	2 154 169

In 2009, additional phase II main infrastructure (eg LEG 3 conveyor and main ventilation fans) at both North and South shafts were commissioned and brought into operation. The Isamill in the concentrator was also commissioned. The KWh/tonne milled regression in 2009 was aggravated by lower ore volumes treated.

Initiatives to reduce indirect energy consumption and reductions achieved

BRPM has embarked on a number of energy saving initiatives. These include:

- installing capacitor banks to keep the power factor close to unity has resulted in significant reduction in charges on BRPM's electricity account for reactive power
- installing heat pumps at change houses to heat up water, instead of using urns to heat water has achieved a reduction in power usage of approximately 5%
- using energy savings lights on the surface and underground
- all ventilation fan vanes have been clamped at 60% to reduce their energy consumption to a minimum
- a compressed air automatic control system was installed underground on each level to automatically shut down the valves feeding the level if there is no activity or work being done on that level. After the shift all the valves will be remotely shut off to avoid wastage
- two ventilation fans are shut down over the weekend at the North and South shafts of BRPM to reduce energy consumption
- main vent vane positions are continually monitored and adjusted to operate efficiently and ventilation air leakage underground is continually reduced. Both of these activities reduce energy consumption.

Water usage

	2010 MI	2009 MI
Water used for primary activities	2 412.661	1 474.020
Water used for non-primary activities	115.590	105.579
Recycled water	2 992.38	2 369.562

Product stewardship

RBPlat's mining lifecycle includes exploration, project development, mine construction and operation and concentrate production. The final product of this lifecycle is a concentrate which is sold to a single customer, Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo 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.

BRPM has dedicated resources, ISO 14001 certified systems, policies and procedures to manage and/or mitigate impacts arising from extraction activities.

RBPlat did not receive any fines for non-compliance with laws or regulations concerning the provision and use of products and services. No packaging materials are used by BRPM.

Mineral Resources and Mineral Reserves

Introduction

The Mineral Resources and Mineral Reserves of Royal Bafokeng Platinum (RBPlat) are classified, verified and reported according to the prescribed South African code (SAMREC) and the Australian Institute of Mining and Metallurgy Joint Mineral Reserves Committee code (JORC). The resources and reserves in this statement are stated as RBPlat's attributable interest (67%) and include those of Boschkopie 104JQ, Styldrift 90JQ and portions 10, 14 and 17 of Frischgewaagd 96JQ.

Mineral Resources and Mineral Reserves summary

Since the restructuring of the Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV) in 2009 RBPlat's attributable interest in its Mineral Resources and Reserves changed from 50% to 67% of the Mineral Reserves portions of Boschkopie 104 JQ and Styldrift 90 JQ.

The Merensky Mineral Resource tonnage increased by 32.1%, from 92.17 Mt to 121.72 Mt (+29.55 Mt) and the 4E ounce content increased by 41.1% from 18.89 Moz to 26.65 Moz (+7.76 Moz), mainly due the change in the attributable reporting percentage from 50% to 67%.

The UG2 Mineral Resource tonnage increased significantly by 34.6% from 103.08 Mt to 138.74 Mt (+35.66 Mt) and the 4E ounce content increased significantly by 33.4% from 17.69 Moz to 23.60 Moz (+5.91 Moz), also mainly due to change in the attributable reporting percentage from 50% to 67%.

Figures 1 and 2 indicate the 2010 Resource Classification for the Merensky Reef and the UG2 Reef, respectively.

The Merensky Mineral Reserve tonnages increased by 33% from 39.38 Mt to 52.36 Mt (12.98 Mt). The Merensky Mineral Reserve ounces increased by 33% from 5.4 Moz to 7.2 Moz (1.8 Moz) primarily due to:

- attributable interest change: 13.29 Mt, 1.8 Moz
- mine design and boundary change: 1 Mt, 0.3 Moz
- production depletion: -0.8 Mt, -0.1 Moz

Regulatory compliance

The estimates of RBPlat's Mineral Resources and Mineral Reserves have been prepared under the guidance of competent persons from RBPlat and Anglo Platinum, in accordance with the principles and guidelines of the South African Code of Mineral Resources and Mineral Reserves (SAMREC Code, 2007).

Resource evaluation models and classifications (2010) were signed off by the following Competent Persons:

RBPlat Competent Persons



Jaco Vermeulen
BSc Hons (Geology)
Chief Geologist



Deon du Plessis
MSc (Geology), Pri. Sci.Nat. 400050/05
Consulting Project Geologist

Anglo Platinum Competent Persons

Paul Stevenson
BSc (Geology), Pri.Sci.Nat. 400433/04
Principal Geologist Evaluation

Kavita Mohanlal
BSc Hons (Geology), Pri.Sci.Nat. 400003/05
Evaluation Geologist

Russell Booth
BSc Hons (Geology), Pri.Sci.Nat. 400064/01
Principal Geologist JVs and Projects

Quartus Snyman
BSc Hons (Geology), Pri.Sci.Nat. 400027/04
Manager Geology

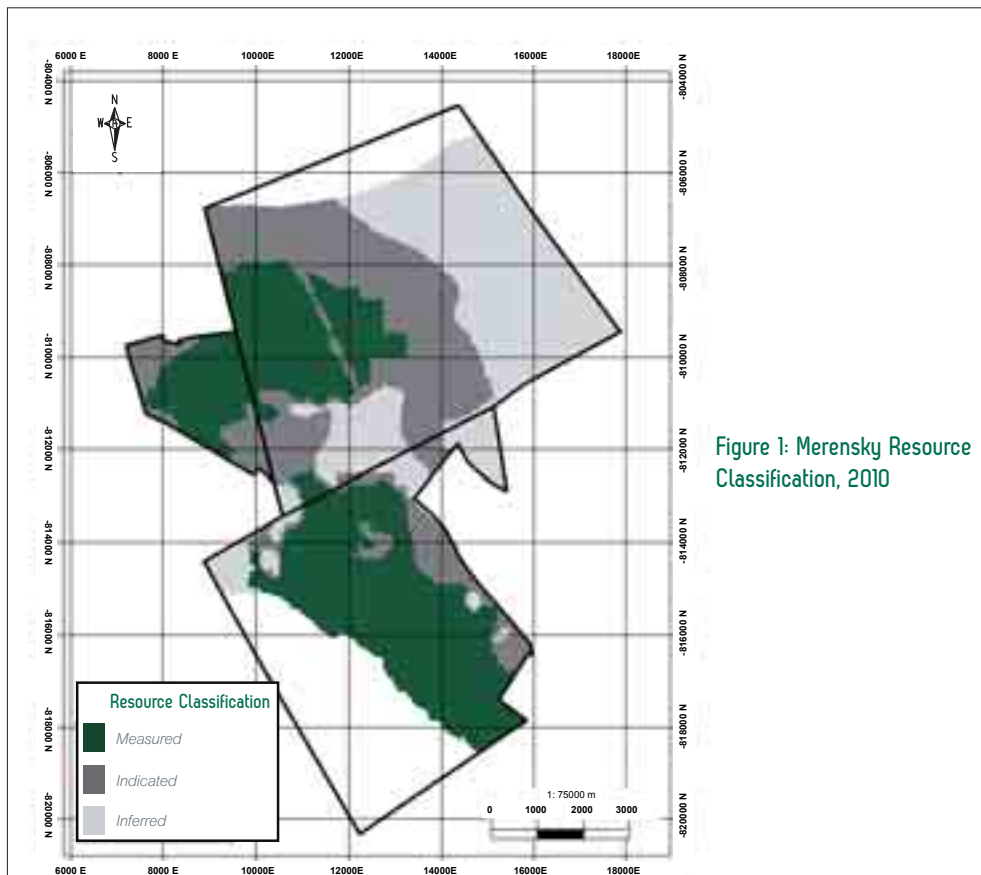
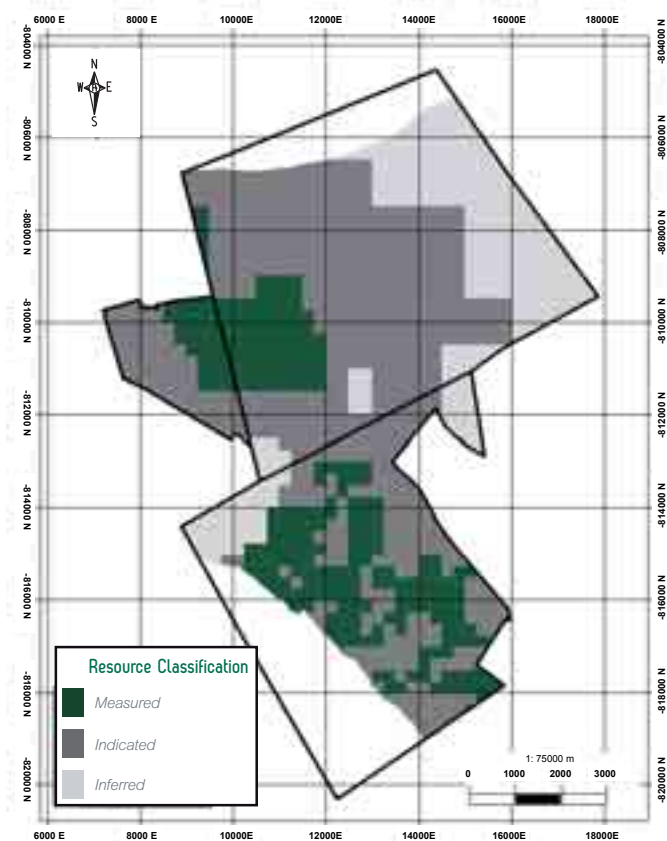


Figure 2: UG2 Resource Classification, 2010



Mineral Resources and Mineral Reserves continued

Mineral Reserve conversions and estimates are signed off by Duane Jordaan, RBPlat's Chief Surveyor, PLATO MS0100. Duane is registered with the South African Council of Professional and Technical Surveyors (PLATO). Reviewed by Clive Ackhurst, professional engineer (ECSA 20090200).

Mineral Resource and Mineral Reserve Definitions in accordance with SAMREC 2007 are contained in the glossary on pages 161 to 162.

Mineral Resources

All Mineral Resources are prepared in accordance with the SAMREC Code (2007) and are stated as a calculated 'four element' (4E) value, which is comprised of concentrations of Pt, Pd, Rh and Au. Final Resource Classification is assessed by a team of Competent Persons, which takes cognisance of both statistical and non-statistical parameters. The non-statistical parameters include the following: aeromagnetic survey, seismic interpretation, structural model, facies delineation, geological loss calculations, mining history, quality assurance and quality control reports for logging standards and assaying. The statistical parameters include kriging variance, kriging efficiency, regression slope, search volume and number of samples.

Salient points regarding Resources

- Mineral Resources are reported as '*in-situ*' tonnes and grade, and allow for geological losses such as faults, dykes, potholes and iron replaced ultra mafic pegmatoids
- Mineral Resources for 2010 are estimated at a minimum cut of 80cm and 90cm for the Merensky and UG2 Reefs respectively
- RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No Mineral Resources are excluded from the 2010 declaration relative to 2009 as a result of the cut-off grade consideration
- Rounding of figures may result in computational discrepancies
- 4E grade reported represents the sum of platinum, palladium, rhodium and gold grades
- Mineral Resources are quoted as both inclusive and exclusive of Mineral Reserves
- Mineral Resources are quoted as the 67% attributable interest of RBPlat
- Mineral Resources stated for 2009 are quoted as 50% attributable interest to Royal Bafokeng Resources (RBR), which subsequently changed to 67%.

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)

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)

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)

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 Reserves

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

- Modifying factors (technical, mining, geotechnical, concentrating, financial, legal, market and social/government factors) for the conversion of Mineral Resources to Mineral Reserves are established using a consistent approach
- Updated Cadamine designs and layouts are applied to the resource areas as dictated by current and planned mining methods to derive a mineable resource
- The mineable resource is then scheduled for extraction and this extraction schedule forms the input into conversion of the mineable reserves
- Both modifying factors and forecast economic parameters are then applied in the conversion of Mineral Resources to Mineral Reserves
- The mineable resource extraction schedule forms the input into the Company’s new business plan
- Mineral Reserves are peer-reviewed and signed off by the competent person(s).

In accordance with the JSE Listings Requirements, RBPlat converted the Mineral Reserves with reference to SAMREC 2007 guidelines and definitions. Competent Persons have been appointed to assume responsibility for Reserve statements for the Boschkoppie Operation and Styldrift Project.

Salient points regarding Reserves

- Proved Mineral Reserves at Styldrift were downgraded in 2009 to probable reserves. In 2010, due to a 25% increase in confidence in the resource no downgrading was done
- Scheduled resources for Frischgewaagd were not converted
- Mineral Reserves converted do not include inferred or non-scheduled resources
- UG2 Boschkoppie reserves were converted for 2010 but were not converted in 2009
- UG2 swap area with Impala was converted to reserves and included in the tabulations
- Rounding of figures may result in computational discrepancies
- 4E grade reported represents the sum of platinum, palladium, rhodium and gold grades
- Mineral Reserves are quoted as the 67% attributable interest of RBPlat
- Mineral Reserves stated for 2009 are quoted as 50% attributable interest to RBPlat, which subsequently changed to 67%
- RBPlat takes cognisance of cut-off grades derived from information on pay limits in the mining operation. No Mineral Reserves are excluded from the 2010 declaration relative to 2009 as a result of the cut-off grade consideration.

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)

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)

Mineral Resources and Mineral Reserves continued

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)

Auditing in 2010

As part of the JSE Listings Requirements, the Mineral Resources and Mineral Reserves of RBPlat were audited and reviewed by Snowden.

Ivor Jones, Snowden Group General Manager Geosciences, (FAusIMM 111429) concluded:

‘Snowden has reviewed the resource estimates for the BRPM/Styl drift JV project area, and found them to have been completed to a high standard. There were no significant issues identified.’

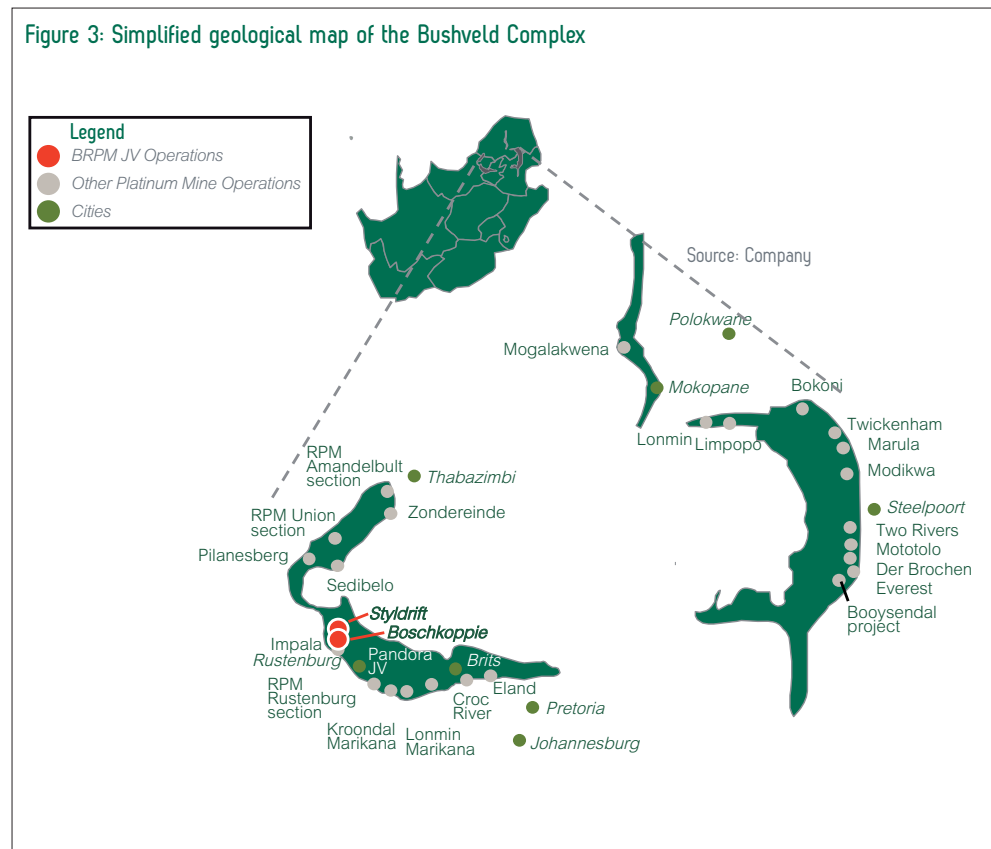
Geological setting

RBPlat’s operations lie on the Western Limb of the Bushveld Igneous Complex (known as the Bushveld Complex), which hosts approximately 80% of the world’s known platinum resources.

The Bushveld Complex

The Bushveld Complex is a mineral treasure chest estimated to have formed approximately 2 060 million years ago. Its mafic rock sequence, the Rustenburg Layered Suite is the world’s largest known mafic igneous layered intrusion. It contains a number of ore bodies producing a number of mineral commodities that include chrome, tin, iron, vanadium, and platinum group metals (PGMs). In 2009, 76% of the world’s platinum and 33% of its palladium was produced by mines situated on the Bushveld Complex. It extends approximately 450 km east to west and approximately 250 km north to south. It underlies an area of some 65 000 km², spanning parts of the Limpopo, North West, Gauteng and Mpumalanga provinces of South Africa (figure 3).

Figure 3: Simplified geological map of the Bushveld Complex

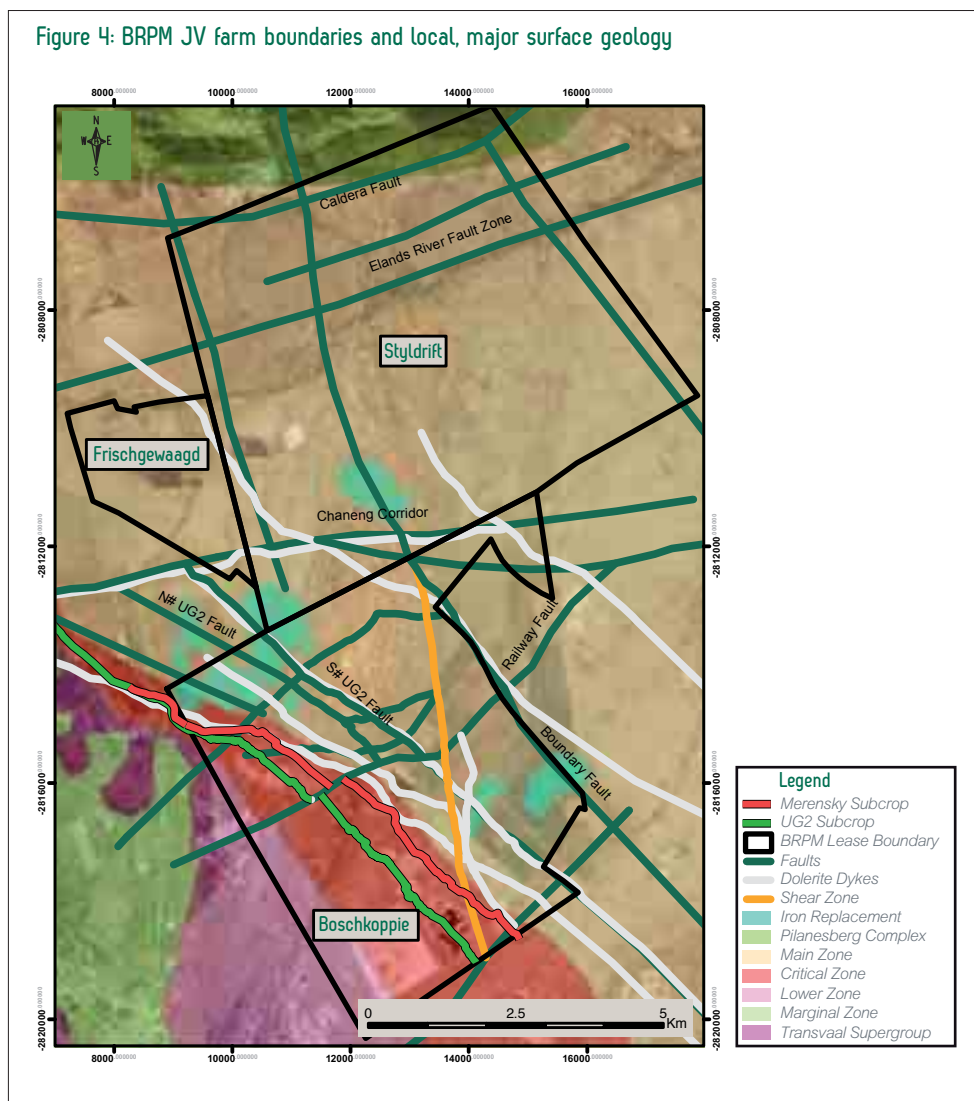


The PGE bearing reefs are typically only 0.3 m to 2.55 m thick, although much greater thicknesses are recorded in the Platreef of the Northern Limb. In the Eastern and Western Limbs, the Critical Zone contains the two principal PGE-bearing reefs: the Merensky Reef and the Upper Group 2 (UG2) chromitite. In the Northern Limb the Platreef is thought to be the local equivalent of the Critical Zone and Merensky Reef.

The Pilanesberg Complex, the remnant of an alkaline volcanic plug which intruded into the Bushveld Complex about 1,250 million years ago, splits the Western Limb into two lobes (north-western and south-western) while the Eastern Limb is split into two lobes (north-eastern and south-eastern lobes) by the Steelpoort Fault. Located immediately south of the Pilanesberg Complex, the BRPM JV property is underlain by rocks of the Lower, Critical and Main Zones of the Rustenburg Layered Suite (RLS), apart from a very small portion of the northern boundary area where rocks of the Pilanesberg Complex occur (figure 3). Due to the gently undulating nature of the topography, little surface outcrop is visible and the property is mostly covered by the clay-rich, black cotton soils which are typical of the area. Two primary economically favourable stratigraphic horizons of the Western Bushveld Complex, namely the Merensky Reef and the UG2 Reef, are to be exploited on the farms Boschkoppie 104JQ, Styldrift 90JQ and a portion of Frischgewaagd 96JQ.

On Boschkoppie, the PGM-rich Merensky Reef and UG2 mineralised layers sub-outcrop close to the south-western boundary of the BRPM JV property and have been exposed and exploited by open pit mining in the past (figure 4). The layering of the RLS strikes roughly north-west to south-east and generally dips to the north-east at an angle of between 5° and 12° with the steeper dips occurring towards the eastern parts of Styldrift (figure 4).

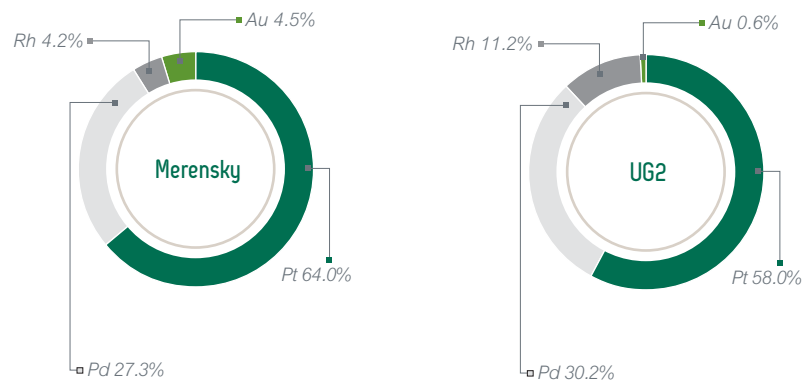
Figure 4: BRPM JV farm boundaries and local, major surface geology



Mineral Resources and Mineral Reserves continued

Both the Merensky Reef and the UG2 Reef are enriched in Base Metal Sulfides (BMS) and PGMs of which the Merensky Reef historically has been the most important platinum producing layer in the Western Bushveld Complex. The PGMs consist of platinum (Pt), palladium (Pd), iridium (Ir), rhodium (Rh), osmium (Os) and ruthenium (Ru). Apart from PGMs, copper (Cu), nickel (Ni) and gold (Au) are the primary metals also extracted from the Merensky and UG2 reef horizons. The primary 4E mineral ratio per reef type, based on the 2010 resource evaluation models is indicated in figures 5 and 6.

Figure 5 and 6: Merensky and UG2 Reef Prill percentage distribution



The stockpile offers surge capacity between the mining and plant process

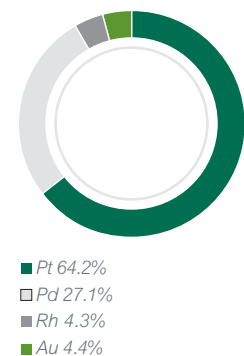
Status of mineral rights

The Mineral and Petroleum Resources Development Act, Act No. 28 of 2002 (MPRDA) defines the State's legislation on mineral rights and mineral transactions in South Africa. The objectives of the MPRDA are to adopt the internationally accepted right of the State to exercise sovereignty over the mineral and petroleum resources within South Africa and to give effect to the principle of the State's custodianship of the nation's mineral and petroleum resources.

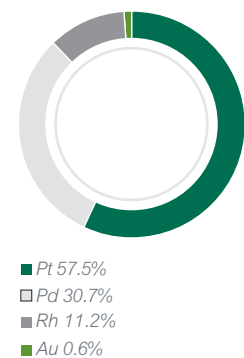
A further objective of the MPRDA is the pursuance of the government's policy of furthering Black Economic Empowerment (BEE) within South Africa's minerals industry, by encouraging mineral exploration and mining companies to enter into equity partnerships with BEE companies. The MPRDA resulted in the transfer of South Africa's mineral rights and their administration to the custodianship of the State. The 'use it or lose it' principle was also adopted by the State that forced companies to relinquish unused mineral rights. Current operating mines were to convert and/or apply for new order mining rights by 30 April 2009. Old order mining rights remain valid until conversion. In the MPRDA, the State has reaffirmed its commitment to guaranteeing security of tenure in respect of prospecting and mining operations. New order mining rights are valid for up to 30 years and can be renewed for similar periods of up to 30 years. A new order mining right application must satisfy several prerequisites, including submission of a mining work programme, a social and labour plan (SLP), an environmental management programme (EMP) and the applicant's status in terms of participation of black people in the ownership and management of the organisation.

The prospecting rights, mineral rights, mining rights and conversions to mining rights over portions of the farms Boschkoppie, Frischgewaagd and Styldrift, are indicated in Table 1 and Table 2. RBR and RPM initially pooled their Styldrift and Boschkoppie rights into an area contractually referred to as the Combined Mine. The area enclosing these rights is known as the JV Area. However, the final JV Area defined in the execution agreement was marginally altered. This was in order to accommodate mineral resources alienated during a 2003 transaction between Anglo Platinum and Impala Platinum aimed at rationalising their respective mineral assets. This transaction resulted in an area of Frischgewaagd being incorporated into the JV Area. The areas under consideration and other pertinent information are depicted in Figure 2. RPM applied for the conversion of the old order mining right into a new order mining right on 5 November 2004. The DMR granted the conversion on 10 September 2010. Approval in terms of Section 11 of the MPRDA will be obtained for the transfer of the 67% interest in the name of RBPlat.

Styldrift Merensky prill split



Styldrift UG2 prill split



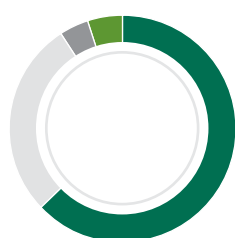
Mineral Resources and Mineral Reserves continued

RPM also holds two new order prospecting rights on Frischgewaagd Farm. A 67% interest in the part of the rights retained by RPM will be transferred to and registered in the name of RBPlat. Approval in terms of Section 11 of the MPRDA will be obtained for this transfer.

RBR holds a new order mining right on Styldrift Farm. The mining right has been submitted for registration in the Mineral and Petroleum Titles Registration Office (MPTRO). A 33% interest in the right will be transferred to and registered in the name of RPM. Approval in terms of Section 11 of the MPRDA will be obtained for this transfer.

Figure 7: Plan indicating distribution of Mineral Rights

Frischgewaagd Merensky prill split



Frischgewaagd UG2 prill split

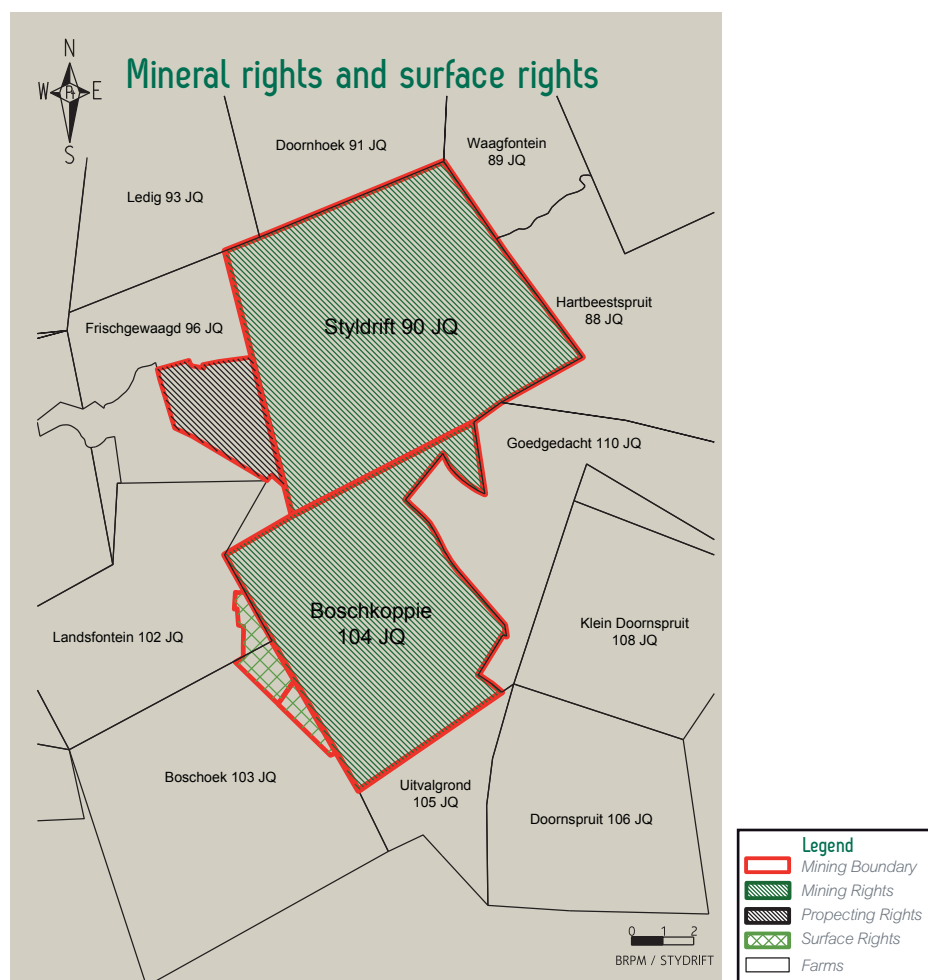
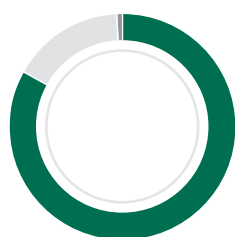


Table 1: Summary tabulation of mining rights

Farm name	Portion	Minerals	DMR reference number	DMR status	Legal status	Registration date	Entity
Boschkoppie 104 JQ	1, 2 and remaining extent	PGEs and associated metals	NW 30/5/1/2/2/89 CMR	Granted	Notarially executed on 10/09/2010	Registered on 19 January 2011	RBR – 67 % RPM – 33%
Styldrift 90 JQ		PGEs, Au, Ag, Ni, Co, Cu, Cr	NW 30/51/2/2/312	Granted	Notarially executed on 11/03/2008	Registered on 1 February 2011	RBR – 67 % RPM – 33%

Table 2: Summary tabulation of prospecting rights

Farm name	Portion	Minerals	DMR reference number	DMR status	Legal status	Registration date	Entity
Frisch-gewaagd 96 JQ	10	Precious metals	NW 30/5/1/1/2/1237 PR	Granted	Notarially executed on 04/07/2007	Registered on 27/1/2010	RBR – 67 % RPM – 33%
	14		NW 30/5/1/1/2/181 PR				
	17	All minerals	NW 30/5/1/1/2/181 PR				

Exploration overview

The farms of Boschkoppe, Styldrift and Frischgewaagd have been intensively explored for both the Merensky Reef and the UG2, by surface and underground (Boschkoppie) diamond drilling, geophysical surveys (airborne magnetic and 3D seismic), trenching and geological mapping undertaken over a period of more than thirty years. A total of 1 527 mother holes have been collared on surface and 1 287 holes have been deflected off the mother hole, which equates to a grand total of 2 814 holes that have been completed on the combined BRPM JV mineral properties.

Rand Mines Limited initiated mineral exploration in the early 1950s on Boschkoppe with 20 diamond drillholes collared at surface to target the Merensky Reef. Surface diamond drilling on Styldrift 90 JQ (Styldrift) commenced in 1971 after the Minister of Bantu Administration and Development, in his capacity as Trustee of the Bafokeng Trust, entered into a notarial prospecting contract in August 1969 with Rand Mines Limited over the property Styldrift for a period of five years, which period could be extended for four further consecutive periods of five years each. These rights were ceded to Dithaba Platinum (Pty) Ltd, a subsidiary of Anglo American Platinum Corporation Limited (Anglo Platinum), in November 1973. The Bafokeng Nation granted extensions to the prospecting contract until March 1999 at which stage the prospecting agreements between the parties lapsed. At that time, Amplats Management Services (Pty) Limited communicated its interest to acquire the mining title to Styldrift and a motivation was submitted in this regard.

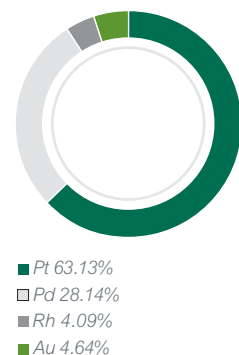
Exploration work was slow and initially focused on targeting the Merensky Reef with the UG2 Reef being intersected for the first time in 1980. The first major drilling programmes on Boschkoppe and Styldrift were undertaken in the 10-year period between 1990 and 2000, with the former being focused on the UG2 shallow opencastable Reserve (1997).

Between 2002 and 2003, diamond drilling focused on developing Boschkoppe's underground Merensky Reef Reserve. Diamond drilling, however, continued during this period on Styldrift (since 2000) and Frischgewaagd, but with secondary focus. Between 2005 and 2008, drilling on Styldrift increased dramatically to develop the Mineral Resource for the relative studies on Styldrift 1 Shaft Merensky Reef. Due to the global economic downturn surface exploration at the BRPM JV was extremely limited in 2009.

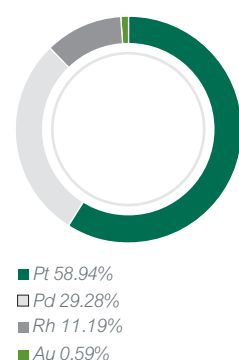
During 2010, surface exploration activities operated efficiently and were completed during November. With a safety focused team, no serious injuries were recorded in 2010. A total of 11 drillholes were collared and completed (6 on Boschkoppe and 5 on Styldrift) which intersected all reef horizons (Merensky Reef, UG2 and UG1) successfully. As per normal *modus operandi*, three deflections were drilled per collared mother hole. The total metres drilled amounts to 8 439m. Underground exploration on Boschkoppe occurred on both the North and South shafts. The drilling focused on two main objectives: to replenish the Measured and Indicated Resources and cover drilling in the primary underground development sections which was done as part of normal procedures.

The merging and re-processing of five 3D seismic surveys covering a total footprint of 100km², incorporating approximately 73% of the JV Lease Area, was concluded in January 2010. This survey plays a key role in adding supportive evidence of drillhole data, specifically highlighting ore body continuity and structural disturbance. Other geophysical data, including high resolution helicopter-borne aeromagnetic, ground gravity and wireline surveys, aid in the structural interpretation of the ore body. In addition, borehole radar was successfully used underground at the North Shaft

Boschkoppie Merensky prill split



Boschkoppie UG2 prill split



Mineral Resources and Mineral Reserves continued

Phase III project to determine the exact position and orientation of a series of faults, which supported the mine design and planning of the extension decline development project.

The primary goal of the 2011 exploration programme will focus on the eastern and deeper half of Styldrift (Styldrift II shaft) to support pre-feasibility and feasibility study work in the next few years. The secondary goal for the Boschkopie drilling is to achieve a better definition of the structurally complex Chaneng Corridor, as well as the ground between the South Shaft shear zone and the Boundary Fault zone. A minimum of 44 000m (37 drillholes) of surface diamond drilling is planned for 2011 (figure 8). Underground exploratory and cover drilling on both the North and South shafts will continue as per normal *modus operandi*.

Figure 8: Historic and planned exploration drilling, 2011



Mineral Resources and Mineral Reserves attributable to RBPlat (67%)

Mineral Resources inclusive of Reserves as at 31 December 2010

Reef	Category	Resources (million tonnes)			Grade (4E) g/t			Contained 4E tonnes			Contained 4E million ounces		
		2010	CPR	2009	2010	CPR	2009	2010	CPR	2009	2010	CPR	2009
Merensky	Measured	36.80	25.18	19.14	6.89	5.83	5.84	253.54	146.80	111.73	8.15	4.72	3.59
	Indicated	44.73	39.29	29.37	6.55	5.93	5.93	293.19	232.99	174.06	9.43	7.48	5.60
	Inferred	40.19	58.50	43.66	7.02	6.91	6.91	282.26	404.24	301.84	9.07	13.01	9.70
	Total	121.72	122.97	92.17	6.81	6.37	6.38	828.99	783.32	587.63	26.65	25.21	18.89
UG2	Measured	33.86	32.88	21.55	5.30	5.29	5.37	179.48	173.94	115.66	5.77	5.60	3.72
	Indicated	72.45	74.00	62.15	5.25	5.25	5.30	380.25	388.50	329.50	12.23	12.49	10.59
	Inferred	32.43	32.43	19.37	5.37	5.37	5.43	174.17	174.15	105.20	5.60	5.60	3.38
	Total	138.74	139.31	103.08	5.29	5.29	5.34	733.91	736.95	550.36	23.60	23.68	17.69

Merensky Reef

- The Mineral Resource tonnage increased significantly by 32.1% from 92.17 Mt to 121.72 Mt (+29.55 Mt) and the 4E ounce content increased significantly by 41.1% from 18.89 Moz to 26.65 Moz (+7.76 Moz) mainly due the change of the attributable reporting percentage from 50% to 67%.
- The resource confidence level increased significantly resulting in an increase of the Measured Mineral Resource tonnage by 92% from 19.14 Mt to 36.80 Mt (+17.66 Mt) and the 4E ounce content increased by 127% from 3.59 Moz to 8.15 Moz (+4.56 Moz). The same applies to the Indicated Mineral Resources: The Indicated Mineral Resource tonnage increased by 52.3% from 29.37 Mt to 44.73 Mt (+15.36 Mt) and the 4E ounce content increased by 68.4% from 5.60 Moz to 9.43 Moz (+3.83 Moz).

UG2 Reef

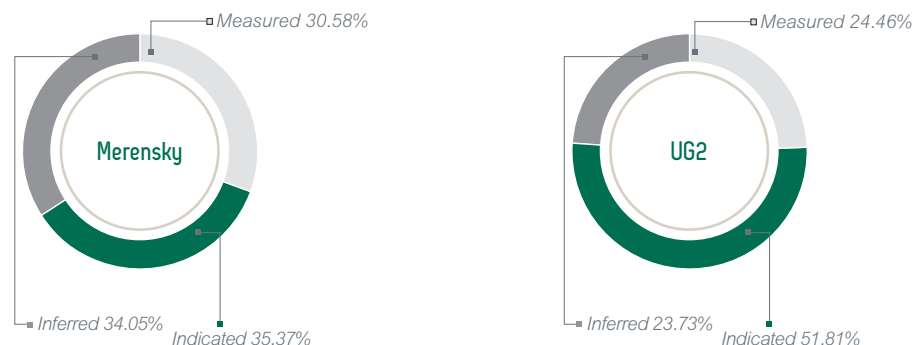
- The Mineral Resource tonnage increased significantly by 35.6% from 103.08 Mt to 138.74 Mt (+35.66 Mt) and the 4E ounce content increased significantly by 33.4% from 17.69 Moz to 23.60 Moz (+5.91 Moz) mainly due to change of the attributable reporting percentage from 50% to 67%.

Mineral Resources exclusive of Reserves as at 31 December 2010

Reef	Category	Resources (million tonnes)		Grade (4E g/t)		Contained 4E tonnes		Contained 4E million ounces	
		2010	2009	2010	2009	2010	2009	2010	2009
Merensky	Measured	9.51	2.50	6.90	6.45	65.59	16.13	2.10	0.50
	Indicated	29.95	10.20	6.45	6.83	193.16	69.67	6.20	2.20
	Inferred	40.20	43.70	7.02	6.91	282.20	301.97	9.10	9.70
	Total	79.60	56.30	6.79	6.88	540.48	387.34	17.40	12.50
UG2	Measured	14.70	21.55	5.27	5.37	77.47	115.66	2.50	3.72
	Indicated	53.90	62.15	5.24	5.30	282.44	329.50	9.10	10.59
	Inferred	32.40	19.37	5.37	5.43	173.99	105.20	5.60	3.38
	Total	101.00	103.08	5.29	5.34	534.29	550.36	17.20	17.69

Mineral Resources and Mineral Reserves continued

Figure 9 and 10: Merensky and UG2 Reef inclusive of Mineral Reserves contained 4E million ounces percentage as per resource classification

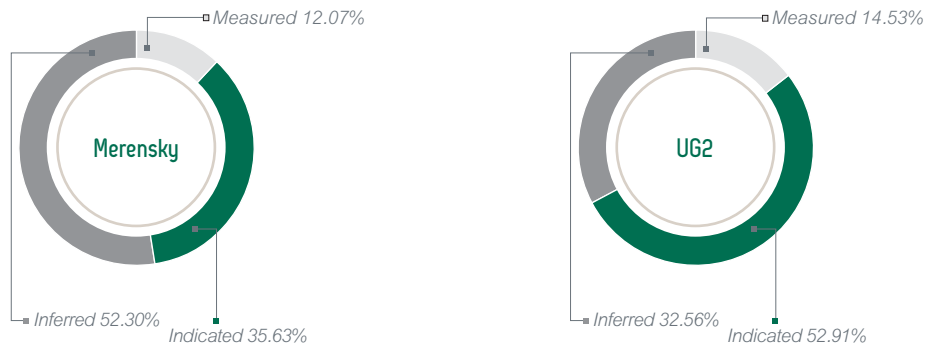


Mineral Reserves as at 31 December 2010

Reef	Category	Reserves (million tonnes)			Grade (4E) g/t			Contained 4E tonnes			Contained 4E million ounces		
		2010	CPR	2009	2010	CPR	2009	2010	CPR	2009	2010	CPR	2009
Merensky	Proved	32.91	24.53	6.18	4.43	4.28	4.34	145.91	105.09	26.86	4.69	3.38	0.86
	Probable	19.46	27.62	33.20	4.02	4.24	4.25	78.15	117.21	141.11	2.51	3.77	4.54
	Total	52.36	52.15	39.38	4.28	4.26	4.26	224.05	222.30	167.96	7.20	7.15	5.40
UG2	Proved	19.67	19.63	–	3.97	4.02	–	78.13	78.92	–	2.51	2.54	–
	Probable	19.25	21.83	–	3.88	3.92	–	74.63	85.65	–	2.40	2.75	–
	Total	38.92	41.45	–	3.93	3.97	–	152.76	164.58	–	4.91	5.29	–

- The attributable interest changed from 50% to 67% of the Mineral Reserves portions of Boschkopie 104 JQ and Styldrift 90 JQ when the JV was restructured to give RBPlat a 67% interest in the JV
- The Merensky Mineral Reserve tonnages increased by 33% from 39.38 Mt to 52.36 Mt (12.98 Mt). The Merensky Mineral Reserve ounces increased by 33% from 5.4 Moz to 7.2 Moz (1.8 Moz) primarily owing to the following:
 - Attributable interest change: 13.29 Mt. 1.8 Moz
 - Mine design and boundary change: 1 Mt. 0.3 Moz
 - Production depletion: -0.8 Mt. -0.1 Moz

Figure 11 and 12: Merensky and UG2 Reef exclusive of Mineral Reserves contained 4E million troy ounces percentage as per resource classification



Miners underground at BRPM

Financial review



*Martin Prinsloo,
Chief Financial Officer
and executive director*

- Successful transfer of business control
- Successful IPO listing
- Flat unit costs (R707 per tonne)
- Headline earnings of R271.7 million (headline earnings of R1.92 per share)
- Healthy cash on hand and near cash investments position of R1.15 billion
- Funding of all capital expenditure (SIB, replacement and expansion) from operational cash flows
- Terms agreed for a further value enhancing transaction with Impala

Three-year financial history

	2010 R (million)	2009 R (million)	2008 R (million)
Financial performance			
Revenue	2 106.8	1 155.0	1 468.5
Cost of sales	1 605.9	939.1	864.4
Gross profit	500.9	215.9	604.1
Operating profit**	441.9	184.9	588.3
EBITDA**	3 710.1	330.3	737.8
Normalised EBITDA (excludes profit on remeasurement of previously held interest in BRPM**)	815.3	330.3	737.8
Net profit/(loss) after tax	3 168.2	(123.4)	181.5
Profit attributable to owners of the Company	3 166.3	(123.4)	181.5
Attributable to non-controlling interest	1.9	–	–
Profit attributable to owners of the Company	3 166.3	(123.4)	181.5
Adjustments net of tax:			
Profit on remeasurement of previously held interest in BRPM	(2 894.8)	–	–
Loss/(profit) on disposal of property, plant and equipment	0.2	–	(1.8)
Headline earnings	271.7	(123.4)	179.7
Weighted average number of ordinary shares in issue for basic earnings per share	141 132 832	11 513 125	100 000
Basic earnings per share (R per share)	22.43	(10.72)	1 815.43
Headline earnings per share (R per share)	1.92	(10.72)	1 797.66
Financial position			
ASSETS			
Non-current assets	16 200.6	6 634.0	3 885.1
Property, plant and equipment	7 337.9	3 652.1	1 612.8
Mineral rights	5 722.8	2 925.5	2 234.4
Goodwill	3 037.2	–	–
Environmental trust deposit	87.5	56.4	37.9
Deferred tax asset	15.2	–	–
Current assets	2 250.1	643.9	853.1
Total assets	18 450.7	7 277.9	4 738.2



	2010 R (million)	2009 R (million)	2008 R (million)
Financial position (continued)			
EQUITY AND LIABILITIES			
Capital and reserves	10 943.8	6 816.3	1 821.3
Non-controlling interest	3 407.4	–	–
Non-current liabilities	3 684.7	365.0	123.5
Deferred tax liability	3 611.3	323.2	97.7
Long-term provisions	73.4	41.8	25.8
Current liabilities	414.8	96.6	2 793.4
Total equity and liabilities	18 450.7	7 277.9	4 738.2
Cash, net of debt (including preference share investment)	1 150.3	51.5	180.7
Capital expenditure (100% BRPM)	967.1	754.0	612.0
Gross profit %	23.8	18.7	41.1
EBITDA %**	38.7	28.6	50.2
Average R Pt basket price (R/Pt oz)* **	15 555	12 894	16 432
Cash operating cost (R/tonne milled)**	706.6	703.6	630.1
Cash operating cost (R/Pt oz)**	9 075.5	8 628.8	7 969.5
NAV per share (R per share)	66.9	49.7	18 213.0
Number of shares in issue outside the Group at year-end	163 677 799	137 057 500	100 000

* Net proceeds from concentrate (net of smelting and refinery costs)

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

Basis of presentation of financial information

The Group's financial statements from 2007 to 7 December 2009 reflect a 50% interest in BRPM on a proportionately consolidated basis, while its financial results post 7 December 2009 reflect the Group's increased 67% interest in BRPM on a proportionately consolidated basis.

For the Company's 2010 financial results, 67% of BRPM results have been accounted for up to 7 November 2010 and with the change in control of BRPM from the date of listing – 8 November 2010 – the Group fully consolidates BRPM and accounts for the non-controlling interest as a separate line item.

Any comparison of the Group's financial results for these periods should take into account the additional interest of 17% proportionately consolidated from 7 December 2009 to 7 November 2010 and the change in control effective from 8 November 2010, which resulted in a change in accounting for BRPM from a proportionately consolidated basis to a fully consolidated basis.

Financial review continued

The Company's 2010 consolidated financial results reflect 67% of BRPM's financial results up to 7 November 2010 and 100% of BRPM's results from 8 November to 31 December 2010 amended for the fair value adjustment of the assets and liabilities of the JV; mineral rights; taxation; administration and operating costs of the Company, management fees and non-controlling interest.

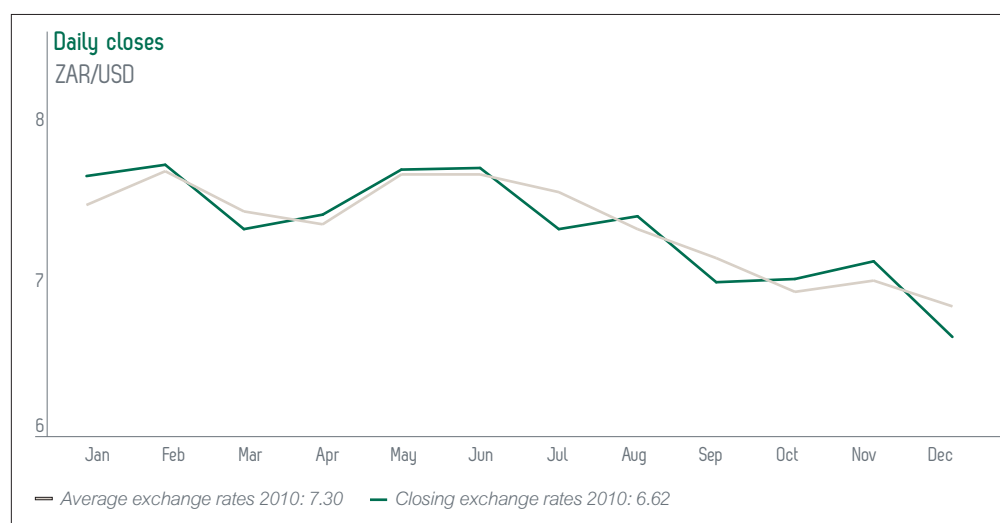
Fair value adjustments and factors affecting comparability of financial information

RBPlat's original 50% interest in the BRPM JV has been accounted for using the remeasurement approach. Under this approach, the Company's portion of the identifiable net assets of the jointly controlled entity that was previously acquired (i.e. the original 50% interest in the BRPM JV) is remeasured at fair value at the date of the acquisition of the additional investment of 17% (7 December 2009) and recognised as part of the Company's shareholder equity. In addition, there are changes to depreciation and amortisation due to the revaluation adjustments. The additional 17% interest was accounted for at fair value at the date of acquisition.

With the change in control of BRPM on listing, RBPlat fair valued the assets and liabilities of BRPM on listing and accounted for goodwill on the transaction. The fair value adjustments resulted in an additional R127.3 million depreciation charged for 2010.

Financial performance

The financial performance of the Company was satisfactory for 2010. Net revenue increased by 82%, mainly as a result of the change in control and basis of accounting during 2010 (53%) and an actual increase in revenue of 29% at BRPM. The actual increase of 29% in business revenue resulted from stronger metal prices and higher production volumes, partially reduced by a stronger Rand/US Dollar exchange rate.



2010 average prices received for BRPM

	Platinum US\$/oz	Palladium US\$/oz	Gold US\$/oz	Rhodium US\$/oz	Iridium US\$/oz	Ruthenium US\$/oz	Nickel US\$/lb	Copper US\$/lb
2010 average prices received*	1 626.38	531.14	1 238.92	2 357.31	630.30	186.41	9.97	3.38

* Grossed up to 100% from amount received in terms of disposal of concentrate agreement

Set out below is a reconciliation of the revenue of BRPM to that of the Company.

Revenue

	Year ended 31 December 2010 R (million)	Year ended 31 December 2009 R (million)	Year ended 31 December 2008 R (million)
Revenue (100 percent BRPM JV)	2 914.4	2 264.9	2 920.0
Less: AngloPlat interest (33 percent from 1 January to 8 November 2010; 50 percent from 1 January to 6 December 2009 and 33 percent from 7 December 2009 to 31 December 2009; 50 percent for 2008)	(819.7)	(1 109.9)	(1 460.0)
Plus: Consolidation adjustments for transactions between the BRPM JV and other group companies	12.1	–	–
Plus: Income relating to other group companies	–	–	8.5
Revenue per RBPlat consolidated AFS	2 106.8	1 155.0	1 468.5

Gross profit improved by 132%, mainly as a result of the change in control and basis of accounting during 2010 (83%) and an actual 49% increase at the BRPM operational level. The actual increase of 49% in business gross profit resulted from higher revenues while the majority of costs are fixed, ensuring that the major portion of the revenue benefit filtered straight down to the profit line. Gross profit percentage improved from 18.7% in 2009 to 23.8% in 2010 and EBITDA as a percentage of revenue improved from 28.6% in 2009 to 38.7% in 2010.



Flotation cells at BRPM's concentrator

Financial review continued

Set out below is a reconciliation of the cost of sales and EBITDA of BRPM to that of the Company, which helps to clarify the Company's results of operations, which are substantially derived from the operations of BRPM.

Cost of sales (COS) excluding depreciation and amortisation

	Year ended 31 December 2010 R (million)	Year ended 31 December 2009 R (million)	Year ended 31 December 2008 R (million)
COS excluding depreciation and amortisation (100 percent BRPM JV)	(1 740.5)	(1 544.4)	(1 428.5)
Less: AngloPlat interest (33 percent from 1 January to 8 November 2010; 50 percent from 1 January to 6 December 2009 and 33 percent from 7 December 2009 to 31 December 2009; 50 percent for 2008)	472.2	749.9	714.3
Plus/(less): Consolidation adjustments for transactions between the BRPM JV and other group companies	35.8	0.8	(0.7)
COS per RBPlat consolidated AFS (excluding depreciation and amortisation)	(1 232.5)	(793.7)	(714.9)
The main items of COS are:			
Labour	489.5	322.5	271.1
Utilities	87.6	44.0	33.7
Contractor costs	264.1	157.6	155.0
Materials and other mining costs	362.6	265.5	247.6
Other	28.7	4.1	7.5
COS per RBPlat consolidated AFS (excluding depreciation and amortisation)	(1 232.5)	(793.7)	(714.9)
EBITDA**			
EBITDA (100 percent BRPM JV)	1 175.6	722.1	1 491.3
Less: AngloPlat interest (33 percent from 1 January to 8 November 2010; 50 percent from 1 January to 6 December 2009 and 33 percent from 7 December 2009 to 31 December 2009; 50 percent for 2008)	(347.6)	(360.0)	(745.6)
Less: RBPlat administration costs	(60.6)	(31.8)	(16.2)
Plus: RBPlat group management fee	12.1	—	—
Plus: Consolidation adjustments for transactions between the BRPM JV and other group companies	35.8	—	8.3
Normalised EBITDA per RBPlat consolidated AFS**	815.3	330.3	737.8

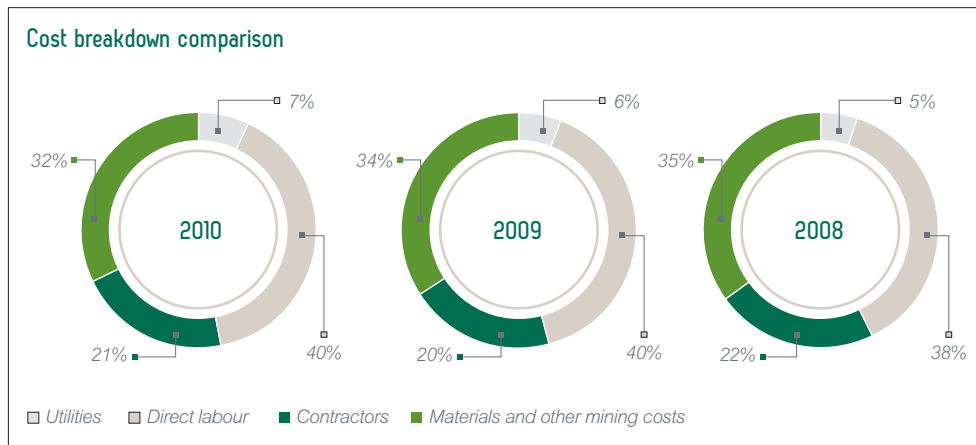
Operating costs

Historically, the BRPM JV has delivered strong margins from its operations as a result of a favourable prill split and a good quality resource located at shallow depths. For the year-ended 31 December 2009 BRPM's average unit costs were R703.62 per tonne milled, with cash operating costs of R8 629 per platinum ounce produced. For the year-ended 31 December 2010 BRPM's average unit costs remained essentially flat at R706.55 per tonne milled. Our cash operating cost per platinum ounce produced was R9 076, which gave us an increase in cash operating cost of R447 Pt oz (5.2%) for the first year RBPlat has been in operational control of BRPM. This increase in operating cost per Pt oz is mainly as a result of a 4.6% reduction in head grade.

From a structural point of view, our Styldrift I plans should more than double our production to 420 000 tonnes per month or 611 000 PGM 4E ounces per year by the end of 2017 and this

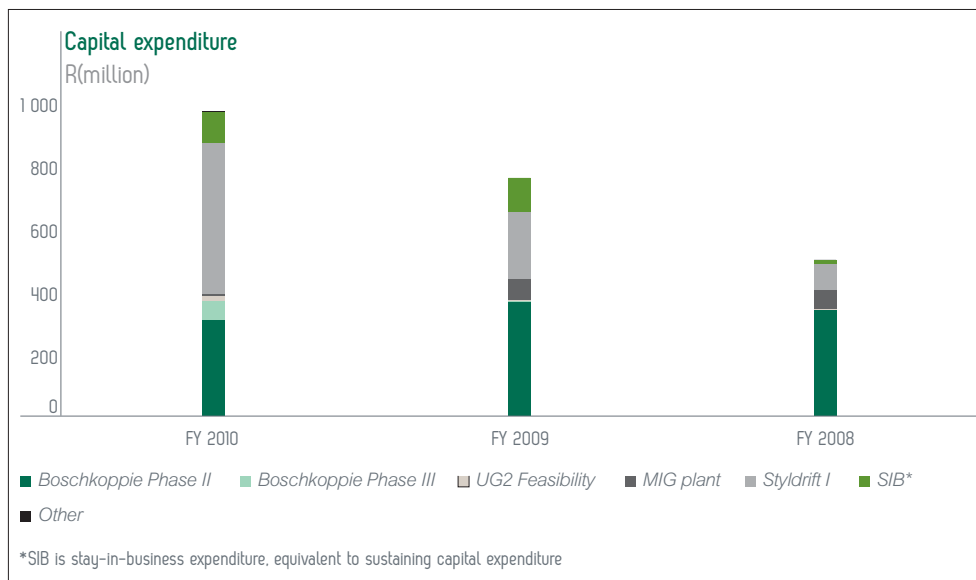
increase is expected to contribute towards reducing unit costs and improving margins as our fixed costs per ounce of production should decline with increased volumes.

In 2010 fixed costs accounted for more than 70% of BRPM's costs. Labour is our largest cost component, with our direct labour costs accounting for 40% (40% in 2009) and volume contractors representing 21% (20% in 2009) of our cash operating cost base in 2010. The vast majority of our operating costs are Rand-based.



Capital expenditure

Capital expenditure, including stay-in-business, replacement and expansion capital expenditure at BRPM for the year, amounted to R967.0 million compared to R754.0 million in 2009. The total capital expenditure has been funded from cash flows generated by the operations. Due to the accelerated development of the Styldrift I Merensky project, total capital for BRPM is anticipated to increase significantly for the 2011 year.



Transfer of business control

During 2009 RBPlat's corporate team prepared for a seamless handover of operational control of the BRPM JV from Anglo Platinum to RBPlat on 4 January 2010. We needed to manage it in a responsible manner and not cause any serious disruption to the business. Our starting point was to identify all the risks involved in the management change and develop a strategy for managing these risks.

Historically, Anglo Platinum Management Services (AMS) were paid a management fee based on a percentage of the operating cost per annum of BRPM to manage the BRPM JV and in addition an annual management fee based on a percentage of the total capital project cost. It was important

Financial review continued

to ensure that the interim arrangements that were made for the handover not only limited risk but were also cost efficient. One of our key strategies is to reduce costs, so we needed to ensure that even the interim arrangements made to ensure a smooth handover, would reduce costs.

We analysed all the business processes in place at BRPM. Some we decided we would not require going forward, others we decided needed to be owned by the management of the business, which resulted in us bringing financial accounting, accounts payable, cash management, the inventory function and the supplier relationship back to BRPM. We had identified as a key strategy the need to get the management team at BRPM to examine how best they could run the operation as a standalone business which, for the first time, would have independent financial reporting. Bringing these financial functions back to the mine facilitated the implementation of this strategy in the finance area. We were able to appoint nine experienced people who had previously performed these financial functions at Anglo Platinum's Shared Services Centre.

While it is our intention to become independent as soon as possible, we took the decision to conclude 16 non-exclusive annual service level agreements (SLAs) with Anglo Platinum for certain support business processes on a transitional basis. These decisions were based on the need to cause the least possible disruption to the business and to be cost effective. All of these agreements, except the agreement for information technology services (ITS), can be terminated by either party on three months' notice. The ITS agreement has an effective eighteen-month notice period which must be given in writing before 16 June of any year. By 31 December 2010 four of these SLAs had already been terminated. I am pleased to inform you that, even with this interim arrangement, we are no worse off from a cost point of view compared to the arrangement prior to us assuming operational control. RBPlat's management fee is based on reimbursement of actual corporate costs incurred in running the JV and is capped at R30 million with escalation based on the consumer price index (CPI). We also receive a 3.5% per annum project management fee in respect of the Styltdrift Project. We achieved our target of keeping management and overhead costs in check during this transitional period. The cost of our management fee, together with the cost of the SLAs and the cost of capacitating the operation to manage the financial functions for which it now has responsibility, is less than the Anglo Platinum management fee previously charged to the operation.

We still have the potential to reduce our unit costs further. In addition to the cost savings we expect to make as we reduce our reliance on SLAs we have already identified net benefits of R19.91 million through our initial optimisation of production volumes, production cost savings through a review of production processes and procedures and an analysis of expenditure patterns.

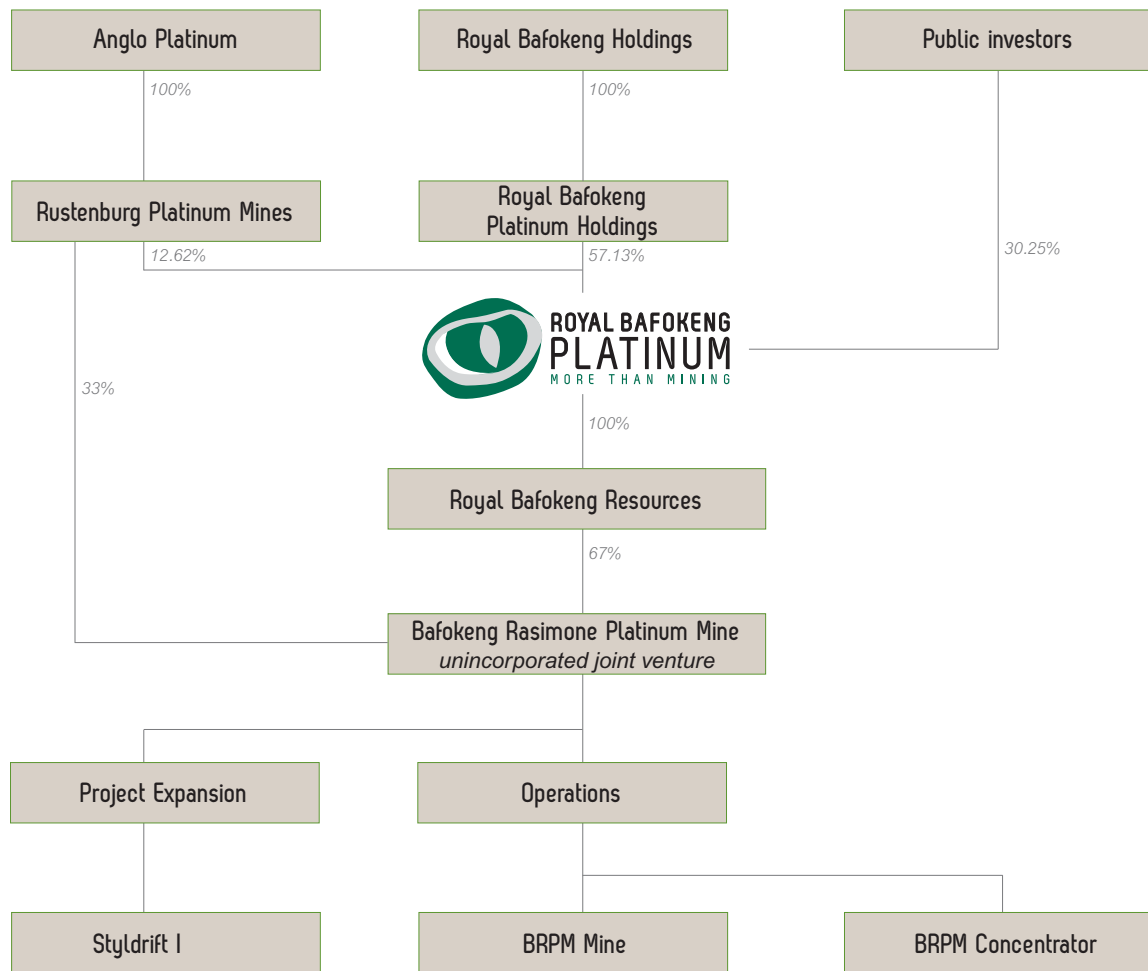
Our internal focus at BRPM is now on optimising its performance and building a culture of ownership throughout the organisation.

The listing

By March 2010 it was clear that the preparatory work we had done in 2009 had resulted in a successful transfer of operational control to RBPlat. It was time to formalise the establishment of RBPlat as an independently black-controlled platinum producer and provide a platform that would allow the Company to raise funds for its expansion projects and its potential expansion into the PGM sector through value enhancing acquisitions and synergies.

The decision was taken to list RBPlat on the JSE and its corporate management team embarked on a series of roadshows to assess investors' interest in a listing of the Company. Presentations were made that introduced investors to the investment potential of RBPlat. During these roadshows in South Africa, Europe and the United States of America the response from potential investors was very encouraging. The roadshows were followed by a bookbuild process which closed on 2 November 2010. It was strongly over-subscribed with 49 318 202 shares being placed, including the over allotment, at R60.50 per share (placement price). The successful listing of RBPlat on the JSE on Monday, 8 November 2010 followed, when the effective free float of 30.25% of the Company's shares raised R2.98 billion of which the Company received R1 billion in terms of the issue of new shares (the primary issue) and RBPH and RPM received R1.98 billion in terms of their selling down of a portion of their shares (the secondary issue).

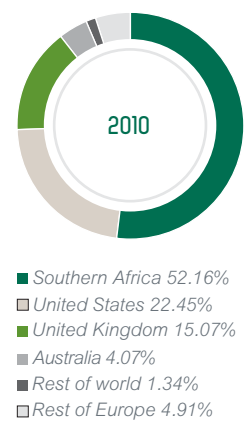
As at 31 December 2010 the Company had 5 343 shareholders. We were encouraged by the high level of interest expressed in the Company and we are fortunate to have a well-diversified shareholders' register from a geographical and investor type/style point of view. The share price has traded in a relatively narrow band around the R65/share level with a low of R62.52 and a high of R71.00 for the two months up to 31 December 2010.



RBPlat's performance against the platinum and precious metals, all share and mining indices
Daily 08/11/2010 – 31/12/2010



Geographical spread of public investors



Financial review continued

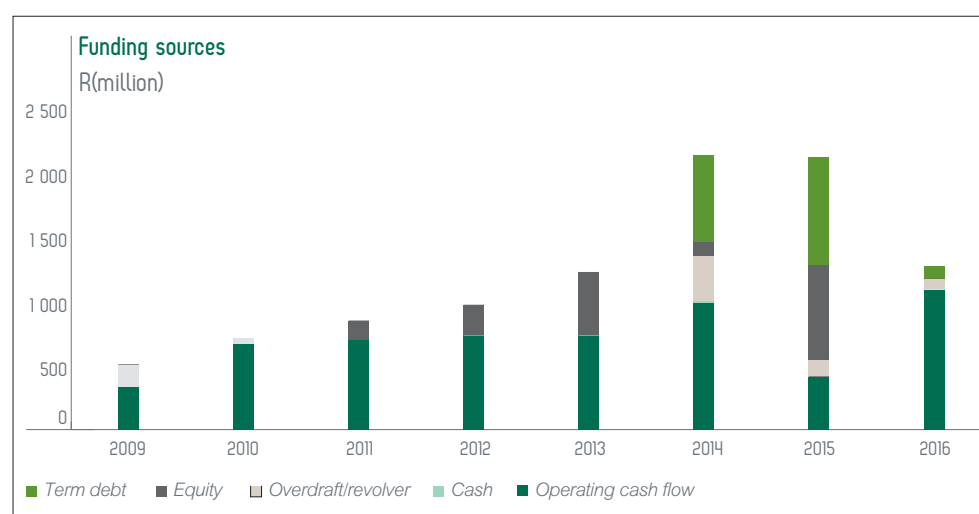
Funding strategy

RBPlat had cash and near cash investments on hand at the end of the year of R1.15 billion.

The Company has an intra-month funding working capital requirement which is met through a R250 million working capital facility of which R17 million had been utilised for Eskom guarantees at year-end. It also has an unutilised revolving credit facility of R500 million.

RBPlat's policy is not to hedge metal prices or exchange rates.

The Rand/Dollar exchange rate can have a major impact on the revenues we earn from the metals we produce. For example, an additional 10% movement in the Rand/Dollar exchange rate means our funding requirement for the BRPM JV would either increase or decrease (depending on the direction of the movement of the Rand against the Dollar) by approximately R300 million per annum with a resultant financial impact of approximately R200 million per annum on RBPlat.



Capex programme for Phase I of Styldrift

To date all capital expenditure, including stay-in-business, replacement, and expansion capital has been funded from cash flow generated by the BRPM operations. According to the Company's Business Plan it is envisaged that RBPlat's 67% share of the Styldrift I project (R11.8 billion) of R7.9 billion would be funded from the following sources:

Operational cash flows	R4.0 billion	50%
Term debt	R2.2 billion	28%
Equity	R1.7 billion	22%

Of the R1.7 billion equity requirement, R1 billion has been raised at listing, leaving a further R0.7 billion to be potentially raised in 2014/15.

The above information has not been reviewed and reported on by the Company's external auditors and does not constitute an earnings forecast.

Investing surplus cash

RBPlat raised R1 billion with its listing on 8 November 2010. After settling the listing fees and providing for the Company's share of the BRPM JV working capital requirement, RBPlat has a significant amount of surplus cash that has been earmarked for the funding of the future Styldrift I Project expenditure.

Based on the indicative RBPlat cash flow forecast an interim/short-term investment strategy with the following objectives has been adopted for the investment of the Company's surplus cash:

- Achieve prudent distribution of investments between at least two or three of the top four financial institutions to reduce exposure per institution
- Only consider simple, conservative alternatives that would ensure that capital is protected at all times
- Maximise yield over the term of investment in a tax efficient manner

- Retain flexibility as the cash flow requirements of the BRPM JV may vary substantially from the budget due to changes in exchange rates, and commodity prices.

Currently R250 million has been invested into a capital-guaranteed preference share product on a six-months' notice basis. The remainder of the surplus cash is invested in call accounts, fixed deposits and money market funds with two blue chip investment grade financial institutions.

Stockpile accounting

Previously at BRPM there was no accounting for ore stockpiles because very little use was made of stockpiling. RBPlat has made a conscious decision to improve flexibility at BRPM. The Company cannot afford to have its concentrator standing idle as a result of insufficient ore for it to process. To reduce the risk of a mining event affecting the performance of our concentrator plant we decided to, over time, build a stockpile at a reasonable level of ore production in order to alleviate the inefficiencies that are caused when a concentrator plant is not operating at consistent and optimal volumes. As a result, there is now a meaningful amount of ore in stockpiles for which we felt it prudent to account in our financials.

Impala royalty agreements

As indicated in RBPlat's pre-listing document, the BRPM JV Partners (RPM and RBR) have entered into agreements with Impala Platinum whereby RBPlat will earn a royalty based on 15% of Impala Platinum's revenue from the mining of the BRPM UG2 ore body (approximately 780 koz of 4E PGMs) in close proximity to Impala's 6 and 8 shafts. RBPlat will not be exposed to any mining risk in this regard as Impala Platinum will bear all the mining costs as well as all the related mining and safety risks. RBPlat has been granted a section 79 exemption by the Department of Mineral Resources in this regard whereby the safety, health and environment responsibilities are legally transferred to and assumed by Impala Platinum.

Following the successful implementation of the agreement on the 6 and 8 shafts, RBPlat, through its wholly-owned subsidiary RBR, agreed terms with Impala Platinum to, over a 30 year period, mine a further portion of the BRPM Merensky and UG2 resources (approximately 2.2 Moz of 4E PGMs). In terms of this agreement mining will be via Impala's 20 shaft at the far northern section of the Boschkopie property in an area known as the 'Boot-area'. According to this agreement RBPlat will receive a royalty from Impala Platinum of 17.5% of revenue and, as with the previous agreement, Impala Platinum will bear all the mining costs and the related mining and safety risks.

Tax position

RBPlat will not be liable for mining income tax for 2010 because as at 31 December 2010 it had an unredeemed capital expenditure balance amounting to R178.3 million.

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

Dividend policy

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

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

Conclusion

2010 has been a year of successful and seamless transition for RBPlat. 2011 will be a year of consolidation and we believe that RBPlat's healthy balance sheet combined with the renewed vigour and focus on operational excellence and organic growth at our quality cash generative operations should position the Company favourably in a forecasted deficit PGM market environment.



Martin Prinsloo
Chief Financial Officer

3 March 2011

Operating review



*Nico Muller,
Chief Operating Officer and
executive director*

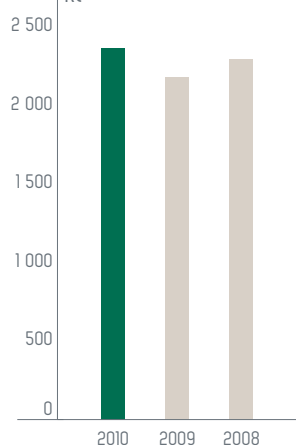
Our successes

- 15% improvement in LTIFR over 2009 (LTIFR 1.0)
- 9% increase in ROM tonnes delivered to the concentrator (2 366 kt delivered)
- 12% increase in tonnes milled (2 407 kt)
- 7% increase in PGM 4E in concentrate (288.1 koz)
- 2009 unit cost per tonne milled maintained at R707 per tonne
- Integrated water use licence approved
- Sinking operations at Styldrift project two months ahead of schedule

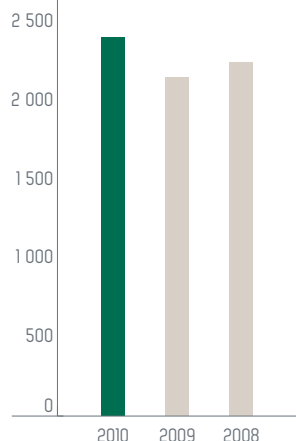
Our concerns

- Three fatalities in 2010
- ROM Grade (-4.6%)

ROM tonnes delivered to concentrator
kt



Tonnes milled
kt



Introduction

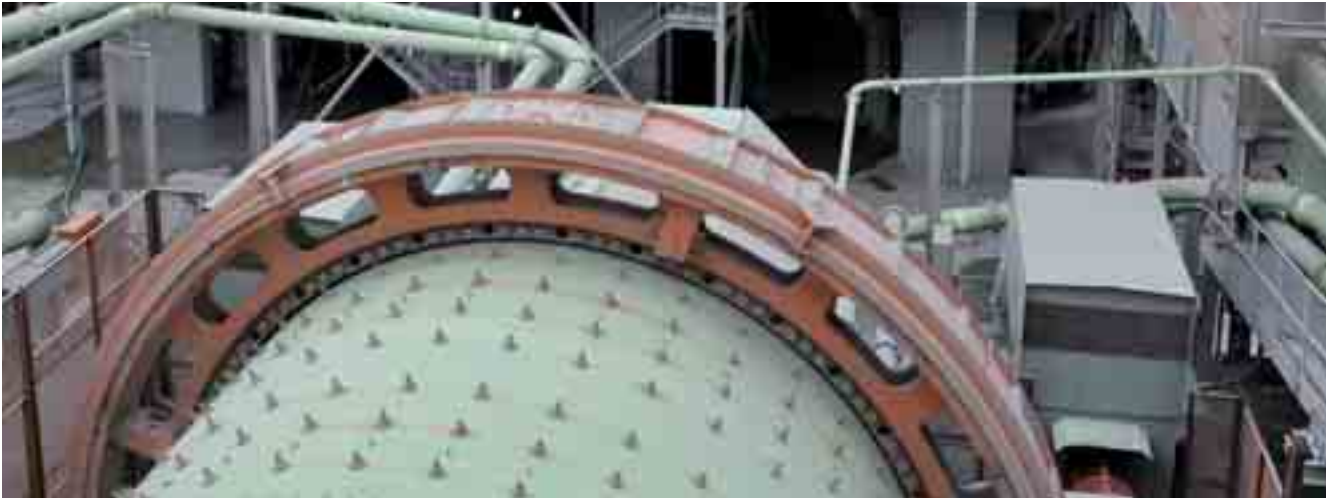
2010 was a very significant year for Royal Bafokeng Platinum. This was accentuated by the transfer of operational control from Anglo Platinum of the Bafokeng Rasimone Platinum Mine (BRPM) and the Styldrift Project (R11.8 billion) on 4 January 2010 and the successful listing process concluded during the fourth quarter.

The first year of operational control was as challenging as it was exciting and we are very pleased that many of the key operational objectives had been met. The initial emphasis of Royal Bafokeng Platinum was on securing a steady transition with no disruption to the ongoing operations and capital projects. This was very successfully achieved through a well planned and executed transfer programme and immeasurable support from all stakeholders including shareholders, staff, unions and government.

A major driving force behind the stable transition objective was our principal operating philosophy of zero harm to our employees. In this regard we are very proud of the improvement in our lost time injury frequency rate (LTIFR) which reduced by 15% from 2009 to 1.00 lost time injury per 200 000 hours worked in 2010. Regrettably, the improvement in overall safety performance did not eliminate loss of life incidents as three fatal injuries were reported, two of which occurred underground at BRPM and one at the Styldrift project. Our every effort will be invested to further enhance our safe and healthy work environment and practices with particular focus on reducing severity rates by eliminating high energy events associated with falls of ground, equipment and mobile machinery.

The operational strategy for the year was based firstly on optimising throughput and revenue and secondly on identifying and addressing cost reduction opportunities. Significant improvements realised in areas such as BRPM employed stoping crew efficiency, ore transport capacity and concentrator plant performance contributed to a 9% year on year increase in ore from mining operations and a 7% increase in PGMs 4E in concentrate. Key to improving throughput and enhancing operational flexibility was the commencement of early UG2 extraction and concluding an ore offtake agreement with Anglo Platinum for the concentrating and further processing of the UG2. 78 kt of UG2 ore was delivered to the concentrator during 2010 of which 27 kt was toll concentrated. A further 30 kt of UG2 ore was stockpiled. UG2 production is set to increase significantly during 2011.

Further to this, additional revenue enhancement is expected from an agreement concluded in 2010 in terms of which Impala will mine around 780 koz of UG2 over a seven year period in a mining block



A ball mill used in the crushing and milling process at the BRPM concentrator

contiguous to their No 6 and 8 shafts. Through this agreement Royal Bafokeng Platinum effectively converts long-term ounces into short-term cash flows resulting in a net increase in overall NPV.

A key area of concern is the 4.6% reduction in head grade from 2009. Contributing factors included a reduction in geological block grades, increased ratio of on reef development compared to stoping, and stoping width control. The business will review all key factors with the aim of optimising the grade of ore delivered to concentrators during the forthcoming year.

A business optimisation intervention was initiated in the third quarter which was specifically focused at reducing overall operating costs. Results from pilot projects are encouraging and have contributed to a zero year on year Rand per tonne cost increase. Key savings to date have emanated from improvements in labour efficiencies, drill and blast designs and practices and procurement processes. Based on the successes achieved to date we are confident that cost improvements will continue in 2011 as the optimisation initiative is rolled out.

The Phase II shaft deepening project at BRPM progressed well during 2010 and we are confident that it will provide replacement mineable reserves timely on levels 6 to 10 as extraction at the upper levels is concluded. Styldrift, the greenfields expansion project, is currently two months ahead of schedule and on cost. Shaft sinking commenced in the fourth quarter of 2010 and is scheduled to progress to a depth of 450 metres by year-end in 2011. RBPlat is confident that all the necessary systems, controls and capacity are in place to manage key capital projects to schedule and budget during the forthcoming year.

Overall, we are pleased that a robust operating platform was established in 2010 which will support the strategic objective of business growth through operational excellence. We are excited about the challenges of the new year and confident about further improvement opportunities. We recognise the contributions of all stakeholders in the achievements to date.

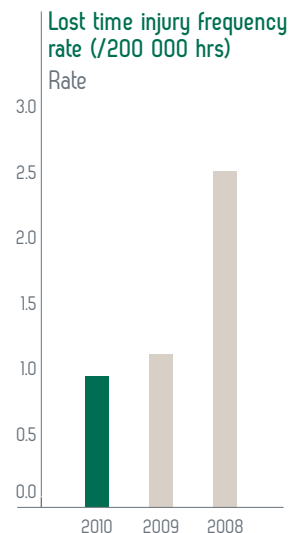
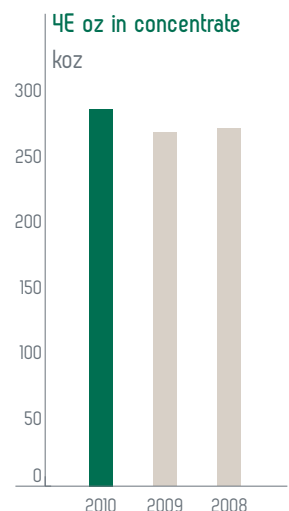
Operations

Mining is conducted conventionally at BRPM through two decline shaft systems – the North and South shafts. Each shaft system consists of a conveyor, material and chairlift decline for the transportation of men, material and ore. Ore from underground mining operations is transported to the concentrator by means of overland conveyor belts.

Each shaft has a capacity of around 100 000 tonnes per month (tpm) which ensures the concentrator design capacity of 200 000 tpm is met. A phased extraction approach was adopted to develop each shaft system:

North Shaft Merensky:

- Phase I (Level 1 – 5) (Levels 1 – 2 complete, Levels 3 – 5 operational)
- Phase II (Level 6 – 10) (Levels 6 – 9 operational, Level 10 under construction)
- Phase III (Level 11 – 15) (Phase III capital construction commenced in November 2010)



Operating review continued

South Shaft Merensky:

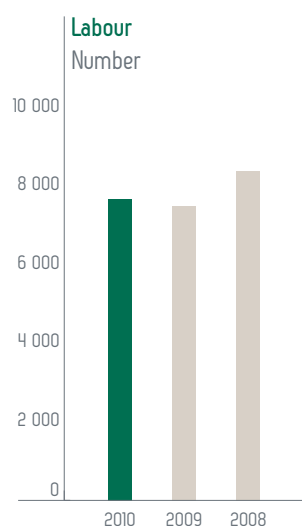
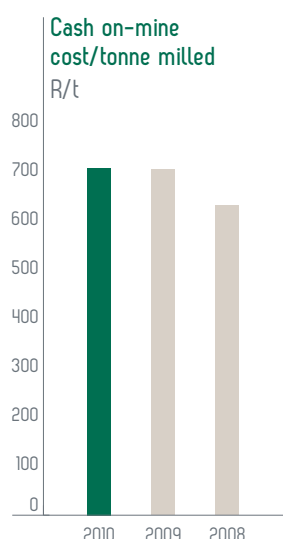
- Phase I (Level 1 – 5) (Levels 1–2 complete, Levels 3 – 5 operational)
- Phase II (Level 6 – 10) (Levels 6 – 8 operational, Levels 9 –10 under construction)

UG2 (North and South shaft)

- Pre-feasibility study under review
- Early trial mining commenced in 2010

BRPM operating statistics

Description	Unit	2010	2009	2008
Safety				
Lost time injuries	number	83	101	206
LTIFR (/200 000 hrs)	rate	1.00	1.17	2.57
Production				
ROM tonnes delivered to concentrator	kt	2 366	2 177	2 297
Development	km	33.4	26.0	32.2
Immediately available ore reserves	months	27.9	23.0	15.8
Immediately available ore reserves	km	18.1	16.7	13.3
Tonnes milled	kt	2 407	2 154	2 248
Concentrate recovery (4E)	%	86.43	86.29	86.13
4E built-up head grade	g/t	4.31	4.52	4.39
Pt ounces in concentrate	koz	187.4	175.7	177.7
4E ounces in concentrate	koz	288.1	269.9	273.4
Labour				
Working cost labour	number	6 793	6 605	7 432
Capital labour	number	877	892	956
Operating costs				
Total cash BRPM costs	R(million)	1 700	1 516	1 416
Concentrator cost	R(million)	252	212	176
Cash on-mine cost/tonne delivered	R/t	719	696	617
Cash on-mine cost/tonne milled	R/t	707	704	630
Cash on-mine cost/Pt produced	R/oz	9 076	8 629	7 970
Capital expenditure				
Total capital	R(million)	967	754	612
Project capital	R(million)	869	647	482
SIB capital	R(million)	98	107	130



The key focus of our mining operations during 2010 was on improving mining volumes through the introduction of additional stoping and vamping crews, expediting the co-extraction of UG2 and focusing on improving overall production crew efficiencies and improving discipline and control around key components of the production process. These initiatives were instrumental in our achieving a 9% increase in the tonnage delivered to the concentrator.

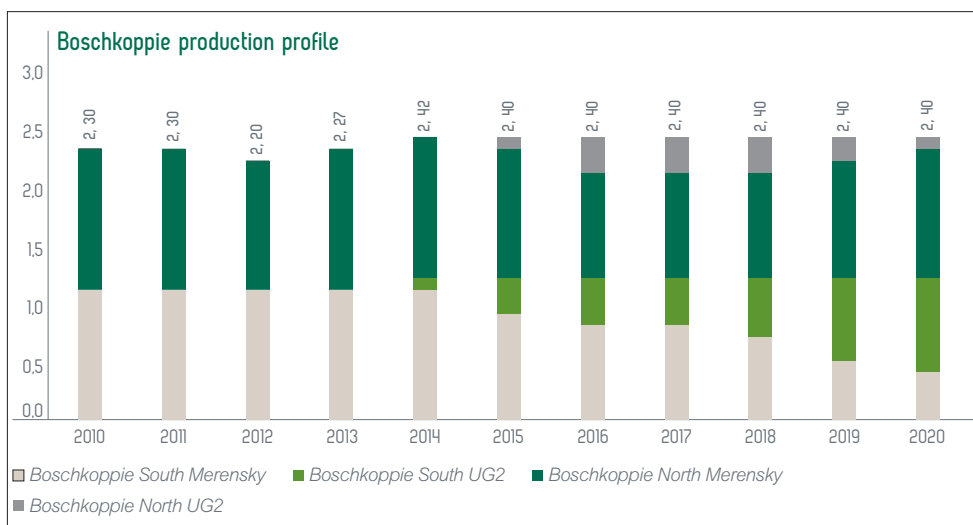
While the primary focus of our production is currently on the shallower Merensky Reef at a depth of less than 500 metres, and will remain as such for the foreseeable future, we commenced with the co-extraction of UG2 ore at relatively low volumes on a trial basis during 2010. The trial mining formed part of a UG2 feasibility study which is planned for approval in 2011. In the short to



Concentrate produced at the BRPM concentrator

medium term the UG2 ore will supplement the Merensky ore stream to our concentrator. In the long term UG2 production will be increased proportionally with the depletion of the Merensky.

Immediately available ore reserves increased by 17.5% from 23.0 months in 2009 to 27.9 months in 2010. Of the 17.5% increase, 7.9% was realised through an accelerated Merensky development to replace ore reserves depleted at South 'D' and the upper levels of North and South shafts, and 9.6% due to the development of UG2 reserves.



A flotation cell at the BRPM concentrator

Operating review continued

Boschkoppie production is currently planned to be maintained at between 2.3 and 2.4 million tonnes per annum (mtpa) until 2033, by which time the production will begin to steadily decline to approximately 1.2 million mtpa, commensurate with the exhaustion of the South shaft reserves.

The BRPM concentrator

The BRPM concentrator currently has the capacity to process 2.4 million tonnes per annum (mtpa) of ore and to produce approximately 190 000 platinum ounces in concentrate and 290 000 PGM 4E ounces in concentrate a year, at a mass pull of approximately 2.5%.

In both 2008 and 2009 the BRPM concentrator did not achieve its milling capacity, with production in 2009 being even lower than in 2008 (2.15 mtpa). Early in 2010 our operational team identified key constraints in the concentrator. Working with our partner, Anglo Platinum, we embarked on a process to eliminate these constraints and optimise the performance of the concentrator.

We modified the mill, flotation and tailings circuits, increased the number of electrical artisans, revised the electrical and mechanical maintenance schedules and increased the critical spares inventories.

The implementation of these changes resulted in a 12% increase in mill throughput and a 7% increase in PGMs (4E), despite a 5% lower head grade. The lower built up head grade can be attributed to the combined impact of lower than planned Merensky head grades and the controlled blending of lower grade UG2 ore into the mill feed.

The concentrator team also embarked on the process of becoming a world class concentrator, which started with an audit of the concentrator's current status as a sustainable operation and then mapped out the team's journey to achieve world class and set key performance indicators. In 2011 the focus of the concentrator team will be on continuing to capitalise on its ability to sustain improved availabilities, maximise throughput and optimise the IsaMill™ technology to further improve its performance.

A study was commissioned in 2010 into upgrading the BRPM concentrator. It is currently under review. If the upgrade is approved it would result in the concentrator being upgraded into a 250 ktpm (3 Mtpa) dual processing plant. This would allow the concentrator to process larger quantities of UG2 ore. Currently, the BRPM concentrator is able to process a maximum of 10% UG2 ore.

All the concentrate produced in the BRPM concentrator is sold to Anglo Platinum in terms of an offtake agreement.

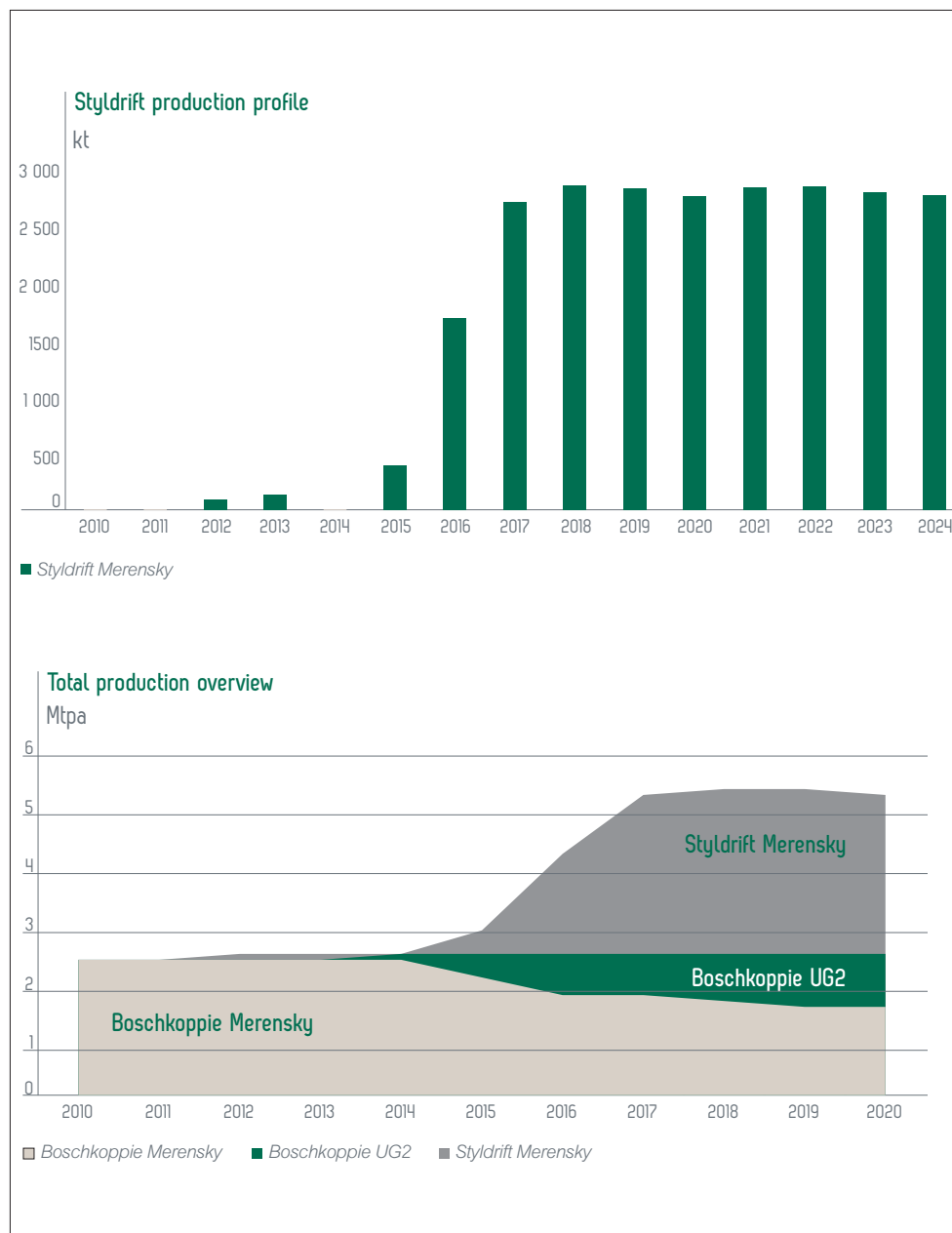


Work underway on the major civil works at the Styldrift project

Styldrift Expansion Project

Our greenfield project on Styldrift farm, which neighbours the Boschkoppie farm, involves a new mine development to be sunk to a depth of 740 metres, which is expected to increase our average monthly production to 420 000 tpm, yielding up to 420 000 platinum ounces in concentrate annually. The project, which was approved in 2008, has an expected nominal capital cost of R11.8 billion of which R9.4 billion will be invested in mining infrastructure and R2.4 billion in the concentrator.

Currently, this project is on budget and ahead of schedule. The bulk earthworks, as well as major civil works including shaft collars, winder houses, headgear foundations and service tunnels, have been completed. Shaft sinking of the main shaft has progressed to 25 metres below collar and sinking of the service shaft has progressed to 23 metres below collar. Preparations to commence deep pre sink are at an advanced stage. The bulk site infrastructure required for the construction phase of the project has been completed, including potable water and the power supply required for the construction phase of the mine.



Operating review continued

BRPM replacement projects

Two replacement projects have been approved and are currently in execution – BRPM Phase II and BRPM Phase III.

Boschkoppie Phase II

The Boschkoppe Phase II is a R2.43 billion Merensky replacement project and is an extension of the Phase I North and South shaft complexes from 5 level to 10 level. The project has been in execution since 2005 and is nearing completion with 5 to 8 levels on South shaft already completed and 5 to 9 levels completed on North shaft. Completion at North shaft is forecast for May 2011 and at South shaft for July 2012.

Capital expenditure in 2010 amounted to R297 million and total expenditure to date amounts to R1.937 billion. Further expenditure of R469 million is forecast to complete this project.

Boschkoppie Phase III

The Phase III replacement project was approved in December 2010 with a total capital value of R1.272 billion, which included R61 million for early development works which commenced in January 2010.

This will result in the deepening of the North shaft infrastructure to the mine boundary and the establishment of hybrid mining sections from 11 level to 15 level, which will provide access to 1.4 million PGM 4E ounces.

The early commencement of development works has resulted in the project currently being ahead of schedule, with R52.97 million spent on the project to date.



Flotation cells at the BRPM concentrator

Ensuring BRPM's sustainability into the future

In addition to the current replacement and expansion projects, several additional studies have been commissioned to ensure the long-term sustainability of the BRPM JV. A total of R21.4 million was spent on studies in 2010, with a further R143 million budgeted for this purpose over the next five years.

The purpose of these studies is to evaluate further greenfield and brownfield opportunities on the Boschkoppe, Styldrift and Frischgewaagd properties, with the aim of increasing our future operational flexibility and production.

Major studies include:

- Boschkoppe UG2 Feasibility Study (which includes the upgrading of the current concentrator capacity and dual processing of Merensky and UG2)
- Styldrift 1# Optimisation Study
- Styldrift 1# UG2 Feasibility
- Styldrift UG2 Feasibility Studies and a Styldrift II Concept Study.



Nico Muller

Chief Operating Officer

3 March 2011

For further

Information



GRI LA7 2.9, 4.16, 4.17

See page 5 for map showing location of operations

See the Mineral Resources and Reserves statement on pages 38 to 51 for information on future drilling activities

See the glossary for a detailed description of the Merensky Reef

See KPIs on page 22 for more detailed information on the three fatalities and the actions BRPM is taking to avoid fatalities in the future



Performance against the Mining Charter Scorecard



Before they go underground miners at BRPM Mine are provided with an instant meal which contains the equivalent of a person's daily nutritional requirements. The package contains water and powder separated by a membrane. When the package is squashed the water and powder mix to provide an instant meal

RBPlat is committed to the principles of the Broad-based Socio-economic Empowerment Charter (the Mining Charter) for the South African mining industry and the Mining Charter Scorecard, established to monitor performance against the Mining Charter. RBPlat has already made good progress towards the goals set for 2014 in the revised Mining Charter which came into effect in September 2010 and is committed to achieving these goals

Procurement and enterprise development

Description	Measure	2011 target	Progress achieved by 2010
Procurement spend with BEE entities	Capital goods	10%	Measures in place to achieve 2011 target
	Services	40%	30%
	Consumable goods	15%	Measures in place to achieve 2011 target

RBPlat is committed to procuring goods from local black empowered businesses whenever possible. Its Procurement Department regularly runs workshops for local businesses in which they are provided with information on how to register as a vendor with BRPM, how to prepare documentation when they are quoting or tendering and how the tender process works. The Company's enterprise development programme has made it possible for micro enterprises to become vendors. By providing these companies with interest-free loans BRPM has made it possible for them to purchase the goods and equipment they need to undertake projects for the mine.

Supporting enterprise development through preferential procurement

Matilda Ntsimane's Company, Masego Cleaning Services and Construction, was launched with a single painting contract at BRPM.

Before launching her business she spent seven years working for Sun International and United Tours in the hospitality and tourism industry, during which time her natural flair for working with people and her determination to succeed resulted in her rapid promotion to management. Her ambition to own her own company found her attending a business management course sponsored by Anglo Platinum. After completing the course she had the opportunity to register as a vendor with BRPM and submit a tender for the painting contract that got her business started.

Since getting her first contract Matilda's business has expanded and she now employs 55 people from the local community, 60% of whom are women. Her company's activities include office cleaning, maintenance, renovation and cleaning up industrial spills. She has a five-year office cleaning contract with BRPM. In addition, she also provides people to do wood picking in the crushing plant at BRPM's concentrator. She has also recently moved into event management, catering and equipment hire.

Reneilwe Masilo, who studied for a degree in economics through UNISA, gave up his job as a branch manager for Capitec Bank to start his own business in 2007.



Matilda Ntsimane, owner of Masego Cleaning Services and Construction with two of her employees, Supervisor Emily Mondlana (left) and Cleaner Iris Moss, who are part of the team that clean the BRPM offices.



Reneilwe Masilo, small business owner, whose business got started with a contract from BRPM to renovate cracked houses in Rasimone village.

The first work he did for BRPM was in 2008 when he was contracted to renovate houses with cracked walls in Rasimone village. Since then he has also renovated park homes at the mine and installed cupboards. In 2010 he was awarded a contract to cast a 900 sq metre concrete slab, which required around 100 tonnes of concrete, at the concentrator plant.

Reneilwe said that being able to get the funds upfront from BRPM so he could buy the supplies he needed to start the work he had been contracted to do, made it possible for him to get his business going. In contrast the cash flow of his business took a terrible knock when, after completing a contract he was awarded by a municipality to do work connected with the World Cup, he still hadn't been paid nearly six months later.

Reneilwe's dream for his business is to achieve stability by winning some long-term contracts. He would like to be able to own his own plant and machinery.

Reneilwe believes 'You have got to be brave if you want to run a small business. There can sometimes be big gaps between contracts when there is no income. I wouldn't change it. I didn't get enough satisfaction from being employed. You can only prove your worth by making it.'

Human resource development

Description	Measure	2011 target	Progress achieved by 2010
The development of requisite skills, including support for SA-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	3.5%	6.5%

- During 2010 BRPM provided learnerships and bursaries (for core and critical skills) to 126 black students of which 17 were female
- 818 people received ABET training (level I, II, III, IV and NQF 1) of which 125 were female

Performance against the Mining Charter Scorecard *continued*

How ABET can change lives

Ben Molefe grew up in a rural village and like so many South Africans moved to an urban area to find work. Because of his lack of qualifications the only work he could find was manual labour working in the mines for contracting companies. He was a temporary employee and life was uncertain. He badly wanted to train to become a miner but lacked the necessary maths and science and a matric pass.

He was determined to study maths and science so he could improve his work situation. The opportunity to do so came when he was accepted on to the fulltime adult basic education and training (ABET) programme at BRPM. Ben told us: 'ABET helped me, but I also worked really hard. This has got me the first permanent job I have ever had.'

Ben now works at the North Shaft Training Centre at BRPM where he is an acting Human Resource Development (HRD) Facilitator. He spends his day training and coaching BRPM employees, which he does with tremendous enthusiasm and commitment.



Ben Molefe, Human Resource Development Facilitator at work coaching employees at the BRPM Training Centre at North Shaft. Hard work and the opportunity to participate in fulltime ABET training helped Ben matriculate, move out of employment as a temporary manual labourer and secure him a permanent position as a facilitator training and coaching BRPM employees

Ownership and housing and living conditions

Description	Measure	2014 target	Progress achieved by 2010
Minimum target for effective HDSA ownership	Meaningful economic participation	26%	57.05%
	Full shareholder rights	26%	57.05%
Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	Occupancy rate of one person per room	BRPM has no permanent employees living in hostels
Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	Family units established	BRPM has no permanent employees living in hostels

Mine community development

Description	Measure	2014 target	Progress achieved by 2010
Conduct ethnographic community consultative and collaborate processes to delineate community needs analysis	Implement approved community projects	Up-to-date project implementation	40%

Enhancing opportunities for community members through education

BRPM invests in the schools serving its neighbouring communities. This investment has included building classrooms for overcrowded schools and providing desks, chairs and office equipment. In the past BRPM has also provided libraries and computers and ICT training.

The impact of its investment of R850 000 in the Experico programme, which addresses a lack of capacity among primary school teachers to teach mathematics and science and provides teaching aids which help the children learn through play, has been the most significant. Now children who previously only started learning maths and science in the secondary school are learning those subjects in the primary school.

The Experico programme trains each teacher for five days. When the teachers return to their schools they are not only armed with the knowledge they need to teach maths and science but they are also supplied with a range of teaching aids, which are designed to make learning maths and science fun.

The pupils have adapted very well to the Experico approach and many of the pupils at the six schools involved in the programme are now achieving distinctions in all their subjects. In addition to teaching maths and science the programme also teaches children to be more assertive and participative in solving problems.

The Experico programme is recognised and supported by the South African Department of Education and the Director in the office of the Department of Education said during a ceremony at which the best performing school was announced, that the programme was producing good results.



Pupils at Boshoeck Primary School in the vicinity of BRPM whose overall results have improved considerably since their teachers were trained to teach maths and science through the Experico programme

Performance against the Mining Charter Scorecard continued



Employees waiting to go underground

Sustainable development and growth and beneficiation

Description	Measure	2014 target	Progress achieved by 2010
Improvement of the industry's environmental management	Implementation of approved EMPs	100%	73%
Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	100%	100%
Utilisation of SA-based research facilities for analysis of samples across the mining value chain	Percentage of samples in SA facilities	100%	73%

Employment equity

Description	Measure of HDSAs in management	2014 target	Progress achieved by 2010
Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (Board)	40%	44%
	Senior management (exco)	40%	50%
	Middle management	40%	53%
	Junior management	40%	54%
	Core skills	40%	75%

Women at work

When RBPlat listed on the JSE **Tshidi Ramorula**, the only black female mining engineering graduate at BRPM, was there with her team members. Their reward for being BRPM's best performing stoping team over a period of three months was to be invited to attend the Company's listing. During the four months that Tshidi was with the team they exceeded their monthly target of 400 square metres by achieving over 600 square metres.

Tshidi grew up in Luka very near BRPM. She attended a school run by the Royal Bafokeng Administration (RBA) and told us that she was blessed with good maths and science teachers. She did very well at school and was awarded a bursary by the Royal Bafokeng Administration (RBA) for her first year of study for a degree in mining engineering at the University of Johannesburg. The excellent results she achieved in her first year led to Anglo Platinum awarding her a bursary for the rest of her studies.

She graduated two years ago and is currently following a graduate development programme at BRPM. The programme takes participants through every aspect of mining.

When Tshidi was asked what made her decide to become a mining engineer she told us that she had two choices – mining or metallurgy – and she was drawn more to mining and wanted to find out what it was about. She told us she enjoys leading people. 'I'm so proud of myself. I never thought I could do something like this. And they do listen (the men in her team) because when I say something I don't back down.'

Tshidi agreed that the role she is playing now is very different from her cultural background where she was brought up to obey a man. 'Now it's the other way around. They have to listen to me.'



Tshidi Ramorula, who led the BRPM's best performing stoping team, at the JSE on listing day

Performance against the Mining Charter Scorecard *continued*

Hilda Maimela, who grew up in a small village near Steelpoort in Limpopo, first of all chose to become an electrician and then she chose to work in mining as an electrician because: 'It's fast growing with many opportunities,' she said.

After completing a diploma in electrical light current at Pretoria West College of Engineering she joined Anglo Platinum in Rustenburg in 2002 as a stope serviceman trainee at Twickenham Mine. In 2008 Hilda was sent for further training during which she did her on-the-job training at BRPM. Now she's the only female electrician working underground at BRPM's South shaft. Hilda and her assistant work all over the mine repairing and maintaining electrical equipment and installing new machinery. They also look after the locomotives.

Her dream is to be awarded a scholarship to study electrical engineering fulltime. She said: 'I really need to go to school fulltime, if it is possible, because our courses are based on mathematics and engineering sciences, which are things that need fulltime study.'

Hilda says she loves what she is doing, but she finds men to be very critical – 'I am young and a woman and they are full of criticism. They don't accept me. It's hard being in the mine. You have to be very, very brave. It was a rude awakening for me in the beginning. But right now I am enjoying it.' She says she always does her job perfectly so the men can't criticise her work.



Hilda Maimela, the only woman electrician at BRPM's South Shaft checks locomotive batteries

Carol Mosue first came to BRPM as a student in 2004. After qualifying she was appointed as a junior surveyor in 2005, then she was promoted to senior surveyor and now she is a shaft surveyor responsible for the survey department, the sampling department and the valuation department at BRPM's South shaft. She explained: 'We make sure that the production personnel mine according to the design and if there is any over-breaking or under-breaking we indicate it on the plan. That's our job and our surveyors go underground every day. So does our sampler who samples the advanced strike gulleys (ASGs).' It is Carol's team that works out the tonnes and grades achieved at South shaft.

When asked what made her decide on mine surveying as a career, she said: 'Surveying was my second choice after matriculating. Because of lack of money and because the bursary that came along was related to land surveying I accepted it and went to Natal Technikon.' A career in land surveying did not work out for Carol so she changed to mine surveying. She told us that initially she found the underground conditions a bit challenging and people were saying she had chosen the wrong career. Carol is petite and when she first started work at Paardekraal Mine she had to go underground in a cage. The men used to squeeze her into a corner. She was delighted to find a belt system for going underground at BRPM. She says she is now grateful she became a surveyor and is happy about her career choice.



Carol Mosue, Shaft Surveyor at BRPM's South shaft with Vincent von Plaster, the shaft's Section Surveyor.

Board of directors



David Noko
non-executive director
(independent)

Nico Muller
COO

Robin Mills
non-executive director
(independent)

Martin Prinsloo
CFO

Prof Linda de Beer
non-executive director
(independent)

Mike Rogers
non-executive director

Steve Phiri
CEO

Prof Francis Petersen
non-executive director
(independent)

Advocate Kgomotso Moroka
Chairperson
(independent)

Board of directors

Adv Kgomotso Moroka (56)

Chairman and independent non-executive director

Appointment: 1 June 2010

Committee membership: Remuneration and Nominations Committee

Skills and experience: Adv Moroka, who holds a BProc from the University of the North and an LLB from the University of the Witwatersrand, is a practising advocate, admitted to the Johannesburg bar in 1989, and a businesswoman. She serves on a number of boards, chairs Gobodo Forensic and Investigative Accounting (Proprietary) Limited and also chaired the M-Net Phuthuma Share Scheme. The boards she serves on include Network Healthcare Holdings Limited (Netcare), Standard Bank Group Limited and South African Breweries. She is also a trustee of the Nelson Mandela Children's Fund, Project Literacy and the Tshwaranang Legal Advocacy Centre.

Steve Phiri (54)

Chief Executive Officer and executive director

Appointment: 1 April 2010

Committee membership: Safety and Sustainable Development Committee

Skills and experience: Before joining RBPlat as Chief Executive Officer (CEO) Steve was the CEO of Merafe Resources Limited (Merafe), a company listed on the JSE Limited for six years. Before joining Merafe he headed up Corporate and Legal Affairs for the Royal Bafokeng Nation (RBN) and led the negotiating team that successfully resolved the dispute between the RBN and Impala Platinum Limited. In this role he also negotiated the RBN investment in Merafe and the nation's joint venture with Anglo Platinum Limited (Anglo Platinum). He is a member of the Minerals and Mining Development Board and the South African Diamond and Precious Metals Regulator. Until recently he served as a non-executive director on the boards of Impala Platinum Limited and Zurich Insurance Company SA. Steve holds a BJuris degree from the University of the North, an LLB from Vista University, a Diploma in Corporate Law from Rand Afrikaans University, and an LLM from the University of Johannesburg. He is an admitted attorney of the High Court of South Africa.

Prof Linda de Beer (41)

Independent non-executive director

Appointment: 1 June 2010

Linda is an independent financial reporting and corporate governance advisor and visiting professor of financial accounting at the University of the Witwatersrand. From 2001 to 2006 she was a senior executive of standards at the South African Institute of Chartered Accountants (SAICA) and from 2008 to 2009 she was the Financial Director of Jay and Jayendra (Proprietary) Limited, a private investment company. Professor de Beer is currently involved in directorship development and training programmes for the Institute of Directors of Southern Africa. She serves as the Chairperson of the Consultative Advisory Group (CAG) of the International Auditing and Assurance Standards Board (IAASB). Her memberships of committees include: the King Committee on Corporate Governance in South Africa, the Issuers' Services Advisory Committee of the JSE Limited and the Committee for Auditing Standards of the Independent Regulatory Board for Auditors in South Africa. Linda is a qualified Chartered Accountant (SA) and has a Master's degree in Tax.

Robin Mills (64)

Independent non-executive director

Appointment: 20 September 2010

Robin joined the Anglo American group in 1965. He acted as the Group Deputy Technical Director of Mining for the Anglo American Corporation of SA and served with AngloGold in an executive capacity from 1998 before moving to the Konkola Copper Mines in Zambia in 2000 as Chief Operating Officer and then Chief Executive. His final position with the Anglo American Group was with Anglo Platinum, where he was initially the Executive Director of Projects and later the Executive Director of Mining. From October 2007 until mid-2010 he acted as Group Technical Director for the De Beers Group, was Chairman of their Group Services Unit and a director of the De Beers subsidiary and associate mining companies in Southern Africa and Canada. Robin is a UK Chartered Engineer and a fellow of the UK Institute of Materials, Metallurgy and Mining and the Southern African Institute of Mining and Metallurgy. He has a BSc in Mining Engineering from the University of the Witwatersrand and currently operates as a private consultant.

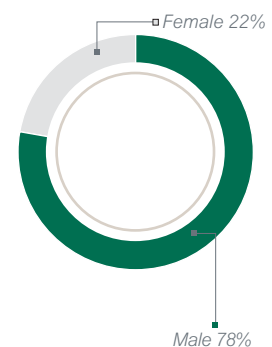
For further

Information



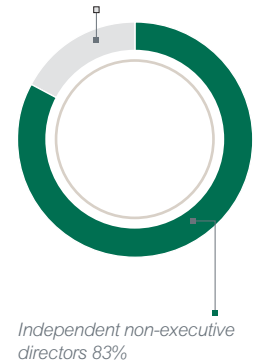
For more information on the Board and its responsibilities, you are referred to the governance section of this report on **p84**.

Composition of RBPlat's Board



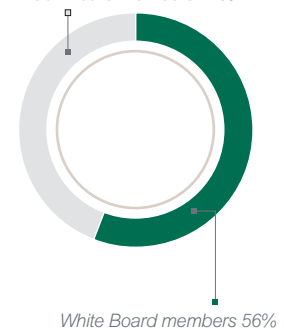
Percentage of non-executive directors that are independent

Non-executive director who cannot currently be classified as independent 17%



Racial composition

Black Board members 44%



Nico Muller (44)*Chief Operating Officer and executive director*

Appointment: 2 March 2009

Skills and experience: Nico is the Chief Operating Officer of the Company. He has extensive experience in underground diamond, gold and platinum mining and has successfully implemented two major new underground mines from design stage through to full production. Nico has held various senior managerial positions at De Beers Consolidated Mines, Anglovaal Mining and African Rainbow Minerals. He is a qualified mining engineer with a Bachelor of Science Degree in Mining Engineering from Pretoria University.

David Noko (53)*Independent non-executive director*

Appointment: 1 June 2010

David, who joined the De Beers Group in 2002, was appointed Managing Director in 2006 and held the position until March 2010. He joined South African Breweries in 1987 where he reached senior management level in 1991 before joining Pepsi Cola International as Operations Manager in 1994. In 1997, he joined Air Chefs (Proprietary) Limited, a large airline catering company and he took over as its CEO in 1999. He has been a non-executive director of Astrapak Limited since September 2007. David holds a Mechanical Engineering Diploma from the Witwatersrand Technikon, a Management Development Diploma from the University of the Witwatersrand, a post-graduate diploma in Company Direction from the Graduate Institute of Management and Technology and an MBA from the Graduate School for Business of Heriot-Watt University.

Prof Francis Petersen (46)*Independent non-executive director*

Appointment: 1 June 2010

Francis has been the Dean of the Faculty of Engineering and Built Environment at the University of Cape Town since April 2008. He is also an extraordinary professor in the Department of Chemical Engineering at the University of Stellenbosch. Prior to entering academia, he was Head of Strategy at Anglo Platinum from May 2005 to March 2008 and a member of the Executive Committee. He was also the Executive Vice-President of Research and Development at Mintek (Proprietary) Limited from January 2002 to April 2005. He is a member of the National Advisory Council on Innovation (NACI) and Chairman of the Council for Scientific and Industrial Research (CSIR). He is a registered Professional Engineer with the Engineering Council of South Africa (ECSA), a member of the boards of the South African Diamond and Precious Metals Regulator and Pragma Africa, and is a fellow of both the South African Institute of Mining and Metallurgy and the South African Academy of Engineers. Francis holds a Bachelor of Science in Chemical Engineering, as well as a Master's degree and a Doctorate in Metallurgical Engineering, all from the University of Stellenbosch.

Martin Prinsloo (42)*Chief Financial Officer and executive director*

Appointment: 2 March 2009

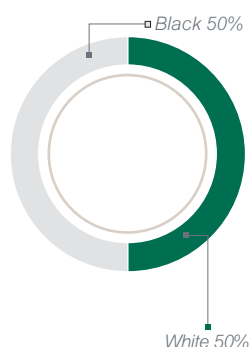
Skills and experience: Martin joined the Company as Chief Financial Officer (CFO) and Public Officer in March 2009, having previously acted as CFO of Anglo Platinum and been a member of its Executive Committee for 17 months. Prior to acting as CFO, Martin was Head of Corporate Finance and Business Development at Anglo Platinum. He also worked for KPMG, the Industrial Development Corporation of SA Limited (IDC) and BoE Merchant Bank as Director of Specialised Finance. During the past 15 years he successfully structured, negotiated and implemented several significant transactions in the resources industry. Martin holds a BCom (Acc) and a BCom (Acc) (Hons) from the University of Pretoria and is a Registered Chartered Accountant (SA).

Mike Rogers (66)*Non-executive director*

Appointment: 7 December 2009

Skills and experience: Mike is currently Executive Head of Joint Ventures at Anglo Platinum where he has worked since 2002, when he joined the company as a senior mining engineer. Before taking up his current position he headed up Mine Technical Services for Anglo Platinum. His career in the mining industry started with Johannesburg Consolidated Investments Limited (JCI) which he joined as a graduate trainee in 1968. Having worked in JCI's gold, coal, platinum, base metal and antimony mines he was appointed CEO of its Coal and Base Metal Division in 1994. Mike was appointed Deputy Managing Director and Technical Director of Duiker Mining in 1998. He is a registered Professional Engineer and has a BSc Mining Engineering from the University of the Witwatersrand. He is a Life Fellow of the Southern African Institute of Mining and Metallurgy.

Racial composition of Executive Committee



For further

Information



GRI 4.1, 4.2, 4.3, 4.4, 4.5, 4.6,
4.7, 4.9, 4.10

Executive Committee



Executive Committee

Steve Phiri, Chief Executive Officer and executive director
Martin Prinsloo, Chief Financial Officer and executive director
Nico Muller, Chief Operating Officer and executive director

Glenn Harris, General Manager of the Bafokeng Rasimone Platinum Mine (BRPM)
 Glenn has been at BRPM for 11 years and has been its General Manager since 2006. He holds a Bachelor of Technology degree in Mining and is a Professional Certificated Engineer. He has 27 years of mining experience, of which 17 years have been in platinum and is a standing invitee to Exco meetings.

Mzila Mthenjane, Executive: Business Sustainability
 Mzila holds a Bachelor of Science degree in Mining Engineering from the University of the Witwatersrand and a Senior Management Development Diploma from the Graduate Institute of Mining and Technology (GIMT). Mzila has seven years of mining experience and six years' experience in banking. Before joining RBPlat he was a member of the management team at Royal Bafokeng Holdings for three years.

Vicky Tlhabanelo, Executive: Human Resources
 Vicky holds a Masters in Management from the University of the Witwatersrand and a Bachelor of Commerce (Honours) and Diploma in Management (Accounting), both from the University of the North West. She has 15 years' experience in Human Resources in the private and public sector and joined the Company in April 2010.

Corporate governance report

Our commitment and approach

RBPlat's directors endorse the King Code of Governance Principles of South Africa (the Code) and accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practised consistently throughout the Company.

The Company is committed to discharging this responsibility by applying the requirements of the Code in both letter and spirit. Since RBPlat has converted to a listed public company the directors are taking steps to ensure that the Company applies the requirements of King III where relevant and appropriate.

A Board Charter has been drafted and adopted which sets out the Board's roles, functions, obligations, rights, responsibilities and powers. It also includes the policies and practices of the Board in respect of its duties, functions and responsibilities. The Charter commits the Board to ensuring that the Company demonstrates it is a responsible corporate citizen through its development and implementation of strategies and policies in relation to economic, social and environmental impacts.

Terms of reference for each of the Board's sub-committees have also been adopted. The Board Charter and the sub-committees' terms of reference were all drafted in accordance with the recommendations of King III. In terms of its Charter the Board also takes responsibility for the Company's sustainable development.

RBPlat is committed to including and engaging its stakeholders when and wherever possible and it aims to achieve this by integrating effective, understandable and transparent communication into every aspect of its business. It is in the process of preparing a stakeholder management strategy and policy for adoption by the Board.

JSE Listings Requirements statement on the King Code

The Board subscribes to the highest standards of corporate governance and, although King III only becomes applicable to the Company in 2011, the Board agreed that the principles and practices of King III should be applied by the Company in 2010.

Due to the infancy of the Company, its Board and related structures, there are, however, instances where certain of the requirements in the King Code have not yet been fully implemented. As required by the JSE Listings Requirements, a description of each of these key requirements, as well as the reason why the Company has not applied the specific requirement, is provided below.

These areas will receive the necessary focus in the next financial period to ensure that sustainable frameworks, policies and controls are in place to assist management and the Board in exercising its responsibilities effectively.

In instances where good corporate practice is applied, but requires a more formal approach and Board approval, these processes will be embedded through the implementation of formal policies or specific frameworks.

Some significant areas of partial or non-compliance are set out below.

Towards King III

Ethical leadership and corporate citizenship

- The Board Charter commits the Board to ensuring the Company is a responsible corporate citizen
- The Audit and Risk Committee is responsible for ensuring employees are made aware of the Company's Code of Conduct and for monitoring compliance with the Code
- The Board, recognising its responsibility for the Company's sustainable development, has established a Safety, Health and Sustainable Development Committee which is responsible for recommending sustainable development strategy and ensuring appropriate systems are in place to minimise risk and maximise opportunities

1. Code of conduct and ethics policies and standards

A code of conduct as well as an ethics policy and standards exist at operational level and are monitored and adhered to. Following the transfer of operations to RBPlat, these policies are under review and will go through a rigorous governance approval process to ensure that values, ethical standards and policies currently in place align with the principles and vision of the newly established Board and management.

2. Corporate citizenship

Currently there are standards and processes by which the Company manages and conducts its operations through active engagement with its stakeholders, taking into account its corporate stature and areas of operation. However, these processes and policies need to be identified under the corporate citizenship banner and aligned and embedded formally through a consolidated framework, to be adopted and monitored by the Board.

3. Governing stakeholder relationship

Stakeholder relationships and their management is very important to the Company. Currently these relationships are being managed at various levels in the organisation. A more detailed review of the stakeholder identification and relationship management can be reviewed on pages 91 to 97 of the Integrated Annual Report.

However, a governance framework in dealing with stakeholders still requires formal adoption by the Board.

4. Dispute resolution

Alternative dispute resolution mechanisms exist at various levels within the Company, but the governance framework and policies surrounding dispute resolution, as well as the appointment of the necessary representatives of the Company to deal with any disputes arising with stakeholders, require review and consideration by the Board during 2011.

5. IT governance

A detailed assessment of the Information & Communication Technology (ICT) and Enterprise Resource Planning (ERP) structures and framework was conducted in 2010, prior to the listing. This assessment highlighted the areas requiring development and flagged the risks and opportunities in this area since the transfer of the business from Anglo Platinum. The IT charter, strategy and framework, accompanying processes and policies are therefore currently under review by management and the high level recommendations will be made to the Board for approval on finalisation of the process. Thereafter the Board will institute an ongoing monitoring and evaluation process over IT.

However, pertinent IT functions and responsibilities generally under management of the Chief Information Officer are performed at operational level extending to the corporate office.

6. Compliance with laws, rules, codes and standards

Compliance within the Company is ensured at various levels with certain officers legally appointed to perform the various functions, such as compliance with the health and safety regulations as well as mining legislation, among others. The consolidation and coordination of overall compliance into an effective framework for the Board to consider and review will, however, be undertaken in 2011. Thereafter, the Board will institute an ongoing monitoring and review process.

7. Remuneration philosophy

The current remuneration framework in place exists mainly as a legacy from previous policies, systems and procedures. This framework is currently under review to filter relevant from irrelevant and to amend or implement new policies and structures where required, dealing mainly with significant matters such as short- and long-term remuneration, incentives, succession planning, human resources and remuneration policies, among many others. Based on this review a remuneration philosophy will be established for adoption by the Remuneration Committee and the Board. Once this process has been completed and reported on by the end of 2011 it will be put to the shareholders for support and the top three senior managers' emoluments will then be reported.

8. Evaluation of the effectiveness and performance of the Board, its sub-committees, the directors individually, the Chairman and CEO

The Board and its committees were constituted mid-way through 2010 and have been in operation for just over six months to year-end. Similarly, the senior management of the Company are also relatively new. It was therefore agreed that the necessary evaluations will only be undertaken toward the latter part of 2011 to allow for processes and structures to be embedded. The same will be done for the evaluation of the required succession plan for the Board and senior management.

9. Review of internal audit

The Company's internal audit function has just been transferred to KPMG, and will be operational by 2011. As a result, the required assessment of internal audit will only be done in 2011, as the Audit and Risk Committee does not deem it necessary to assess the outgoing ABAS internal audit function. However, the internal audit charter and plan for 2011 have been approved by the Audit and Risk Committee. Similarly the written assessment on internal risks and controls by the auditors will be considered in 2011 and reported on in 2012.

Corporate governance report continued

10. Written assessment of the effectiveness of the Company's internal controls

KPMG was appointed to take over the responsibility of the internal audit (previously fulfilled by ABAS), with effect from 1 January 2011. As a result, the Company will only be in a position to evaluate the effectiveness of risk management by 2011 and then report on it.

Empowerment credentials

The Mining Charter, a broad-based socio-economic charter based on the Mineral and Petroleum Resources Development Act (MPRDA) effected in May 2004, provides a framework to facilitate the inclusion of historically disadvantaged South Africans (HDSAs) into the mining industry.

In 2009 the Department of Mineral Resources (DMR) published a Code of Good Practice for the Mining Industry in terms of the MPRDA, which is also used in the rights application process. According to this legislation, at least 15% of the equity of mining companies (or equivalent units of production) must be owned by HDSAs within five years, and at least 26% must be owned by HDSAs within ten years (2014).

The RBN, represented by the Royal Bafokeng Nation Development Trust (RBNDT) through RBH, its investment vehicle, has a majority equity stake and control of RBPlat. This results in RBPlat being a fully empowered company.

The Board

The unitary Board is satisfied that it meets the requirements of maintaining an effective Board which is collectively responsible for the success of the Company.

Board balance and independence

The Company's Board of Directors currently consists of three executive directors and six non-executive directors, five of whom are independent non-executive directors (including the Chairman). The Board, chaired by Kgomoiso Moroka, is ultimately responsible for the day-to-day management of the Company's business, its strategies and key policies. The assessment of the independence of non-executive directors took place on their appointment and will be assessed annually thereafter.

Matters reserved for the Board

While the Board focuses on strategic issues, financial performance, risk management, compliance and other critical business issues, it also has a formal schedule of matters specifically referred to it for decision, which are set out in the Board Charter. These matters are documented in a comprehensive system of authorisation levels and prior approval requirements for key corporate decisions and actions and are to be reviewed annually by the Board. They include, but are not limited to, approval of budgets and business plans, major capital expenditure and major acquisitions and disposals.

The Board is responsible for the governance of the Group on behalf of shareholders, within a framework of policies and controls which provide for effective risk assessment and management.

It provides leadership and articulates the Company's objectives and its strategy for achieving these objectives.

The Board sets standards of conduct and provides an ethical framework for the business.

Five scheduled Board meetings were held during the year. The attendance of directors at Board meetings and at meetings of its sub-committees is shown below.

Subsidiary boards and companies

The subsidiary boards have adopted the same policies and governance framework as the main listed entity, however due to the size of companies the committees acting on behalf of the RBPlat Board will oversee the subsidiary companies as well.

See pages 87 and 88 for a detailed description of the role and work of the Board's sub-committees.

Towards King III

Ethical leadership and corporate citizenship

- The majority of non-executive directors are independent
- Non-executive directors do not receive share options
- The Chairman and the non-executive directors do not receive incentive awards geared to the share price or corporate performance
- There is a clear separation between the responsibilities of the Chairman and the CEO
- The Company remuneration policy is to be approved by the shareholders at the Annual General Meeting (AGM)
- The Chairman of the Board is independent and free of conflicts of interest

Attendance at the RBPlat Board meetings and the Board's sub-committees

	Board meetings	Audit and Risk Committee	Remuneration and Nominations Committee	Safety, Health and Sustainable Development Committee
Linda de Beer (Chairman of Audit and Risk Committee)	4/4	3/3		
Robin Mills	3/3	1/1		Appointed to committee on 30 November 2010
Kgomotso Moroka (Chairman of the Remuneration and Nomination Committee with regard to nomination matters)	5/5		3/3	
Nico Muller	4/5			1/1
David Noko* (Chairman of the Remuneration and Nomination Committee with regard to remuneration matters)	5/5	3/3	3/3	1/1
Francis Petersen	5/5	3/3		1/1
Steve Phiri	5/5	2/3 (invitee)	3/3 (invitee)	0/1
Martin Prinsloo	5/5	3/3 (invitee)		
Mzila Mthenjane				1/1
Mike Rogers (Chairman of the Safety, Health and Sustainable Development Committee)	5/5		2/3	1/1

Both the external and internal auditors are standing invitees to the Audit and Risk Committee meetings.

Attendance at the BRPM Joint Venture Management Committee meetings during 2010

Name	Attendance
Pieter Rorich (RBH) – Chairman	6/6
Steve Phiri (RBPlat)	5/6
Martin Prinsloo (RBPlat)	6/6
Nico Muller (RBPlat)	6/6
Mzila Mthenjane (RBPlat)	5/6
Mike Rogers (AngloPlat)	6/6
Jacques Engelbrecht (AngloPlat)	6/6
Gary Humphries (AngloPlat)	5/6
Tony Murdoch-Eaton (AngloPlat)	5/6

Chairman and Chief Executive Officer

A clear separation is maintained between the responsibilities of the Chairman and the Chief Executive Officer. This is documented and adhered to in the Board Charter. The Chairman is responsible for leadership of the Board and ensuring the integrity and overall effectiveness of the Board and its committees. The Chief Executive Officer's responsibility is to focus on the operation of the business, ensuring it is run efficiently and effectively in accordance with the strategic decisions of the Board.

Role of the executive directors

The executive directors of the Company, who are also members of the Executive Committee, which includes the Chief Financial Officer and the Chief Operating Officer, are responsible for ensuring that the decisions of the Executive Committee are implemented in accordance with the mandate provided by the Board and Executive Committee.

Corporate governance report continued

Appointments to the Board

In terms of the Articles of Association of the Company the directors are ultimately appointed by the Company's shareholders. The Company's Board of Directors also has the power to appoint additional directors. In terms of the Board Charter, appointments to the Board are made on the recommendation of the Remuneration and Nominations Committee. In terms of a shareholders' agreement entered into between RBPlat Holdings and Rustenburg Platinum Mine (RPM), RPM is entitled to nominate one independent director for appointment to the Board of Directors. Once this nomination is approved by the Company's Nomination Committee, RBPlat Holdings is required to vote in favour of the nomination. Since listing on the JSE Limited there has been no change to the Board of directors.

The procedures for appointing directors to the Board are formal and transparent. The Board is assisted where appropriate by its Remuneration and Nomination Committee. Instructed by the Board, the committee investigates whether or not potential Board members have the necessary skills and experience to make judgments independent of management, on issues of strategy, performance, risks and opportunities, resources, transformation, employment equity, standards of conduct and evaluation of performance. The Committee also ensures that potential new directors are fit and proper and not disqualified from being directors. It presents its finding to the Board in order that it may make informed decisions on the appointment of directors.

Information and professional development

All newly appointed directors receive both formal and informal induction training related to the Company and their duties as directors. In addition, ongoing support and resources are provided to directors in order to enable them to extend and refresh their skills, knowledge and familiarity with the Company.

The Board is provided with reports on any changes to legislation and regulations that may occur and is briefed on market conditions and developments.

All directors are advised that, in the furtherance of their duties, they may take independent professional advice at the Company's expense. All directors have access to the advice and services of the Company Secretary who assists with the professional development of Board members as required.

Performance evaluation

The Board is responsible for undertaking regular performance assessments of the Chairman, CEO, the non-executive directors, the Board as a whole, individual managers and Board committees in order to evaluate their effectiveness and performance.

The Board is responsible, in terms of its Charter, for implementing and maintaining an effective Group-wide risk management framework and ensuring that key risk areas and key performance indicators of the business are identified and monitored. The Audit and Risk Committee is responsible for overseeing this process and for annually reviewing the effectiveness of the risk management system and process of risk management approved by the Board. The Audit and Risk Committee is also responsible for monitoring the management of risks within the levels of risk tolerance and appetite as approved by the Board.

Re-election of directors

Under the Articles of Association, Article 57.1.2, at every Annual General Meeting one-third of the directors, or if their number is not a multiple of three then the number nearest to but not less than one-third, are required to retire from office. The directors to retire shall be those who have been in office longest since their last election. In the case of directors who were appointed on the same day, the decision regarding who will retire first will be determined by the drawing of lots. The length of time a director has been in office will be computed from his/her last election, appointment or date on which he/she was deemed re-elected. A director retiring at a general meeting will retain office until the election of directors at that general meeting has been completed.

At the forthcoming Annual General Meeting three directors will retire and will seek reappointment to the Board. They are: Nico Muller, Martin Prinsloo and Mike Rogers. A short *curriculum vitae* (CV) of each director is to be found on pages 80.

Remuneration

Remuneration is covered in the Remuneration Report on pages 109 to 113 and a description of the work of the Remuneration Committee can be found on page 88.

Relations with shareholders

The Board places considerable importance on effective communication with shareholders. The CEO and the CFO, assisted by the Investor Relations Manager, maintained regular dialogue with analysts and institutional investors during the build-up to the Company's listing on the JSE Limited. This included roadshows in South Africa and internationally and site visits to RBPlat's operations. Since the listing on 8 November 2010 the Company's dialogue with its shareholders has included face-to-face formal and informal meetings (this includes media and stock exchange announcements, conference calls and the RBPlat website). This regular dialogue has been maintained since the listing of the Company on 8 November 2010.

The CEO and the CFO will give presentations at the time of the release of the Company's annual results and half-year results. These presentations will be made available on the RBPlat website, as will the results and the integrated annual reports of the Company.

Committees

All the members of the Audit and Risk Committee are independent non-executive directors, as are the members of the Remuneration and Nomination Committee. The Safety, Health and Sustainable Development Committee is chaired by a non-executive director who is not independent. He has been selected as Chairman because of his wealth of experience and expertise in safety, health and sustainability matters. Two independent non-executive directors are members of the Safety, Health and Sustainable Development Committee, whose members also include the RBPlat CEO, Steve Phiri. The attendance at meetings during 2010 can be found on page 85.

Audit and Risk Committee

Membership: Linda de Beer (Chairman), Robin Mills, David Noko and Francis Petersen.

The Audit and Risk Committee, which is chaired by independent non-executive director, Linda de Beer and whose members are all independent non-executive directors, meets at least four times a year. Its members are appointed by the shareholders at the Annual General Meeting. Representatives of independent external auditors, PwC and KPMG, who have been appointed as the Company's internal audit service providers during 2010, attend committee meetings by invitation. The Committee's terms of reference allow for it to hold closed sessions with the chief internal audit officer and the external auditors, at which management will not be present. Both internal and external audit have direct access to the Chairman of the Audit and Risk Committee.

The Audit and Risk Committee meets its statutory requirement which is to ensure that the external audit function is independent from the Company and recommends the external auditor to the shareholders for reappointment. This includes approving the scope and fee of external audit and putting a non-audit services policy in place. In addition to overseeing the governance of the Company's accounting and reporting, internal controls and internal financial controls and internal audit function, it obtained additional assurance regarding the quality and reliability of not only the financial information but also the sustainability information included in the integrated report. It also oversees the governance of risk the Company faces and satisfies itself as to the expertise and experience of the Chief Financial Officer and the finance function.

Safety, Health and Sustainable Development Committee

Membership: Michael Rogers (Chairman), David Noko, Francis Petersen, Robin Mills and Steve Phiri.

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

The Committee's role includes ensuring that appropriate systems are in place to minimise sustainable development risks and maximise opportunities. It reviews the Company's performance against stated sustainable development objectives and targets. It will receive and consider the sustainable development assurance audit and review and approve annual external reporting on sustainability within RBPlat's integrated annual report and the sustainability section of the RBPlat website.

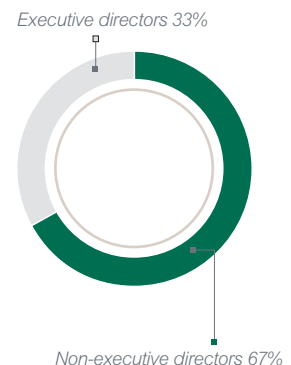
The Safety, Health and Sustainable Development Committee monitors compliance by the Company, its contractors and associates with RBPlat's Safety, Health and Environmental policies, guidelines and operating practices, appropriate local and international standards and relevant laws and reports to the Board in this regard.

Towards King III

The Audit and Risk Committee and the governance of risk

- The Audit and Risk Committee, which had four independent non-executive members during 2010, will be appointed by shareholders at the AGM
- The Audit and Risk Committee will report at the AGM on the audit functions, its satisfaction with their independence and will provide any other commentary appropriate to the financial statements, accounting practices and internal financial control
- The Audit and Risk Committee, which has formal terms of reference, will receive and deal with (to the best of its ability) any complaints relating to the accounting practices, internal auditing of the Company or the content/auditing of the Group and Company's financial statements.
- The Audit and Risk Committee's role, the names and qualifications of its members, their attendance at meetings and its formal terms of reference, are reported on in this report (see page 103)

Ratio of executive to non-executive directors



Corporate governance report continued

The Committee also monitors and reviews the Company's community engagement plans, guidelines and operating practices, bearing in mind that the community is an important stakeholder of the business.

Remuneration and Nomination Committee

Membership: David Noko (Chairman), Mike Rogers and Kgomotso Moroka.

The Committee is chaired by independent non-executive director David Noko with regard to remuneration matters and Kgomotso Moroka with regard to nomination matters. It meets at least four times a year to consider the remuneration framework of all the Company's employees, including the exact remuneration for senior employees, with the assistance and guidance of independent experts. The Committee also considers the payment of bonuses, which are discretionary and based upon general economic variables, the performance of the Company and the individual's performance, share options and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any director without the prior approval of the members of the Remuneration and Nomination Committee. The Committee ensures that the procedures for appointments to the Board of Directors are formal and transparent. It makes recommendations to the Board on all new Board appointments in accordance with the Company's policy for Board appointments. It does so by regularly evaluating the Board's performance, undertaking performance appraisals of the Chairman and directors, evaluating the effectiveness of Board committees and making recommendations to the Board.

The BRPM Joint Venture Management Committee

Prior to listing of RBPlat the membership of the Joint Venture Management Committee was: Pieter Rorich (Chairman) from RBR, Steve Phiri, Nico Muller, Martin Prinsloo and Mzila Mthenjane from RBPlat, and Mike Rogers, Jacques Engelbrecht, Tony Murdoch-Eaton and Gary Humphries from RPM. The Committee meets at least four times a year. The Chairman of the Committee is appointed by RBPlat. Post listing the composition of the Management Committee has changed. Its membership is as follows: Steve Phiri (Chairman), Nico Muller, Mzila Mthenjane, Martin Prinsloo and Vicky Tlhabanelo represent RBPlat, and Jacques Engelbrecht, Tony Murdoch-Eaton and Mike Rogers represent RPM.

Each joint venture party whose participation interest is greater than 20% is entitled to appoint one member for each 10% participation interest that it holds. Therefore, RBPlat is entitled to appoint six members and RPM three members. Similar proportional representation is reflected in the make-up of the sub-committees, with each party holding at least 20%.

The Management Committee has wide-ranging powers relating to the BRPM JV, including the power to acquire and dispose of BRPM assets, borrow money, establish pension funds and other employee benefit schemes, institute legal proceedings, determine and pay distributions, and consider and approve the financial statements of the BRPM JV. Committee decisions are generally taken by majority vote, although certain decisions require unanimous approval as long as RPM's and RBPlat's participation interests are greater than 20% (or if RPM's participation interest is less than 20% but RBPlat's participation interest is less than 50%).

Internal control and systems

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

The systems include a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people. The Audit and Risk Committee oversees the governance of the Company's internal controls but will only be in a position in 2011 to obtain assurance that the internal controls were effective as required by King III. In the interim Anglo Business Assurance Services (ABAS) have been the internal audit service providers. KPMG has been appointed as internal audit service providers to assist the Company from 2011 onwards.

The Company monitors the internal control systems to determine if there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Audit and Risk Committee oversees the financial reporting process and internal control systems on behalf of the Board of Directors.

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

In its first year of operation RBPlat's operations continued to utilise the Anglo Platinum IT systems in place.

Internal audit

Internal audit, which has always been an independent function of the business, has been outsourced to KPMG from 1 January 2011. Prior to this Anglo Platinum's Business Assurance division offered the necessary services. Internal audit has a direct line to the Audit and Risk Committee Chairman and is invited to attend and report at all Audit and Risk Committee meetings.

Delegation of authority

The Board has also adopted a delegation of authority which regulates the level of authority at which management can operate and run the business. Matters reserved for the Board and shareholders are therefore clearly defined.

Dealing in securities

In accordance with the JSE Listings Requirements, the Company has adopted a code of conduct for dealing in its securities. During a closed period, as defined in the JSE Listings Requirements, directors and designated employees are prohibited from dealing in the Company's securities.

Board level processes for overseeing, identifying and managing economic, environmental and social risks and opportunities

The roles and responsibilities of the committees that report to the Board on the key issues identified by the Board are set out in this report on pages 87 and 88.

Currently the main operational risk to which RBPlat is exposed is that of the BRPM JV. Independent of the JV the RBPlat Audit and Risk Committee assesses the risks faced by the Company (see pages 17 to 21 of this report for a table setting out some of the principal uncertainties and trends which may have an impact on RBPlat's ability to execute its strategy effectively in the future).

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

Corporate governance report *continued*

Roles and responsibilities for risk management are clearly established throughout RBPlat and the BRPM JV. RBPlat's internal audit function is tasked with testing the adequacy of management controls in the business throughout the year.

Ethics and human rights

RBPlat's Board believes ethics are about an attitude towards doing business in the best possible way. The highest standards of ethical business conduct are required of all its directors and employees, including contractors and consultants.

Training in human rights and ethics forms part of the induction process at BRPM. The Anglo Platinum whistleblowing facility has been available to employees, contractors and members of the public to raise any concerns regarding fraud, theft, dishonest business activities, misappropriation of Company resources, incorrect health and safety practices, corruption or any other unethical behaviour. BRPM is in the process of providing its own whistleblowing facility.

RBPlat has a zero tolerance approach to any behaviour that may compromise the principles of human rights. The necessary grievance and corrective action procedures are in place to ensure that breaches are reported and dealt with accordingly.

Company Secretary

The directors and Board collectively have direct access to the Company Secretary who provides guidance and assistance in line with the requirements outlined in King III and the JSE Listings Requirements.

Risk management

A summary of the key risks and risk management strategy can be reviewed on pages 17 to 21. However, the Board will in the coming months review the risk management framework and strategies, together with the compliance framework and strategy.



Process supervisor in the concentrator plant, Joshua Mahlafela, with flotation tanks in the background.

Stakeholder engagement

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

During this first year of operation under the new leadership, the RBPlat teams at corporate and operational level continually identified new material issues and engaged with the relevant stakeholders on these issues. The recent listing has introduced the Company to a new category of stakeholders with whom it will be engaging – the institutions and private individuals who have bought shares in RBPlat. Before the establishment of RBPlat – during the period that BRPM was a joint venture managed by Anglo Platinum – Anglo Platinum policies and procedures regarding stakeholder engagement at operational level were applied. Now RBPlat requires policies and procedures that meet its operational plans and strategies. The Company is currently developing a stakeholder engagement policy and formalising its approach to stakeholder engagement, including the identification of stakeholders, the material issues involved with each stakeholder, the frequency of engagement and the processes in place to ensure that material issues have been effectively addressed. A stakeholder engagement table, included below, provides details of the stakeholders with whom we have engaged during 2010 and will be engaging in 2011, the key material issues that exist between ourselves and these stakeholders, how we have engaged with them, the frequency of our engagement, the key issues addressed during these engagements and the responses to these issues.

Community misperceptions regarding the possible impact of the restructuring of the ownership of BRPM, the listing of RBPlat and the impact of the Styldrift Project, have required increased engagement by RBPlat with the local communities of Robega, Chaneng, Rasimone and Mafenya to clarify what these impacts will be. A particular challenge is the youth of these communities who are unemployed and who seek employment, but mainly lack the requisite skills. Their reluctance to engage through formal channels has made engagement with them difficult to achieve. RBPlat continues to work on its engagement with this group.

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Shareholders and the investor community				
■ Royal Bafokeng Holdings ■ Anglo Platinum ■ JSE Limited ■ All minority shareholders	■ Potential for future returns to shareholders ■ Financial and non-financial risk management ■ Corporate governance including executive remuneration ■ Performance against strategy ■ Trends and outlook for PGMs market ■ Management of environmental and social risks and opportunities ■ Overall sustainability	■ Roadshows to investors and potential investors in South Africa, the United Kingdom and the United States of America ■ Presentations at conferences both locally and abroad	Ongoing	During interaction with potential investors on roadshows many and varied questions were asked and answered. In particular they wanted to know about BRPM's production figures, its structure and cash costs, what the prill split is, life of mine, when work would start on the Styldrift shaft and what RBPlat was doing about minimising costs and optimising production. They enquired about the Bafokeng nation. They also inquired about whether BRPM had new order mining rights and were advised that this is the case. The shareholding structure was also of interest. They were interested in RBPlat's rationale for listing the Company. They wanted to understand whether RBPlat had chosen to continue to use the Anglo American services and systems.

Stakeholder engagement continued

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
		■ Half-year results and year-end results presentations	Annually	These will be reported on in 2011.
		■ RBPlat's Annual General Meeting	Annually	These will be reported on in 2011.
		■ Press announcements of interim and year-end results and newsworthy events	Ongoing	Regular contact with analysts and members of the investment community after news has been released who wish to have more information or to gain a better understanding of the information released.
		■ Stock Exchange News Service (SENS)	Ongoing	Regular contact with analysts and members of the investment community after news has been released who wish to have more information or to gain a better understanding of the information released.
		■ RBPlat's Integrated Annual Report (IAR)	Annually	These will be reported on in 2011.
Providers of debt				
South African banks	■ Ability of Company to repay borrowings ■ Risk management	■ Regular meetings and quarterly reporting	Ad hoc and quarterly	ZAR/USD exchange rates Impact of changes in metal prices on business cashflow.
International industry bodies				
International Platinum Group Metals Association (IPA)	■ Industry body of mining, production and fabrication companies in the global PGMs industry. The major aim of the organisation is to act as a platform for discussion and information exchange between its members and with the outside world. The IPA serves as an early warning system for the PGM industry by monitoring legislation (emissions control, REACH, recycling, etc) and injury-related topics such as trade, health and safety and sustainability development	■ Currently engaging with these bodies to consider membership	Ongoing	PGM industry trends.
Platinum Guild International (PGI)	■ Industry body funded by leading platinum producers and refiners that provides sales support and training to all levels of the jewellery market		Ongoing	General trends in platinum jewellery sector.

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
National industry bodies				
Chamber of Mines of South Africa	- Common industry problems - Wage negotiations - Mining and mining-related legislation	Anglo Platinum was previously responsible for BRPM's relationship with this body and as a result RBPlat is engaging with the Chamber regarding membership of this body	None as yet	RBPlat's membership.
Business Unity South Africa (BUSA)	Represents South African business on macro-economic and high-level issues that affect it at national and international levels	Currently engaging with BUSA regarding our possible membership of the organisation	None as yet	Appropriateness of membership.
Southern African Institute of Mining and Metallurgy	Technical progress in the fields of mining and metallurgy	Monthly meetings and conferences	Ongoing	RBPlat's membership.
Employees				
Permanent employees	- Remuneration and benefits - Workers' rights - Skills development, training, career development and career opportunities - Health and safety - Community issues including HIV and AIDS, housing and job creation - Employment equity and non-discrimination - Company news	- Lebone newsletter - Posters - Industrial theatre - Induction training - Communication forums - Skills development committees - Presentations on operation's performance - Occupational health and safety committees - Whistleblowing line - Performance reviews - Grievance and conflict resolution mechanism - Transformation Committee - CEO letters - Open days	- Bi-monthly newsletter - Ongoing regular engagement - Management roadshows as and when important issues need to be addressed	- Employees are kept informed on business issues through the monthly Lebone newsletter and the General Manager's monthly feedback session - Employees understand they are free to join a trade union - Training and communication raises employee awareness regarding health and safety issues - CEO's commitment to safety, health and environmental management at time of his appointment - Management roadshow to inform employees of Company's listing process

Stakeholder engagement continued

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Trade unions				
■ National Union of Mineworkers (NUM) ■ Union of Associations of South Africa (UASA)	■ Workers' rights ■ Remuneration – increase in basic wage ■ Health and safety ■ Consultation on future operational changes ■ Housing benefits ■ Various allowances – increase ■ Production bonus	■ Meetings ■ Written communication	■ Monthly meetings ■ Ad hoc meetings based on subject matter and urgency	■ There was an illegal strike during May 2010 about recognition of TAWUSA who alleged that they had reached the minimum threshold to be recognised. The case went before the labour court and the judge found against TAWUSA's claims. The strike lasted about three weeks. Less than 60 people participated ■ Engagement between RBPlat and the trade unions during 2010 have been productive and the trade unions have been supportive of management which assisted in the handover of operational control to RBPlat
Communities				
Royal Bafokeng Nation	■ Land lease ■ Environmental stewardship ■ How we conduct our activities on the land we lease from RBN ■ Ensure effectiveness of community development projects – avoid duplication of effort ■ Ensure RBPlat community development projects support the RBN vision ■ Enterprise development ■ Local procurement ■ Concerns around provision of housing allowances to RBPlat employees, development of informal settlement resulting in urban and rural slums	■ Meetings with RBA, the local authority on RBN land through a specially constituted Surface Lease Management Committee ■ Correspondence with RBN ■ Liaison with Royal Bafokeng Enterprise Development (RBED) to promote local enterprise development and procurement		■ Potential projects where RBPlat can participate are identified from the RBN's strategic priorities for development ■ In respect of land development and environmental management, a key challenge is waste management. RBA has embarked on a process of engaging with third party contractors to provide a pilot waste management service. RBPlat will facilitate waste management for the nearby villages based on the outcomes of the pilot study ■ Local procurement addressed regular workshops held by RBPlat procurement department to provide potential local vendors with the information they require to successfully tender for contracts with RBPlat's operations (See page 70 for more detail)

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
■ Robega village ■ Chaneng village ■ Rasimone/Mafenya villages	■ Infrastructure development ■ Cracked houses ■ Employment ■ SMME development – RBPlat local procurement ■ Skills development assessment ■ Youth wanting employment at Boschkopie Mine and the Styldrift Project – mainly unskilled	■ Village council meetings ■ Meetings with village leadership (Kgotla)	■ Ongoing	■ The villagers believed the mine had caused their houses to crack. While it has been proved that this was not the case several of these homes were found to be unsafe. BRPM agreed to refurbish and rebuild 25 houses over a two-year period ■ Unemployment among the youth is an increasing challenge in the area of RBPlat's operations. A potential solution includes introducing structured enterprise development programmes that can empower the youth with information on opportunities for self-development
Farmers in the vicinity of BRPM and Styldrift and other neighbours including Sun International	■ Agricultural land was temporarily used to do exploration drilling. Once drilling was completed the land was rehabilitated to its original state for the farmer to use ■ Due to the water supply to the Styldrift shaft not being functional yet water in bulk was purchased from a nearby farmer. One of the farmers runs a guest house and Styldrift contractors were encouraged to make use of this facility ■ Crime and theft.	■ The legitimate village council was used to engage with the particular farmer through the normal procurement process ■ Formal engagement	■ Weekly until drilling was complete ■ Ad hoc ■ Quarterly meetings	■ BRPM used an approved methodology to calculate and compensate the value of crop losses which was normally one year's harvest
Customers				
Anglo Platinum	■ High quality products ■ Product stewardship ■ Contract terms and delivery ■ Reliability of supply ■ Maintaining strong ongoing customer relationship with Anglo Platinum to whom all RBPlat's concentrate is sold	■ Meetings ■ Correspondence	■ Ongoing	■ Concentrate grade ■ Moisture content ■ Chrome content ■ Logistics of transport and sampling

Stakeholder engagement continued

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Suppliers				
Major suppliers including Eskom	■ Requirements regarding supplier health and safety standards, policies, practices and procedures ■ Requirements regarding HDSA procurement and procurement policies, in particular local HDSA procurement (See page 70 for information on RBPlat's HDSA procurement) ■ Contract terms and delivery ■ Technology transfer ■ Skills transfer	■ Checking suppliers compliance with health and safety standards ■ Tenders and supply contracts awarded by procurement department ■ Establishment of HDSA status of potential suppliers ■ Training workshops and training material offered by RBPlat to potential HDSA suppliers	Ongoing	■ Regular engagement by RBPlat with Eskom regarding power supply and costs ■ Suppliers made aware of the RBPlat's standards, policies, procedures and requirements to which they must adhere when working on RBPlat's operations ■ Engagement with white suppliers has resulted in them being encouraged to form joint ventures with local HDSA partners and BRPM achieve HDSA procurement of 64% in 2010
Business partners				
Anglo Platinum	■ Financial returns ■ Risk management ■ Regulatory and policy compliance ■ Accountability, transparency, corporate responsibility ■ Sustainability	■ BRPM JV Management Committee ■ Board meetings ■ Sub-committee meetings ■ Regular reporting ■ Contract negotiations	Ongoing	Material issues are addressed through regular contact, reporting and provision of information. The processes in place for the exchange of information ensure our partners are well informed and allow us to maintain relationships and our commitment to our partnership.
Government – national and provincial governments, district and local municipalities				
Department of Water Affairs (DWA)	■ Integrated water and waste management strategy ■ Landfill legal compliance	■ Meetings ■ Presentations ■ Correspondence ■ Telephone calls	Ongoing	■ Access to water ■ Water and waste management ■ Water licences ■ Engagement allows DWA to give input into RBPlat water management and allows RBPlat to understand DWA aims, intentions, legal requirements and to share best practice ■ Annual external landfill permit compliance audit submitted to DWA
Department of Environmental Affairs (DEA)	■ Emission standards for new Air Quality Act ■ National Environmental Management Act (NEMA) compliance	Meetings	Ongoing	■ No issues currently as BRPM does not have any hazardous or polluting emissions

Stakeholder	Summary of material issues	Method of engagement	Frequency of engagement	Key issues raised at engagement/s and the response/s to these
Health authorities	■ Capacity building within health facilities in collaboration with the Department of Health and the Royal Bafokeng Administration (RBA)	Working with local health authorities (RBA) and provincial health department to align processes and systems	Ongoing	■ RBPlat's health facilities continue to provide quality services to both employees and community members ■ RBPlat collaborates with the RBA Health and Social Services department on various community health issues ■ During 2010, RBPlat provided the RBA Health and Social Services department with an ambulance to enhance its ability to provide health services to rural communities
Department of Mineral Resources (DMR)	■ Mining rights ■ Mine safety ■ Compliance with Mining Charter ■ Bord and Pillar mining method for the Styldrift Merensky Phase I Project ■ Compliance with Environmental Management Programme commitments ■ Financial provisioning	■ Formal and informal meetings	Ongoing	■ Both RBPlat operations have new order mining rights, each with a Social and Labour Plan (SLP). Given that both operations are located among common communities, RBPlat is engaging with the DMR to explore combining certain elements of these SLPs into a single strategy for local economic development of communities in close proximity to the operations. A revised document will be presented to the DMR in the first quarter of 2011 for approval and implementation ■ Ongoing engagement in relation to the registration of the new order mining rights ■ Engagement allows DMR to give input into proposed developments and this allows RBPlat to understand DMR aims and intentions and to share best practice ■ EMPR amendments ■ EMPR commitments and action plans ■ Closure liability assessments
Royal Bafokeng Administration	■ RBN Master plan (Masterplan)	■ Partnering with authorities	Ongoing	■ Infrastructure in need of repair, improving the living conditions for our employees and the communities in which RBPlat operates ■ RBPlat partners with local authorities to address issues raised. (See Community Development initiatives on pages 35 and 73)
Rustenburg Local Municipality	■ Environmental projects in the vicinity of RBPlat, including waste management	■ Partnering with authorities ■ Meetings	Ongoing	Waste clean-up in the local community areas

Independent assurance report

to the Directors of Royal Bafokeng Platinum Limited

Introduction

We have been engaged by the directors of Royal Bafokeng Platinum Limited (RBPlat) to perform an independent assurance engagement in respect of selected Identified Sustainability Information included in RBPlat's Integrated Annual Report for the year-ended 31 December 2010 (the Report).

Scope and subject matter

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

- HDSA discretionary procurement as a percentage of total procurement (Page 35)
- Employee housing: Permanent employees living in hostels (Page 72)
- Local economic development spend in South African Rand (Page 35)
- Total number of women in mining (Page 31)
- Total number of employees receiving adult basic education and training (ABET): ABET employee registrations (Page 34)
- Employment Equity: % of HDSA managers in core and support functions (Page 31)
- Water usage: Primary and non primary (Page 37)
- Total energy use (Page 36)
- Number of fatalities (Page 26)
- Lost time injury frequency rate (Page 26)
- Number of employees tested who were HIV positive (Page 28)
- Number of employees currently on antiretroviral treatment (ART) (Page 29)
- Number of employees counselled (Page 28)
- Noise induced hearing loss (NIHL) of more than 10% (Page 28)
- RBPlat's assertion that it has achieved a B+ GRI application level (Page 1)

Our responsibilities do not extend to any other information.

Responsibilities of the directors

RBPlat's directors are responsible for the preparation and presentation of the Identified Sustainability Information, as incorporated in the 2010 Integrated Annual Report, in accordance with their internally defined procedures and for maintaining adequate records and internal controls that are designed to support the reporting process.

Responsibility of the independent assurance provider

Our responsibility is to express, to the directors, an opinion on the Identified Sustainability Information contained in the Report, for the year-ended 31 December 2010, based on our assurance engagement.

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

Summary of work performed

Our procedures included examination, on a test basis, of evidence relevant to the Identified Sustainability Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Identified Sustainability Information.

Our work consisted of:

- reviewing processes that RBPlat have in place for determining the Identified Sustainability Information included in the Integrated Annual Report
- obtaining an understanding of the systems used to generate, aggregate and report the Identified Sustainability Information at the sampled operations
- conducting interviews with management at the operation and at corporate head office
- evaluating the data generation and reporting processes against the reporting criteria
- performing key controls testing and testing the accuracy of data reported on a sample basis
- reviewing the consistency between the Identified Sustainability Information and related statements in RBPlat's Integrated Annual Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion. RBPlat's internal corporate reporting criteria and the Global Reporting Initiative's (GRI) new generation (G3) guidelines were applied for evaluating the Identified Sustainability Information. Definitions for the Identified Sustainability Information applied are those determined by RBPlat and provided in the text and the glossary (page 161).

Inherent limitations

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

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

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

Conclusion

Based on our work performed, nothing has come to our attention causing us to believe that the Identified Sustainability Information selected for *limited* assurance, for the year-ended 31 December 2010, is materially misstated.



PricewaterhouseCoopers Inc.

Director: Andries Rossouw

Registered Auditor

Johannesburg

3 March 2011

GRI G3 application level requirements

The table below provides a summary of the GRI's requirements.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1 – 2.10 3.1 – 3.8, 3.10 – 3.12 4.1 – 4.4, 4.14 – 4.15	Report Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 – 4.13, 4.16 – 4.17	Report Externally Assured by SustainabilityAssurance.co.za	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility		Respond on each core G3 and Sector Supplement Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	

Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 105 to 160 have been prepared in accordance with International Financial Reporting Standards (IFRS) and include amounts based on judgements and estimates made by management.

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

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

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

Board approval of financial statements

The annual financial statements for the year ended 31 December 2010 set out on pages 105 to 160 were approved by the Board of Directors on 3 March 2011.



KD Moroka
Chairman



SD Phiri
CEO

Certificate of the Company Secretary

In terms of the Companies Act 1973, as amended, I declare that to the best of my knowledge, the Company has lodged with the Registrar of Companies all such returns as are required of it and that all such returns are true, correct and up to date.



LC Jooste
Company Secretary

3 March 2011



Independent auditor's report to the members of Royal Bafokeng Platinum Limited

We have audited the Group annual financial statements and annual financial statements of Royal Bafokeng Platinum Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2010, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 105 to 160.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Royal Bafokeng Platinum Limited as at 31 December 2010, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

AJ Rossouw

Registered Auditor
Sunninghill

3 March 2011

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Executive: S P Kana (Chief Executive Officer) T P Blandin de Chailain D J Fölscher G M Khumalo S Subramoney F Tonelli
Resident Director in Charge: E R Mackeown

The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
PricewaterhouseCoopers Inc is an authorised financial services provider.

VAT reg.no. 4950174682

Audit and Risk Committee report

The Audit and Risk Committee (the Committee) of Royal Bafokeng Platinum Limited (RBPlat) is pleased to present its report for the financial year ended 31 December 2010.

The Committee is independent and was appointed by shareholders on 3 September 2010, just prior to the listing of RBPlat on the JSE Limited on 8 November 2010. The Committee discharges both its statutory and Board delegated responsibilities as outlined in the report below.

Terms of reference

The Committee (at its inaugural meeting on 19 August 2010) endorsed a formal terms of reference which was subsequently approved by the Board. The Committee therefore carries out its mandate in compliance with the terms of reference which is available on request.

Composition, meetings and assessment

The Committee consists of four independent non-executive directors. The Chief Executive Officer, Chief Financial Officer as well as the external and internal assurance providers, together with the chief financial managers within the Group, are invited to attend committee meetings. However, closed sessions with the relevant parties and in-camera sessions of members only do occur to deliberate on issues which may require some confidential initial assessments. The following meetings were held during the year under review:

Name of member	19 August 2010	17 September 2010	23 November 2010
Linda de Beer (Chairman) CA(SA), MCom Tax Appointed: 1 June 2010	Present	Present	Present
Robin Mills BSc Eng (Rand) Mining, FIMMM, CEng UK, FSAIMM Appointed: 20 September 2010	N/A	N/A	Present
David Noko Mech Eng Diploma (Wits Tech), MDP (Wits), MBA (Heriot-Watt), Post Grad Dip in Company Direction from Institute of Management and Technology Appointed: 1 June 2010	Present	Present	Present
Francis Petersen BEng (Chem), MEng (Metal), PHD (Ing), PrEng Appointed: 1 June 2010	Present	Present	Present

The terms of reference prescribed that the effectiveness of the Committee, its Chairman and individual members will be assessed on an annual basis, however due to the infancy of the Committee the annual assessment will be conducted toward the latter part of 2011.

Role and responsibilities

The Committee has executed its responsibilities in keeping with the requirements of King III and the Companies Act, as well as as prescribed by the terms of reference. Where the King III requirements have not yet been applied the reasons have been explained in the corporate governance statement.

Financial statements and accounting practices

The Committee has reviewed the accounting policies and the financial statements of the Company and Group for the year ended 31 December 2010 and is satisfied that they are appropriate and comply with International Financial Reporting Standards. No matters of significance have been raised in the past financial year.

The Committee supports the opinion of the Board with regard to the annual financial statements.

External auditor appointment and independence

The Committee has satisfied itself that the external auditor was independent of the Company, which includes consideration of the nature and extent of other work undertaken by the auditor for the Company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

Audit and Risk Committee report *continued*

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2010 financial year. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. The Committee approved a policy which regulates the terms of non-audit services rendered by the external auditor, if any, including an agreed pre-approval process.

The Committee has nominated, for election at the Annual General Meeting, PwC as the external audit firm for the 2011 financial year. The Committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and their advisors.

Integrated reporting and combined assurance

The Committee together with the Safety, Health and Sustainable Development Committee (SH&SDC) perform an oversight role with regard to the Company's integrated report, the reporting process and the information disclosed therein to ensure the reasonable accuracy and consistency thereof. The information is reviewed and interrogated with management in a combined meeting with the SH&SDC where all external assurance providers are present to ensure that the committees can be satisfied with the integrity of the integrated report.

Both committees also satisfied themselves of the independence and competence of both internal and external assurance providers in the integrated reporting process.

After the combined meeting of the committees, held on 16 February 2011 which was preceded by an integrated report workshop with directors, the Committee recommended the integrated report for approval by the Board.

Governance of risk

The Committee is responsible to oversee the governance of risk management function incorporating operational, financial, reporting, fraud, internal control, IT governance and compliance risks, among others. The risk management process and the governance thereof, as well as the necessary disclosure with regard thereto, is therefore one of the key responsibilities assigned to the Committee by the Board. Additional disclosure regarding the Company's key risks and controls is discussed on pages 17 to 21.

Internal audit

The Committee is mandated to ensure that the internal audit function is independent, properly resourced and effective. The function is outsourced to KPMG with effect from 1 January 2011 who will operate within the scope of an internal audit charter adopted by the Committee in February 2011.

The Committee also ensures that co-operation and synergies between the external and internal audit functions are achieved without impacting negatively on the integrity of processes and information.

The internal audit charter and plan were approved and the internal audit performance will be measured by the Committee against that plan on an ongoing basis. The chief internal audit officer has direct access to the Committee, through the Chairman, and the Committee will similarly assess the performance of the chief internal audit officer in 2011.

Evaluation of the expertise and experience of the Chief Financial Officer and the finance function

The Committee has considered, and is satisfied with the appropriateness of the expertise and adequacy of resources within the finance function and with the experience of the senior members engaged to perform the financial responsibilities within the Company.

Going concern

The Committee has reviewed a documented assessment, including key assumptions, prepared by management of the going concern status of the Company and is comfortable in its recommendation to the Board regarding the annual financial statements as well as the combined assurances contained in the Integrated Annual Report and that the Company will be a going concern for the next financial period at which time a similar assessment will occur.



Prof. L. de Beer
Chairman

3 March 2011

Directors' report

Principal activities and profile

Royal Bafokeng Platinum (RBPlat) was originally incorporated in July 2008 by Royal Bafokeng Holdings (RBH) the investment vehicle of the Royal Bafokeng Nation (RBN), a community of about 300 000 Setswana-speaking people which has substantial, minerals-rich land holdings in South Africa's North West province. Today it is a platinum group metals (PGMs)-focused company listed on the JSE Limited. RBPlat was created from the restructuring of the Bafokeng Rasimone Platinum Mine (BRPM) Joint Venture between Royal Bafokeng Holdings and Anglo Platinum Limited. The restructuring resulted in the ownership and control of the mining operations of the joint venture vesting in the RBN, via its subsidiary RBPlat.

RBPlat operates the Boschkoppie Mine and is in the process of constructing the Styldrift Merensky Phase I Project. These operations are located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and just 17 kilometres from Phokeng – the capital of the RBN. The combined operations will exploit both the Merensky and UG2 reefs. The significant reserves and resources RBPlat has are capable of sustaining operations for at least the next 60 years. RBPlat currently employs 7 671 people, 3 207 being its own employees and 3 586 being contractors.

Results and dividend

The Group's financial results are set out on pages 105 to 160. These financial statements have been prepared using appropriate accounting policies, conforming to International Financial Reporting Standards, supported by reasonable and prudent judgements where required.

In terms of the current dividend policy the directors do not intend to declare a dividend until at least 2017, when construction of the Styldrift I project is expected to be completed. Thereafter, a market-related dividend cover ratio is anticipated.

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

Review of the business, future developments and post balance sheet events

A review of the business and future developments is presented in the Chairman's statement (pages 8 to 9), the Chief Executive Officer's report (pages 10 to 15) and the Operating review (pages 62 to 69).

The Financial review (pages 52 to 61) provides a full description of changes undertaken during the year, including post balance sheet events.

Going concern

The directors believe that the Company has sufficient resources and expected cash flows to continue as a going concern.

Corporate governance

A report on corporate governance and the application of the requirements of King III is included on pages 82 to 90 and on our website.

Financial instruments

RBPlat's financial risk management objectives and policies and its exposures to price risk, credit risk and liquidity risk are discussed on pages 52 to 61 of the Financial review and in Note 32 of the financial statements.

Health, safety, environment and community

Information on our health, safety and environmental performance and community participation is provided under key sustainability performance indicators on pages 22 to 37 and on our website.

Employee policies and involvement

The Company's policies and performance regarding employee involvement, disabled employees, labour relations and employee share schemes are provided on pages 30 to 34 and on our website.

Directors' report continued

Directorate

The directors as at 31 December 2010 were:

Director	Position	First appointed	Standing for re-election
Linda de Beer	Independent non-executive director	1 June 2010	
Robin Mills	Independent non-executive director	20 September 2010	
Kgomotso Moroka	Chairman and lead independent non-executive director	1 June 2010	
Nico Muller	Chief Operating Officer, executive director	14 January 2009	Standing for re-election
David Noko	Independent non-executive director	1 June 2010	
Francis Petersen	Independent non-executive director	1 June 2010	
Steve Phiri	Chief Executive Officer, executive director	1 April 2010	
Martin Prinsloo	Chief Financial Officer, executive director	1 March 2009	Standing for re-election
Mike Rogers	Non-executive director	7 December 2009	Standing for re-election

Special resolutions

Details of the ordinary and special resolutions that will be put to the Annual General Meeting are given in the Notice of Annual General Meeting (pages 168 to 171).

Significant Special Resolutions passed by the Company and its major subsidiary during the current financial year are as follows:

Royal Bafokeng Platinum Limited

25 May 2010:

Change of name from Lisinfo 223 (Pty) Limited to Royal Bafokeng Platinum (Pty) Limited and change of description of principal business to platinum mining.

3 September 2010:

Conversion from a private company to a public company as well as the increase of the Company's share capital from 200 million ordinary shares to 250 million ordinary shares, in addition to the establishment of 1.5 million class A1, A2 and A3 ordinary shares (4.5 million in total) and as a consequence the appropriate amendment of the Company's Memorandum and Articles of Association.

20 October 2010:

Section 38 of the Companies Act approvals in respect of the financial assistance for shares offered to certain employees in terms of the private placement and listing on the JSE Limited.

Royal Bafokeng Resources (Pty) Limited

24 February 2010

To amend the Company's Articles of Association to include clause 107.4.3 dealing mainly with the establishment of C class preference shares.

3 September 2010

To amend the Articles of Association in order to comply with the JSE Listings Requirements.

30 September 2010

Section 38 of the Companies Act approvals in respect of the financial assistance offered to the Company's holding company in terms of the listing fees.

Power of the directors

Subject to RBPlat's Memorandum and Articles of Association, South African legislation and to any directions given by special resolution, the business of the Company is managed by the Board which may exercise all the power of the Company. The Articles of Association contain specific provisions concerning the power of RBPlat to borrow money and also the power to purchase its own shares. The directors have been authorised to allot and issue ordinary shares up to a maximum of 5% of the issued share capital of the Company. These powers are exercised in terms of its Articles of Association.

Share capital

Full details of the authorised and issued share capital of the Company are set out in Note 13 to the annual financial statements.

Major shareholders

The following shareholders were the registered beneficial holders of 5% or more of the issued ordinary shares in the Company at 31 December 2010:

Royal Bafokeng Platinum Holdings (Pty) Limited	57.13%
Rustenburg Platinum Mines Limited (a wholly owned subsidiary of Anglo Platinum)	12.62%

Directors' interests in Royal Bafokeng Platinum Limited

Details of interest (direct and indirect) in the share capital of the Company of those directors in office as at 31 December 2010 are set out below.

Name of director	2010		2009	
	Beneficial		Beneficial	
	Direct	Indirect	Direct	Indirect
Linda de Beer	—	—	—	—
Robin Mills	—	—	—	—
Kgomotso Moroka	—	—	—	—
Nico Muller	74 989	327 719	28 186	224 544
David Noko	—	—	—	—
Francis Petersen	—	—	—	—
Mike Rogers	—	—	—	—
Steve Phiri	99 174	396 695	—	—
Martin Prinsloo	76 281	344 717	27 403	241 047
Total	250 444	1 069 131	55 589	465 591

Additional allocations of shares were made to Martin Prinsloo (27 403 shares) and Nico Muller (28 186 shares) post year-end in terms of the Bonus Share Plan. The shares awarded, however, accrued in the 2009 financial year, and are included in the 2009 and 2010 numbers above.

Directors' conflict of interest

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

Directors' liabilities

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

Director share trading activities

There was no trading of shares by directors during the course of the year. The executive directors did, however, subscribe for shares on listing and were awarded shares as listed in the table on page 107 under direct interests. For more information regarding the share scheme operated by the Company please see the Remuneration Report on page 112 and 113.

Directors' report continued

Creditor payment policy and practice

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

Articles of Association

RBPlat's Articles of Association (approved by special resolution on 3 September 2010) may only be amended by special resolution at a general meeting of the shareholders.

Significant Agreements

BRPM Joint Venture Agreement

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

Services Agreement

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

Disposal of Concentrate Agreement

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

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the BRPM JV up until 11 August 2017, the optional termination date in terms of the Disposal of Concentrate Agreement. Thereafter, while RBR retains the right to sell 50% of the BRPM JV concentrate to RPM for the life of BRPM it is also entitled to terminate the relationship on 11 August 2017 by giving written notice by no later than 11 August 2015. Subsequent to this date it is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2017. In respect of 17% of RBR's 67% share of the concentrate, RPM is entitled to terminate the relationship after 11 August 2012 on the occurrence of certain events.

Property, plant and equipment

There were no changes in the nature of property, plant and equipment or in the policy regarding their use during the year under review. Property, plant and equipment was fair valued in November 2010 as part of the business combination. No impairment of property, plant and equipment has been recognised as management is of the opinion that property, plant and equipment is reflected at fair value and no impairment is necessary.

Remuneration report

The role of the Remuneration and Nomination Committee in the remuneration of all RBPlat's employees is described on page 88. The Committee brings independent thought and scrutiny to the development and review of RBPlat's remuneration framework.

Remuneration and Nomination Committee

Membership: Kgomoiso Moroka (Chairman for Board nomination and performance matters), David Noko (Chairman for remuneration matters) and Mike Rogers.

The Committee will meet at least four times a year. It considers the remuneration framework for all of the Company's employees, including the exact remuneration for senior employees, with the assistance and guidance of independent experts. The Committee also considers the bonuses, which are discretionary and based upon general economic variables, the performance of the Company and the individual's performance, share options and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any director without the prior approval of the members of the Remuneration and Nomination Committee. When the Committee is considering remuneration matters it is chaired by independent non-executive director, David Noko.

The Committee will also ensure that the procedures for appointments to the Board of Directors (Board) are formal and transparent, by making recommendations to the Board on all new Board appointments in accordance with the Company's policy on Board appointments. It will do so by regularly evaluating the Board performance, undertaking performance appraisals of the Chairman and directors, evaluating the effectiveness of Board committees and making recommendations to the Board. When considering nomination matters the Committee will be chaired by the Board's Chairman, independent non-executive director, Kgomoiso Moroka.

Bonus share plan

The Company has established a Bonus Share Plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Company is responsible for operating the BSP.

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

Two of the Company's executive directors, Nico Muller and Martin Prinsloo, were awarded bonus shares at the end of the 2009 financial year. The price of these shares was linked to the J153 Platinum Index up until RBPlat listed on the JSE. On listing, RBPlat shares of equivalent value were awarded to the two directors. No other directors of the Company have been awarded bonus shares.

Share option plan

Certain directors and senior managers of the Company (including all the current executive directors of the Company) were granted options to acquire shares at an initial price linked to the J153 Platinum Index. On listing date, the option strike price was calculated and the share options were linked to the RBPlat shares. The share options vest in three equal tranches on the third, fourth and fifth anniversary of start of employment. This share option scheme was approved by the JSE.

Mahube Trust share scheme

RBPlat has established an employee share ownership scheme known as the Royal Bafokeng Platinum Mahube Trust (Mahube Trust). The purpose of this trust is to facilitate transfer of employees and replace the equivalent value accumulated by those employed by Bafokeng Rasimone Management Services (BRMS), previously a wholly-owned subsidiary of RPM, who qualified as beneficiaries of Kotula, the Anglo Platinum Group Employee Share Scheme. When the ownership of BRMS was transferred to RBR the Company was no longer a member of the AngloPlat group of companies. As a result its employees no longer qualified to be members of Kotula. The Mahube Trust is designed to replicate, as much as is possible, the terms and structure of Kotula. The value attributable to qualifying BRMS employees under Kotula was determined on the day RBPlat listed. The Mahube Trust is funded by BRPM in an amount equivalent to the value under Kotula. Under this scheme, participants will be allocated units in or around March 2011, 2012 and 2013; whilst capital distribution will be in three tranches in 2013, 2014 and 2015. The final capital distribution of the Mahube Trust will take place on or about 31 March 2015. This share option scheme was approved by the JSE.

Remuneration report continued

During the financial year 563 914 ordinary shares and 845 871 A ordinary shares were effectively issued to the Mahube Trust in December 2010. No shares were exercised, cancelled or repurchased in terms of the Scheme rules.

RBPlat is currently in the process of developing a remuneration philosophy to be finalised during the first quarter of 2011. This philosophy will be implemented after all the approval processes have been followed.

Emoluments and compensation

Directors' emoluments and related payments for 2010 and 2009

2010	Date appointed	Directors' fees R	Basic salaries R	Retirement benefits R	Other benefits R	Bonuses** R	Total R
Executive directors							
Steve Phiri	01 Apr 10	–	1 858 037	317 536	46 503	3 000 000	5 222 076
Martin Prinsloo	01 Mar 09	–	1 798 490	162 206	84 999	2 307 084	4 352 779
Nico Muller	14 Jan 09	–	1 808 719	164 052	94 245	2 268 432	4 335 448
Non-executive directors							
Kgomotso Moroka	01 Jun 10	595 000.00	–	–	–	–	595 000.00
Linda de Beer	01 Jun 10	206 500.00	–	–	–	–	206 500.00
Robin Mills	20 Sep 10	87 635.87	–	–	–	–	87 635.87
David Noko	01 Jun 10	222 500.00	–	–	–	–	222 500.00
Francis Petersen	01 Jun 10	185 000.00	–	–	–	–	185 000.00
Mike Rogers	07 Dec 09	192 500.00	–	–	–	–	192 500.00
Total		1 489 135.87	5 465 246	643 794	225 747	7 575 516	15 399 438.87

Directors' emoluments and related payments for 2010

Note: The emoluments pertaining to non-executive directors relate to the period from June 2010 to December 2010 as the current Board was only constituted in June 2010.

2009	Date appointed	Directors' fees R	Basic salaries R	Retirement benefits R	Other benefits R	Bonuses R	Total R
Executive directors							
Steve Phiri	01 Apr 10	–	–	–	–	–	–
Martin Prinsloo	01 Mar 09	–	1 186 354.10	116 666.70	186 052.50	1 575 000.00	3 064 073.30
Nico Muller	14 Jan 09	–	1 573 339.00	144 000.00	85 161.00	1 885 000.00	3 687 500.00
Non-executive directors							
Kgomotso Moroka	01 Jun 10	–	–	–	–	–	–
Linda de Beer	01 Jun 10	–	–	–	–	–	–
Robin Mills	20 Sep 10	–	–	–	–	–	–
David Noko	01 Jun 10	–	–	–	–	–	–
Francis Petersen	01 Jun 10	–	–	–	–	–	–
Mike Rogers	07 Dec 09	–	–	–	–	–	–
Total		–	2 759 693.10	260 666.70	271 213.50	3 460 000.00	6 751 573.30

** Discretionary bonuses for executive directors have not been accrued for and were considered once the annual financial results were finalised in February 2011. Total bonuses of R7 575 516 were awarded after year-end and will be reflected in the 2011 financial statements. In addition, an equal amount of bonus shares will be issued to these individuals.

Directors' annual fee structure

	Directors' fees	Audit and Risk Management Committee	Remuneration and Nomination Committee	Safety, Health and Sustainable Development Committee	Chairman's fees	Total
	R	R	R	R	R	R
Executive directors						
Steve Phiri	–	–	–	–	–	–
Martin Prinsloo	–	–	–	–	–	–
Nico Muller	–	–	–	–	–	–
Non-executive directors						
Kgomotso Moroka	1 070 000	–	90 000	–	30 000	1 190 000
Linda de Beer	235 000	90 000	–	–	88 000	413 000
Robin Mills	235 000	90 000	–	90 000	–	415 000
David Noko	235 000	90 000	90 000	90 000	30 000	535 000
Francis Petersen	235 000	90 000	–	90 000	–	415 000
Mike Rogers	235 000	–	90 000	90 000	30 000	445 000
Total	2 245 000	360 000	270 000	360 000	178 000	3 413 000

Fees are paid on a quarterly basis bearing in mind the number of meetings attended which will be assessed annually.



The Chairman of RBPlat, Kgomotso Moroka (left), His Majesty Kgosi Leruo Molotlegi of the Royal Bafokeng Nation (RBN), Magosi Tumagole, Head: Traditional Affairs (RBN) and Steve Phiri, Chief Executive Officer of RBPlat, celebrating the listing of RBPlat on the JSE Limited on 8 November 2010

Remuneration report continued

Interest in RBPlat share schemes for directors, officers and directors of major subsidiary

	Share options awarded	Strike price	Vesting dates	Vesting amounts
Steve Phiri	297 521	R60.50	1 Apr 2013 2014 2015	One third at a time
Martin Prinsloo	241 047	R36.30	1 Mar 2012 2013 2014	One third at a time
Nico Muller	224 544	R40.08	1 Jan 2012 2013 2014	One third at a time
Linda de Beer	—	—	—	—
Kgomotso Moroka	—	—	—	—
Robin Mills	—	—	—	—
David Noko	—	—	—	—
Francis Petersen	—	—	—	—
Mike Rogers	—	—	—	—
Lester Jooste (Company Secretary)	40 756	R55.21	1 July 2013 2014 2015	One third at a time

	Bonuses scheme shares	Issue price	Vesting date	Vested amount
Steve Phiri	—	—	—	—
Martin Prinsloo	27 403#	R57.48	1 Dec 2012	100%
Nico Muller	28 186#	R57.48	1 Dec 2012	100%
Linda de Beer	—	—	—	—
Kgomotso Moroka	—	—	—	—
Robin Mills	—	—	—	—
David Noko	—	—	—	—
Francis Petersen	—	—	—	—
Mike Rogers	—	—	—	—
Lester Jooste (Company Secretary)	10 385	R60.50	1 Dec 2013	100%

Relates to bonus shares awarded in 2009

	IPO Scheme Shares subscribed for	Issue Price	IPO Scheme Shares match by the Company at par value	Total shares Issued
Steve Phiri	99 174	R60.50	99 174	198 348
Martin Prinsloo	76 281	R60.50	76 267	152 548
Nico Muller	74 989	R60.50	74 989	149 978
Kgomotso Moroka	–	–	–	–
Linda de Beer	–	–	–	–
Robin Mills	–	–	–	–
David Noko	–	–	–	–
Francis Petersen	–	–	–	–
Mike Rogers	–	–	–	–
Lester Jooste (Company Secretary)	11 901	R60.50	11 901	23 802

The IPO shares matched and issued by the Company to senior employees who subscribed for shares during the IPO process will mature within 18 months of the date of award.

In terms of the shareholders' approval obtained on 3 September 2010, the Company was authorised to issue up to 750 000 ordinary shares in respect of the IPO scheme, 3 000 000 ordinary shares in respect of the Share Option Scheme, 3 250 000 in respect of the Bonus Share Plan and 650 000 ordinary shares in respect of the Mahube Trust. In addition to the ordinary shares to be issued by the Mahube Trust, the 1 500 000 A1 ordinary shares, the 1 500 000 A2 ordinary shares and the 1 500 000 A3 ordinary shares have been set aside specifically for this scheme.

Consolidated statement of financial position

As at 31 December 2010

		Group	
	Notes	2010 R (million)	2009 R (million)
ASSETS			
Non-current assets			
Property, plant and equipment	4	7 337.9	3 652.1
Mineral rights	5	5 722.8	2 925.5
Goodwill	26	3 037.2	–
Environmental trust deposit	6	87.5	56.4
Deferred tax asset	15	15.2	–
		16 200.6	6 634.0
Current assets			
Inventories	7	48.4	–
Trade and other receivables	8	1 046.6	592.2
Held to maturity investments	9	250.9	–
Current tax receivable	10	4.8	–
Related party loans	11	–	0.2
Cash and cash equivalents	12	899.4	51.5
		2 250.1	643.9
Total assets		18 450.7	7 277.9
EQUITY AND LIABILITIES			
Share capital	13	1.7	1.4
Share premium	13	7 759.9	6 817.8
Retained earnings		3 163.4	(2.9)
Other reserves	14	18.8	–
Non-controlling interest		3 407.4	–
Total equity		14 351.2	6 816.3
Non-current liabilities			
Deferred tax liability	15	3 611.3	323.2
Long-term provisions	16	73.4	41.8
		3 684.7	365.0
Current liabilities			
Trade and other payables	18	414.8	96.6
		414.8	96.6
Total liabilities		4 099.5	461.6
Total equity and liabilities		18 450.7	7 277.9

Consolidated statement of comprehensive income

For the year ended 31 December 2010

		Group	
	Notes	2010 R (million)	2009 R (million)
Revenue	20	2 106.8	1 155.0
Cost of sales	23	(1 605.9)	(939.1)
Gross profit		500.9	215.9
Other income	21	1.6	0.8
Profit on remeasurement of previously held interest in BRPM	26	2 894.8	–
Administration expenses		(60.6)	(31.8)
Finance income	22	15.7	6.8
Finance cost	22	(12.5)	(309.8)
Profit/(loss) before tax	23	3 339.9	(118.1)
Income tax expense	24	(171.7)	(5.3)
Profit/(loss) for the year		3 168.2	(123.4)
Other comprehensive income			
Revaluation of property, plant and equipment		–	793.5
Deferred tax raised on revaluation		–	(222.2)
Total other comprehensive income for the year		–	571.3
Total comprehensive income		3 168.2	447.9
Total comprehensive income consists of:			
– Profit/(loss) for the year		3 168.2	(123.4)
– Other comprehensive income		–	571.3
		3 168.2	447.9
Profit for the year attributable to:			
Owners of the Company		3 166.3	(123.4)
Non-controlling interest		1.9	–
		3 168.2	(123.4)
Total comprehensive income attributable to:			
Owners of the Company		3 166.3	447.9
Non-controlling interest		1.9	–
		3 168.2	447.9
Basic earnings/(loss) (cents per share)	34	2 243	(1 072)
Diluted earnings/(loss) (cents per share)	34	2 241	(1 072)

Consolidated statement of changes in equity

For the year ended 31 December 2010

	Number of shares issued*	Ordinary shares* Rm	Share premium* Rm	Share based payment reserve Rm	Retained earnings Rm	Attribu- table to owners of the Company Rm	Non- controlling interest Rm	Total Rm
Balance at 31 December 2009	137 057 500	1.4	6 817.8	–	(2.9)	6 816.3	–	6 816.3
Transactions with shareholders								
Shares issued								
Contingent consideration for the 17% interest in BRPM	10 000 000	0.1	(0.1)	–	–	–	–	–
Shares issued on listing of the Company	16 620 299	0.2	1 005.4	–	–	1 005.6	–	1 005.6
Capitalisation of listing transaction costs	–	–	(63.2)	–	–	(63.2)	–	(63.2)
	163 677 799	1.7	7 759.9	–	(2.9)	7 758.7	–	7 758.7
IFRS 2 charge for the year	–	–	–	18.8	–	18.8	–	18.8
Profit for the year	–	–	–	–	3 166.3	3 166.3	1.9	3 168.2
Non-controlling interest on gaining control of BRPM	–	–	–	–	–	–	3 405.5	3 405.5
Balance at 31 December 2010	163 677 799	1.7	7 759.9	18.8	3 163.4	10 943.8	3 407.4	14 351.2
Balance at 31 December 2008	100 000	–	–	–	514.0	514.0	–	514.0
Shares issued								
Transactions with shareholders								
Acquisition of RBR	102 181 700	1.1	4 997.0	–	–	4 998.1	–	4 998.1
Acquisition of 17% interest in BRPM	34 775 800	0.3	1 820.8	–	–	1 821.1	–	1 821.1
	137 057 500	1.4	6 817.8	–	514.0	7 333.2	–	7 333.2
Total comprehensive income for the year	–	–	–	–	(123.4)	(123.4)	–	(123.4)
Reclassification of equity items due to restructuring of the Group	–	–	–	–	(393.5)	(393.5)	–	(393.5)
Balance at 31 December 2009	137 057 500	1.4	6 817.8	–	(2.9)	6 816.3	–	6 816.3

*Refer Note 13. The table above excludes the treasury shares relating to the Company's management share incentive scheme and the Mahube Trust as these special-purpose vehicles are consolidated.

Consolidated cash flow statement

For the year ended 31 December 2010

		Group	
	Notes	2010 R (million)	2009 R (million)
Cash generated by operations	25	777.0	257.3
Interest paid	22	(9.8)	(1.9)
Interest received	22	15.7	6.8
Tax refund/(paid)	10	2.4	(21.4)
Net cash flow generated by operating activities		785.3	240.8
Cash impact of the business combination	26	91.7	11.3
Increase in held to maturity investments		(250.9)	–
Proceeds from disposal of property, plant and equipment		0.1	0.0
Acquisition of property, plant and equipment		(718.5)	(418.6)
Increase in environmental trust deposit	6	(2.4)	(4.8)
Net cash flow utilised by investing activities		(880.0)	(412.1)
Issue of ordinary shares net of cost		942.4	–
Related party loans received	11	0.2	42.1
Net cash flow generated by financing activities		942.6	42.1
Net increase/(decrease) in cash and cash equivalents		847.9	(129.2)
Cash and cash equivalents at beginning of year		51.5	180.7
Cash and cash equivalents at end of year	12	899.4	51.5

Summary of the significant accounting policies

For the year ended 31 December 2010

1. General information

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The principal accounting policies adopted in the preparation of the financial statements are set out in Note (2) below. Up to date of listing, 8 November 2010, Group in the financial statements refers to the economic entity which includes the Company, Royal Bafokeng Platinum Management Services (Pty) Limited, Royal Bafokeng Resources (Pty) Limited and the interest in the unincorporated BRPM joint venture. On listing the Company assumed control over the Bafokeng Rasimone Mine and Bafokeng Rasimone Management Services (Pty) Limited and thereafter Group refers to the Company, its subsidiaries and controlled special purpose entities.

The following table summarises the Group impact of BRPM:

1 January – 7 December 2009	50% proportionately consolidated
8 December 2009 – 7 November 2010	67% proportionately consolidated
From 8 November 2010	100% consolidated

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to the previous year presented, unless otherwise stated.

Basis of presentation

The consolidated financial statements have been prepared in accordance with IFRS of the International Accounting Standards Board (IASB), requirements of the South African Companies Act, as amended and the JSE Listings Requirements.

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value. The fair value adjustment on business combination of non-current assets is deemed to be the cost of these assets.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are declared in Note 3.

Functional and presentation currency

These consolidated financial statements are presented in South African Rand, which is the Company's functional currency. All financial information is presented in Rand million, unless otherwise stated.

New and revised standards issued adopted that are relevant and effective

The Group has adopted all the new and revised standards issued that are relevant and effective for the accounting period on or after 1 January 2009. The most important of these standards are the following:

- *IAS 27 (Revised) Consolidated and separate financial statements* (effective for financial periods beginning on/after 1 July 2009). IAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.

Guidance in this standard was used for the derecognition of the interest in the BRPM joint venture (Refer Note 25).

- *IAS 36 (Amendment) Impairment of assets*, effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8 *Operating segments* (that is, before the aggregation of segments with similar economic characteristics). The amendment was adopted without impact.
- *IAS 39 (Amendment) Financial instruments: Recognition and measurement – Eligible hedged items* (effective for financial periods beginning on/after 1 July 2009). The amendment clarifies how the existing principles underlying hedge accounting should be applied in the designation of a one-sided risk in a hedged item, and inflation in a financial hedged item. The amendment was adopted without impact.
- *IFRS 2 (Amendment) Share-based payments – Group cash-settled share-based payment transactions* (effective for financial periods beginning on/after 1 January 2010). The amendment clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the Group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendment provides guidance on how to account for group share-based payment schemes in entities' separate financial statements. The amendment incorporates guidance previously included in *IFRIC 8 Scope of IFRS 2* and *IFRIC 11 IFRS 2 – Group and treasury share transactions*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. The amendment was adopted without impact.

- *IFRS 3 (Revised) Business combinations* (effective for financial periods beginning on/after 1 July 2009). The new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.

The revised standard was applied to the acquisition on assumption of control of the Bafokeng Rasimone PGM Mine. Refer Note 26.

- *IFRIC 17 Distributions of non-cash assets to owners* (effective for financial periods beginning on/after 1 July 2009). This interpretation clarifies that: (1) A dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; (2) An entity should measure the dividend payable at the fair value of the net assets to be distributed; and (3) An entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit and loss. The interpretation also requires an entity to provide additional disclosure if the net assets being held for distribution to owners meet the definition of a discontinued operation. The interpretation does not apply to common control transactions. The IFRIC was adopted without impact.
- *IFRS 5 Non-current assets held for sale and discontinued operations – Plan to sell the controlling interest in a subsidiary* (effective for financial periods beginning on or after 1 July 2009). This improvement clarifies that assets and liabilities of a subsidiary should be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. The amendment was adopted without impact.
- *AC 504: IAS 19(AC 116) The limit on a defined benefit asset, minimum funding requirements and their interaction in the South African pension fund environment* (effective for financial periods beginning on/after 1 April 2009). The South African Interpretation has been issued to provide guidance on the application of *IFRIC 14: IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction, in South Africa* in relation to defined benefit pension obligations (governed by the Pension Funds Act, 1956 (the Act)) within the scope of *IAS 19 (AC 116) Employee benefits*. The AC was adopted without impact.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

The following standards, amendments and interpretations to existing standards have been published but are not effective and the Group has not early adopted them:

- *IAS 24 (Revised) Related party disclosures* (effective for financial periods beginning on/after 1 January 2011). The revision simplifies the disclosure requirements for government-related entities and clarifies the definition of related party. No impact expected.
- *IAS 32 (Amendment) Financial instruments: Presentation – Classification of rights issues* (effective for financial periods beginning on/after 1 February 2010). The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. The amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. No impact expected.
- *IFRS 9 Financial instruments* (effective for financial periods beginning on/after 1 January 2013). IFRS 9 addresses classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortised cost or at fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard also removes the requirement to separate embedded derivatives from financial asset hosts. The impact has not been assessed yet.
- *IFRIC 19 Extinguishing financial liabilities with equity instruments* (effective for financial periods beginning on or after 1 July 2010). This interpretation provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. It clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments compared to the carrying amount of the debt. No impact expected.

Summary of the significant accounting policies continued

For the year ended 31 December 2010

1. General information continued

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted continued

- *Improvements to IFRS 2010* – Improvements to IFRS is a collection of amendments to International Financial Reporting Standards (IFRS). These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project. No significant impact expected.

2. Group accounting policies

Group and Company financial statements

These consolidated financial statements incorporate the Company and its subsidiaries, controlled special purpose entities and interest in joint ventures using uniform accounting policies.

2.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.2 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group's interest in jointly controlled entities is accounted for by proportionate consolidation. The Group combines its share of the joint venture's individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gain or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

IFRS is not prescriptive on the change in ownership in a joint venture. The Group follows guidance of IFRS 3 to revalue all assets on a change in percentage interest. When control is assumed over a business that was previously treated as a joint venture, the event is treated as a disposal of the joint venture and a business combination. Any difference in the carrying amount of the interest in the joint venture and the fair value of the interest when control is assumed, is recognised in profit and loss.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Pre-production expenditure, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines, is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended, reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment
- These assets are depreciated over their useful lives and are expensed in profit and loss as a cost of production.

Depreciation is calculated to write off the cost of each asset to its residual values over its estimated useful lives and residual value as reassessed on an annual basis and approximates the following:

Buildings	5 – 30 years (straight-line)
Plant and machinery	5 – 30 years (straight-line)
Vehicles and equipment	6 years (straight-line)
Computer equipment and software	3 – 5 years (straight-line)
Mining assets (shaft and development)	Units of production

Depreciation rates are reassessed annually.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in operating profit.

2.4 Mineral rights

Exploration and evaluation assets acquired are initially recognised at cost, and are subsequently adjusted for accumulated amortisation and impairment provision when applicable. Once commercial reserves are found, exploration and evaluation assets are transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with the existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

All exploration and evaluation costs incurred as part of normal operations are expensed until the directors conclude that a future economic benefit is more likely than not to be realised i.e. probable.

2.5 Goodwill

Goodwill represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment loss. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Summary of the significant accounting policies continued

For the year ended 31 December 2010

2. Group accounting policies continued

2.6 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, bank overdraft and other short-term highly liquid investments with original maturities of three months or less. Bank borrowings are shown within borrowings in current liabilities on the balance sheet.

2.8 Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.9 Product inventory

Product inventory consists of stockpiles of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of processing to concentrate as the final product and selling expenses.

2.10 Impairment of assets

2.10.1 Non-financial assets

Assets that have an indefinite useful life which are not subject to depreciation, are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value in use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment had not been recognised. The reversal of an impairment is recognised in profit or loss.

2.10.2 Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the higher of fair value less cost-to-sell or value-in-use derived from reserve and resource ounce valuation. Impairment write-downs on goodwill may not be reversed.

2.10.3 Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired:

- In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less previously recognised impairment loss, is recognised as an impairment loss. Any fair value loss or reversal thereof is recognised in other comprehensive income. On disposal of available-for-sale assets, previously recognised fair value adjustments are transferred to profit and loss
- A provision for impairment of loans, receivables and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the trade receivable and advances is reduced through the use of a provision account, and the amount of the loss is recognised as an operating expense. When a trade receivable is uncollectable, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs.

2.11 Revenue recognition

Income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and when the amount of the revenue can be measured reliably.

Revenue from sale of products and services is brought to account when the risks and rewards of ownership transfer and it is both probable that the economic benefits associated with the transaction will flow to the Group and when the amount of the revenue can be measured reliably, net of Value Added Tax (VAT) and discounts. In terms of the Group's concentrate offtake agreement revenue is therefore recognised on the delivery of concentrate to RPM.

In terms of the agreement, the commodity prices and ZAR:USD exchange rates used in the calculation of the concentrate payment are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery.

The adjustment to trade debtors to reflect the actual amount to be received for concentrate sold is recognised through revenue.

Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is probable that such income will accrue to the Group.

Dividend income is brought to account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

2.12 Leases

Determining whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to profit or loss, as a finance charge, over the lease period.

Summary of the significant accounting policies continued

For the year ended 31 December 2010

2. Group accounting policies continued

2.12 Leases continued

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Financial instruments

Financial assets comprise available-for-sale financial assets, environmental trust deposit, trade and other receivables (excluding prepaid expenses and VAT refunds), financial assets at fair value through profit and loss, derivative assets, cash guarantees provided, cash and cash equivalents and assets held for sale.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables as well as available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial liabilities comprise borrowings, shareholder loan, liabilities held for sale, derivative liabilities, trade and other payables and bank overdraft. The Group classifies its financial liabilities in the following categories: liabilities at fair value through profit or loss and amortised cost.

2.13.1 Financial assets and liabilities at fair value through profit or loss

Initial recognition

Financial assets and liabilities at fair value through profit or loss are financial assets and liabilities held for trading. A financial asset and liability are classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets and liabilities in this category are classified as current assets or current liabilities. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value.

Gains or losses

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other (losses)/gains – net, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss as part of other income when the Group's right to receive payment is established.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently measured at the quoted current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The financial liabilities at fair value through profit or loss are subsequently measured using valuation techniques such as Monte Carlo or discounted cash flows.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

2.13.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables in the balance sheet excluding prepaid tax, prepaid expenses and VAT refund (Note 8). Environmental trust deposit and cash and cash equivalents form part of loans and receivables. Loans and receivables are initially recognised at cost.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

2.13.3 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; while translation differences of non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Gains or losses arising from changes in the fair value of the available-for-sale financial assets category are recognised in equity. Dividend income from available-for-sale financial assets is recognised in the income statement as part of other income when the Group's right to receive payments is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of finance income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.13.4 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest rate method: any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group shall estimate cash flows considering all contractual terms of the financial instrument but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other

Summary of the significant accounting policies continued

For the year ended 31 December 2010

2. Group accounting policies continued

2.14 Borrowings continued

premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

When borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are directly attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction. All other borrowing costs are charged to finance costs.

2.15 Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Metal purchase commitments are entered into as part of a financing arrangement; these commitments are accounted for, initially at fair value, and subsequently at amortised cost.

2.16 Taxation

2.16.1 Current taxation

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

2.16.2 Deferred taxation

Deferred tax assets and liabilities are determined, using the balance sheet liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted before the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised.

2.17 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The listed market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price at reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

2.18 Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet only when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, including the share incentive trust (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are measured using the best estimate of the expenditure required to settle the obligation i.e. the amount the Group would rationally pay to settle the obligation or transfer to a third party.

Where the effect of discounting is material, provisions are discounted to reflect the present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Provisions are not recognised for future operation losses.

2.21 Environmental rehabilitation obligations

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

2.22 BRPM Environmental Rehabilitation Trust

Contributions are made to this trust fund, created in accordance with statutory requirements to provide for the estimated cost of rehabilitation during and at the end of the life of BRPM.

Deposits into the environmental trust are carried in the balance sheet at fair value. Contributions are based on the estimated environmental obligations over the life of a mine. Income earned on monies paid to the trust is accounted for as investment income. The trust investments are included under held-to-maturity investments as non-current assets. The Group has control over the trust and the special purpose entity is consolidated in the Group.

2.23 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

Employee benefit schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

Employee benefits

A defined contribution plan is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies' trustee-administered funds, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by the South African Pension Fund Act of 1956.

Summary of the significant accounting policies continued

For the year ended 31 December 2010

2. Group accounting policies continued

2.23 Employee benefits continued

Post-employment medical obligations

The Group provides post-retirement healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in profit or loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares or issue shares from the share incentive trust. Shares held in the share incentive trust which is consolidated as a special purpose entity are treated as treasury shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For individual Company accounts, the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2.24 Foreign exchange transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in income under other income.

3. Critical accounting estimates and assumptions

Increase in interest in joint venture December 2009

In December 2009 the entity acquired a further 17% interest in the BRPM joint venture. IFRS is not prescriptive on the accounting treatment of the increase in interest in a joint venture. The Group therefore followed guidance in *IFRS 3 Business combinations* in order to fair value all the assets and liabilities of the BRPM joint venture. RB Resources' original 50% in the BRPM joint venture has been accounted for using the re-measurement approach. Under this approach, the Company's portion of identifiable net assets of the jointly controlled entity that were previously acquired (i.e. the original 50% interest in the BRPM joint venture) is re-measured at fair value at the date of acquisition of the additional investment of 17% with the re-measurement of the original 50% being accounted for as a revaluation surplus and recognised as part of the Company's shareholder equity. The additional interest of 17% has been accounted for at fair value at the date of acquisition. The life of mine value was determined using discounted cash flows. The following key long-term life of mine prices were used: Platinum USD1 375 per oz, Palladium USD379 per oz and Rhodium USD2 500 per oz. A long-term real Rand/USD exchange rate of R9.41/USD was used.

Independent experts were used to value the mineral resources outside the life of mine plan. The valuation was performed using the comparable transaction valuation methodology. This methodology involves determining the *in-situ* mineral reserves and resources of specific properties within the context of other mineral property valuation. For *in-situ* inferred 4E resource ounces a value of USD4.67 per oz was used.

Joint venture accounting for 67% interest in BRPM up to 8 November 2010

The BRPM restructuring transaction involved a change in the participation interest in BRPM from that of joint control (50% RBR:50% RPM) and managed by Anglo Platinum to RBR holding a majority interest (67% RBR:33% RPM) in BRPM and taking over management of the mine via RBP MS from 4 January 2010. However, the amended joint venture agreement required joint control (50% RBR:50% RPM) of the Management Committee of the joint venture up to date of the listing of the Company whereafter RBP will control BRPM.

Because of the joint control the 67% interest in BRPM has been proportionately consolidated until date of listing of RBPlat.

From 8 November 2010 control was assumed over BRPM and the interest was consolidated.

Purchase price allocation 8 November 2010

The Group assumed control over BRPM upon listing on 8 November 2010. The provisional purchase price allocation for the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values required judgement.

The basis for allocating fair value was as follows:

Fair value of the purchase price

The purchase consideration comprises the 67% interest held in the BRPM joint venture. The fair value of this 67% interest was calculated with reference to the market capitalisation obtained on listing. A share price of R60.50 per share and 164 095 215 shares were used for a total market capitalisation of R9 927 million. The net assets of other Group entities that approximate fair value was deducted to provide the fair value of the purchase consideration of R10 002.7 million.

Property, plant and equipment

The fair value of individual items of property, plant and equipment was obtained from an external valuer using a depreciated replacement value as approximation.

Mineral rights included in life of mine plan

The provisional value of mineral reserves relating to the current life of mine plan was valued using a discounted cash flow per the life of mine plan. The following key long-term life of mine prices were used: Platinum USD1 611 per ounce, Palladium USD526 per ounce and Rhodium USD3 853 per ounce. A long-term real Rand/US dollar exchange rate of R8.25/USD1 was used. A real discount rate of 8.3% was used.

Mineral rights outside the life of mine plan

Independent experts were used to value the mineral resources outside the life of mine plan. The valuation was performed using the comparable transaction valuation methodology. This methodology involves determining the *in situ* mineral reserves and resources of specific properties within the context of other mineral property valuation. For *in situ* inferred 4E resource ounces a value of USD10 per ounce was used.

Deferred tax

Deferred tax was calculated on the full difference between the fair values calculated above and the tax basis at a rate of 28%.

Summary of the significant accounting policies continued

For the year ended 31 December 2010

3. Critical accounting estimates and assumptions continued

Goodwill

Goodwill was calculated as the difference between the purchase consideration and the Group's share of net assets acquired. No goodwill was attributed to non-controlling shareholders' interest.

Goodwill is allocated to BRPM. The recoverability of goodwill was assessed based on the life of mine plan using the same assumptions as disclosed for mineral rights. The recoverable amount of goodwill is based on fair value less costs to sell.

Mineral Reserves

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
- differences between actual commodity prices and commodity price assumptions
- unforeseen operational issues at mine sites
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Carrying value of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on the historical performance as well as expectations about the future use and therefore require a significant degree of judgement to be applied by management. The depreciation rates represent management's current best estimates of the useful lives of the assets. Residual values of the property, plant and equipment are reviewed at least annually. Adjustment will affect the depreciation charge for the reporting period.

Environmental rehabilitation obligations (Note 16)

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Key assumptions used were:

	2010	2009
Current cost estimate (Rmillion)	157.0	102.0
Real pre-tax risk free discount rate (%)	4	4

Share-based payments

The Group has various share-based payment plans in place. As the Company was only listed during the year insufficient history of the Company's share price history was available on which to base assumptions. The JSE J153 Platinum index was therefore used as an approximation of key inputs in the valuation of share-based payments. All share-based payment schemes are treated as equity-settled and therefore valued on grant date.

Bonus Share Plan

The Company has established a Bonus Share Plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Company is responsible for operating the BSP.

Following the announcement of the Company's annual results, employees participating in the BSP are awarded a number of bonus shares, which constitute a specified percentage of the employee's annual cash bonus (dependent on job category). Such bonus shares are held on the employee's behalf by an escrow agent for a period of three years after their award.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

3. Critical accounting estimates and assumptions continued

2010 Share Option Plan

Certain directors and senior managers of the Company (including all of the current executive directors of the Company) have been granted options to acquire shares. The options were granted at an initial price, which is linked to the J153 Platinum Index when hired. The strike price of the options was adjusted on listing in accordance with a specified formula and was linked to the Company's share price. The share options vest from year three to five from when they were granted in three equal tranches.

Mahube Trust Share Scheme

The Royal Bafokeng Platinum Mahube Trust (Mahube Trust) has been implemented to replace the value forfeited by qualifying BRMS employees as a result of them no longer qualifying as beneficiaries of the Anglo Platinum Group Employee Share Participation Scheme (Kotula).

Permanent employees of the BRPM are employed by BRMS. Prior to the listing, BRMS was a wholly-owned subsidiary of RPM and qualifying BRMS employees were beneficiaries of Kotula. In terms of the rules of Kotula and as a result of the listing, qualifying BRMS employees forfeited all their benefits under Kotula once ownership of BRMS was transferred from RPM to RB Resources since BRMS was no longer a member of the AngloPlat group of companies. The Company has created the Mahube Trust, an employee share ownership scheme for the benefit of qualifying BRMS employees to replicate the terms and structure, to the extent possible, of Kotula. The final capital distribution will take place on or about 31 March 2015 and the Mahube Trust will terminate on 31 March 2016.

Initial Public Offering bonus shares

The Company invited each of the executive directors and certain other employees of the Company to participate in the share offer on listing, on the basis that for each share that they subscribe for, the Company will issue them with an additional share free of charge (with the Company paying for the par value of such shares). The additional shares issued by the Company vest 18 months after the listing. The maximum number of shares for which each director and employee could subscribe to benefit from this scheme were limited based on the specific job grade.

The value of the various share-based payment schemes were calculated using the following inputs:

	2009 Bonus Share Plan	2010 Bonus Share Plan	2009 Share Option Plan	2010 Share Option Plan	Mahube Trust Share Scheme	Initial Public Offering bonus shares
Weighted average option value on grant date (Rand)	39.26	39.26	23.37	32.27	44.67	64.90
Weighted average share price on grant date (Rand)	65.20	65.20	42.11	60.25	65.12	64.90
Weighted average exercise price (Rand)	—	—	42.11	60.25	48.11	—
Volatility (%)	48.4%- 43.2%	48.2%- 40.3%	48.4%- 43.2%	48.2%- 40.3%	47.9%- 39.8%	47.9%
Dividend yield (%)	—	—	—	—	—	—
Risk-free interest rate (%)	7.06%- 8.49%	7.59%- 8.64%	7.06%- 8.49%	7.59%- 8.64%	7.75%- 7.83%	7.52%
Vesting years	2012	2013	2012-2014	2013-2015	2013-2015	18 months from listing date

Income taxes and mining royalties

Significant judgement is required in determining the provision for income taxes and mining royalties. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010

4. Property, plant and equipment

	Buildings	Furniture and fittings	Mining assets	Capital work in progress	Plant and machinery	Computer equipment	Vehicles and equipment	Computer software	Rehabilitation asset	Total
	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)	R (million)
2010										
At 1 January 2010	64.6	–	1 993.3	975.3	586.9	7.0	7.4	6.7	10.9	3 652.1
Additions	22.0	0.5	14.7	398.9	36.7	18.3	1.9	6.0	–	499.0
Disposals	–	–	–	–	–	–	(0.3)	–	–	(0.3)
Depreciation	(3.8)	(0.1)	(184.9)	–	(47.8)	(3.1)	(1.8)	(4.7)	(0.4)	(246.6)
Transfers	13.6	–	–	(93.6)	79.4	0.1	0.5	–	–	–
At 8 November	96.4	0.4	1 823.1	1 280.6	655.2	22.3	7.7	8.0	10.5	3 904.2
Carrying amount of previously held 67% interest in BRPM	(96.4)	(0.1)	(1 823.1)	(1 280.6)	(655.2)	(21.9)	(7.7)	(8.0)	(10.5)	(3 903.5)
Fair value of 100% of BRPM on business combination	72.9	9.7	3 951.4	1 911.3	1 209.1	12.0	18.3	11.9	15.7	7 212.3
Additions from 8 November	0.3	–	0.3	217.6	1.3	1.9	–	2.3	1.6	225.3
Depreciation from 8 November	(0.9)	(0.3)	(78.9)	–	(17.1)	(0.4)	(1.0)	(1.6)	(0.2)	(100.4)
At 31 December 2010	72.3	9.7	3 872.8	2 128.9	1 193.3	13.9	17.3	12.6	17.1	7 337.9
Cost	73.2	10.0	3 951.7	2 128.9	1 210.4	14.3	18.3	14.2	17.3	7 438.3
Accumulated depreciation	(0.9)	(0.3)	(78.9)	–	(17.1)	(0.4)	(1.0)	(1.6)	(0.2)	(100.4)
At 31 December 2010	72.3	9.7	3 872.8	2 128.9	1 193.3	13.9	17.3	12.6	17.1	7 337.9
2009										
At 1 January 2009	20.9	–	621.9	634.3	316.3	4.4	5.8	3.0	6.2	1 612.8
Additions	–	–	22.2	389.5	6.9	–	–	–	2.3	420.9
Depreciation	(2.3)	–	(65.6)	–	(25.2)	(2.3)	(1.8)	(3.1)	(0.4)	(100.7)
Transfers	10.2	–	319.6	(364.0)	25.4	2.8	1.2	4.8	–	–
Revaluation	19.5	–	654.8	–	118.4	0.3	0.3	0.2	–	793.5
Increase in interest in joint venture	16.3	–	440.4	315.5	145.1	1.8	1.9	1.8	2.8	925.6
At 31 December 2009	64.6	–	1 993.3	975.3	586.9	7.0	7.4	6.7	10.9	3 652.1
Cost	100.0	6.2	2 366.9	975.3	834.1	19.7	20.8	12.7	12.9	4 348.6
Accumulated depreciation	(35.4)	(6.2)	(373.6)	–	(247.2)	(12.7)	(13.4)	(6.0)	(2.0)	(696.5)
At 31 December 2009	64.6	–	1 993.3	975.3	586.9	7.0	7.4	6.7	10.9	3 652.1

The Company has the life of mine right to use, but not ownership of assets with a carrying amount of R1 536 112 129 for 100% (2009: R1 144 352 223 for RBPlat's attributable 67%) which are included in balances above.

	Group	
	2010	2009
	R (million)	R (million)
5. Mineral rights		
Opening balance at 1 January	2 925.5	2 234.4
Amortisation (included in cost of sales)	(18.3)	(44.7)
Carrying amount at 8 November	2 907.2	
Carrying amount of previously held 67% interest in BRPM	(2 907.2)	
17% increase in interest in BRPM		735.8
Fair value of 100% of BRPM on business combination	5 730.9	
Amortisation from 8 November (included in cost of sales)	(8.1)	
Closing balance at 31 December	5 722.8	2 925.5
Cost	5 730.9	3 076.7
Accumulated amortisation	(8.1)	(151.2)
Closing balance at 31 December	5 722.8	2 925.5

In terms of the joint venture agreement between RPM and RBR, RPM contributed its Boschkopie mining right and the Frischgewaagd prospecting right whilst RBR contributed its Styldrift mining right to BRPM for the full BRPM life of mine. RBR therefore has an undivided 67% participation interest in these rights whilst RPM has an undivided 33% participation interest in these rights. From 8 November 2010, the carrying amount reflects 100% of these rights.

6. Environmental trust deposit

The following table provides a reconciliation of the environment trust deposit:

	Group	
	2010	2009
	R (million)	R (million)
Opening balance at 1 January	56.4	37.9
Increase in cash deposit during the year	–	1.9
Interest earned on the environmental trust deposit	1.9	2.9
17% increase in interest in joint venture	–	13.7
Carrying amount at 8 November	58.3	
Carrying amount of previously held 67% interest in BRPM	(58.3)	–
Fair value of 100% BRPM on business combination	87.0	–
Interest earned on the environmental trust deposit from 8 November	0.5	–
Closing balance at 31 December	87.5	56.4

The Group contributes to the BRPM Environmental Rehabilitation Trust annually. The trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the life of the mine. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine. Contributions made are reflected as an environmental trust deposit.

	Group	
	2010	2009
	R (million)	R (million)
7. Inventories		
Consumables	17.4	–
Stockpiles	31.0	–
	48.4	–

All inventories are carried at cost. There was no write down to net realisable value.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

	Group	
	2010	2009
	R (million)	R (million)
8. Trade and other receivables		
Trade receivables (concentrate debtors)	1 008.5	521.0
Other receivables	21.9	67.0
VAT receivable	16.2	4.2
	1 046.6	592.2

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's share of the concentrate of the PGMs produced by BRPM will be treated by RPM.

In terms of the agreement, the commodity prices and Rand:USD exchange rates used in the calculation of the concentrate payment is based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery (refer Note 32 for sensitivity analysis).

Concentrate debtors are fair valued every month following delivery until the price is fixed at the end of the third month. In line with industry practice the fair value adjustment is taken through the income statement as an adjustment to revenue.

	Group	
	2010	2009
	R (million)	R (million)
9. Held to maturity investments		
Investment in vested rights of the NED Investment Trust	250.0	–
Accrued dividends	0.9	–
	250.9	–

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust.

RBPlat invested R250 million on 9 December 2010 on a 180 day notice period earning the following dividend yield:

- R200 million earning 62% of prime nominal annual compounded semi-annually
- R50 million earning 61.57% of prime nominal annual compounded quarterly.

The effective rate at year end was 5.58% (2009: N/A) and 5.54% (2009: N/A) for the two respectively.

At 31 December 2010 dividends of R0.9 million (2009: nil) were earned on the Nedbank preference shares.

	Group	
	2010	2009
	R (million)	R (million)
10. Current tax receivable		
The movement on the balance can be explained as follows:		
Opening balance at 1 January	–	21.3
Income tax charge	0.4	–
Business combination	(7.6)	–
Tax refund received	7.6	–
Interest charge	–	0.1
Payment made	(5.2)	(21.4)
Closing balance at 31 December	(4.8)	–

11. Related party loans

The loan between Royal Bafokeng Management Services (Pty) Limited (RBMS), a fellow subsidiary, bore no interest and had no fixed repayment terms. This loan was repaid in 2010 prior to the listing date.

	RBMS R (million)	RB Impala Holdings R (million)
At 1 January 2010	0.2	–
Loan repaid	(0.2)	–
At 31 December 2010	–	–
At 1 January 2009	(11.8)	210.0
Loan received	(42.1)	–
Loan settled as part of restructuring (Note 19)	54.1	(210.0)
At 31 December 2009	0.2	–

	2010 R (million)	Group 2009 R (million)
--	---------------------	------------------------------

12. Cash and cash equivalents

The cash and cash equivalents are made up of the following:

Cash at bank and on hand	447.9	51.5
Short-term bank deposits	451.5	–
	899.4	51.5

Facilities

Royal Bafokeng Resources (RBR) signed an agreement with Rustenburg Platinum Mines Limited (RPM) for a R2 billion facility. The facility was utilised in 2008 and terminated on 31 December 2009. Towards the end of 2009, RBR put in place a R500 million revolving credit facility (RCF) with Nedbank. Interest on the facility is based on JIBAR plus a margin of 2.85% nominal annual compounded quarterly in arrears. The current RCF is repayable in full on 2 December 2013.

In addition, RBR put in place a R250 million overdraft facility, RBPlat a R3 million overdraft facility and RBPMS a R5 million overdraft facility.

The overdraft facilities bear interest at JIBAR plus a margin of 2.85% calculated on a daily basis payable monthly in arrears. The overdraft facilities are available until 31 December 2013 whereafter the facilities are expected to be extended further.

R17.1 million of the overdraft facility has been utilised at year-end for an Eskom guarantee. Refer Note 17.1 for further details.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

	Group	
	2010	2009
	R	R

13. Share capital and share premium

Authorised share capital

250 000 000 (2009: 200 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 000 000
1 500 000 (2009: 0) A1 ordinary shares with a par value of R0.01 each	15 000	–
1 500 000 (2009: 0) A2 ordinary shares with a par value of R0.01 each	15 000	–
1 500 000 (2009: 0) A3 ordinary shares with a par value of R0.01 each	15 000	–
	2 545 000	2 000 000

Issued ordinary share capital

The movement in the issued share capital of the Company is as follows:

Opening balance, 137 057 500 (2009: 100 000) ordinary shares with a par value of R0.01 each	1 370 575	1 000
102 181 700 ordinary shares issued as compensation for the acquisition of the RBR equity and loans	–	1 021 817
34 775 800 ordinary shares issued as compensation for the additional 17% participation interest acquired in the BRPM in December 2009	–	347 758
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	100 000	–
16 620 299 ordinary shares issued as primary issue with the listing of the Company	166 203	–
550 848 ordinary shares issued as part of the management share incentive scheme	5 508	–
563 914 ordinary shares issued to the Mahube Trust	5 639	–
Less: Treasury shares		
550 848 ordinary shares issued as part of the management share incentive scheme	(5 508)	–
563 914 ordinary shares issued to the Mahube Trust	(5 639)	–
Total 163 677 799 shares (2009: 137 057 500 shares)	1 636 778	1 370 575

Issued A1, A2, A3 ordinary shares capital

845 871 A ordinary shares issued to the Mahube Trust	8 459	–
A1 and A2 and A3 ordinary shares issued in equal parts of 281 957 each		
Less: Treasury shares		
845 871 A ordinary shares issued to the Mahube Trust	(8 459)	–
Total	–	–

	Group	
	2010	2009
	R	R

13. Share capital and share premium continued

Share premium

Opening balance	6 817.8	–
102 181 700 ordinary shares issued as compensation for the acquisition of the RBR equity and loans	–	4 997.0
34 775 800 ordinary shares issued as compensation for the additional 17% participation interest acquired in the BRPM in December 2009	–	1 820.8
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	(0.1)	–
16 620 299 ordinary shares issued as primary issue with the listing of the Company	1 005.4	–
550 848 ordinary shares issued as part of the management share incentive scheme	33.5	–
563 914 ordinary shares issued to the Mahube Trust	36.7	–
845 871 A1 ordinary shares issued to the Mahube Trust	23.2	–
Capitalisation of listing transaction costs to share premium	(63.2)	–
Less: Treasury shares		
550 848 ordinary shares issued as part of the management share incentive scheme	(33.5)	–
563 914 ordinary shares issued to the Mahube Trust	(36.7)	–
845 871 A1 ordinary shares issued to the Mahube Trust	(23.2)	–
Total	7 759.9	6 817.8

On 22 September 2010, the Company increased its authorised share capital by creating 50 000 000 ordinary shares; 1 500 000 A1 ordinary shares; 1 500 000 A2 ordinary shares and 1 500 000 A3 ordinary shares. The A ordinary shares will be issued to the Mahube Trust as part of the employee share incentive scheme and these A ordinary shares are not listed.

During the year an additional 100 000 ordinary shares were issued to RPM at par value as deferred compensation for the additional 17% participation interest in the BRPM JV acquired with effect from 7 December 2009.

A further 16 620 299 ordinary shares were issued on 8 November 2010 as part of the primary issue of ordinary shares with the listing of the Company. On the same day, an additional 417 416 ordinary shares were issued and on 3 December 66 716 ordinary shares were issued as part of the Company's management staff incentive scheme.

On 20 December 2010, 563 914 ordinary shares and 845 871 A1 ordinary shares were issued to the Mahube Trust in terms of the Company's ESOP. These shares are treated as treasury shares as the Mahube Trust is consolidated as a special purpose vehicle.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

	Group	
	2010	2009
	R (million)	R (million)

14. Other reserves

The movement on the other reserves can be attributed to the following:

Opening balance at 1 January	–	–
Revaluation of property, plant and equipment (Note 4)	–	793.5
Deferred tax raised on revaluation (Note 15)	–	(222.2)
Reclassification of equity items due to restructuring of the RBR group (Note 28)	–	(571.3)
Share-based payment reserve	18.8	–
Closing balance at 31 December	18.8	–

15. Deferred tax

Deferred income tax is calculated in full on the temporary differences under the liability method using the principal tax rates of 28%. Deferred income tax assets and liabilities are offset when there is legally enforceable right to set off tax assets against the tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2010	2009
	R (million)	R (million)
Deferred tax comprises:		
Deferred tax asset	(15.2)	–
Deferred tax liability	3 611.3	323.2
	3 596.1	323.2

The movement on the deferred tax is as follows:

	Mineral rights R (million)	Property, plant and equipment R (million)	Provisions R (million)	Other R (million)	Total R (million)
2010					
At 1 January 2010	3.1	315.5	(11.9)	16.5	323.2
Charged to income statement	–	145.9	(0.6)	0.5	145.8
Carrying amount at 8 November	3.1	461.4	(12.5)	17.0	469.0
Carrying amount of previously held 67% interest in BRPM (Note 26)	(3.1)	(461.4)	12.5	(17.0)	(469.0)
Fair value of 100% of BRPM on business combination	1 604.6	1 974.5	(33.9)	25.4	3 570.6
Charged to income statement from 8 November	(2.2)	30.5	(1.6)	(1.2)	25.5
At 31 December 2010	1 602.4	2 005.0	(35.5)	24.2	3 596.1
2009					
At 1 January 2009	1.7	89.6	(4.8)	11.2	97.7
Charged to equity	–	222.2	–	–	222.2
Charged to income statement	2.9	3.2	(7.9)	9.1	7.3
Increase in interest in joint venture (Note 27)	(1.5)	–	3.3	(3.8)	(2.0)
Prior year adjustment	–	0.5	(2.5)	–	(2.0)
At 31 December 2009	3.1	315.5	(11.9)	16.5	323.2

Of the above, approximately R3 582 million (2009: R323.2 million) will realise after 12 months.

	Group	
	2010	2009
	R (million)	R (million)
16. Long-term provisions		
Decommissioning and rehabilitation provisions		
Opening balance at 1 January	41.8	25.8
Unwinding of discount from 8 November	2.0	3.1
Additional provision raised	1.0	2.3
17% increase in interest in joint venture	–	10.6
Carrying amount at 8 November	44.8	41.8
Carrying amount of previously held 67% interest in BRPM	(44.8)	–
Fair value of 100% interest in BRPM on business combination	66.9	–
Unwinding of discount from 8 November	0.8	–
Additional provision raised from 8 November	4.8	–
Closing balance at 31 December	72.5	41.8
Other provisions	0.9	–
Closing balance at 31 December	73.4	41.8
Current cost estimate	157.0	102.0
The 2010 current cost estimate reflects 100% of BRPM's estimate whilst 2009 reflects 67%.		

	Group	
	2010	2009
	R (million)	R (million)

17. Contingencies and commitments

17.1 Guarantees

Royal Bafokeng Resources (Pty) Limited granted the following guarantees:
Eskom to secure power supply for Styldrift project development (100% of BRPM) (financial guarantee 6404000082)

Royal Bafokeng Management Services (Pty) Limited, a fellow subsidiary, granted the following guarantees on behalf of RBR for the rehabilitation of land disturbed by mining:

Department of Mineral Resources
(financial guarantee 36790800258)

Department of Mineral Resources
(financial guarantee 36790901881)

	17.1	
	39.9	39.9
	7.6	7.6
	64.6	47.5

Refer to Note 16 for the rehabilitation provision relating to guarantees to DMR.

During January 2011 RBR issued a guarantee to the Department of Mineral Resources (DMR) to the value of R44.7 million (financial guarantee 30858003). This relates to RBR's 67% for the rehabilitation of land disturbed by mining and replaces both guarantees issued by Royal Bafokeng Management Services (Pty) Limited above.

Also during February 2011, RPM provided RBR with a guarantee of its 33% share of the Eskom guarantee amounting to R5.6 million.

17.2 Commitments in respect of property, plant and equipment

The following expenditure will be funded internally and from external borrowings, where necessary. At year-end, no assets have been encumbered by loans or pledged as collateral.

Commitments contracted for	960.8	264.6
Approved expenditure not yet contracted	8 262.1	6 443.1
2010: 100% (2009: 67%)	9 222.9	6 707.7

The 2010 commitments reflect 100% of the BRPM project commitments. Effectively RBR must fund 67% thereof and RPM the remaining 33%.

Should either party elect not to fund their share, the interest will be diluted according to the terms reflected in the BRPM JV agreement.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

	Group	
	2010	2009
	R (million)	R (million)

18. Trade and other payables

The balance consists of:

Trade and other payables	405.7	84.0
VAT payable	9.1	12.6
	414.8	96.6

19. Shareholder loan

The movements on the shareholder's loan were as follows:

Balance at 1 January	–	2 577.0
Interest charge capitalised	–	304.8
Loan settlement of RBMS loan on effective date (Note 11)	–	54.1
Loan settlement of RB Impala Holdings loan on effective date (Note 11)	–	(210.0)
Shareholder's loan capitalised on effective date (Note 29)	–	(2 725.9)
	–	–

The interest bearing loan related to the purchase of mineral rights and accrued interest at the average long-term risk-free interest rate (R157 government bond) plus 5% per month. Royal Bafokeng Resources (Pty) Limited had an obligation to apply its entire free cash flow in settlement of the interest bearing obligations until such time as the loan capital and accrued interest has been settled in full. The loan was settled in full on 7 December 2009 through the issue of shares in RBR.

	Group	
	2010	2009
	R (million)	R (million)

20. Revenue

Revenue from concentrate sales	2 094.7	1 155.0
Revenue from management fee	12.1	–
	2 106.8	1 155.0

21. Other income

Other income consists of the following:

Local sales – scrap	0.7	0.8
Dividends on held to maturity investment	0.9	–
	1.6	0.8

	Group	
	2010	2009
	R (million)	R (million)

22. Net finance cost

The net finance cost consists of the following:

Interest received on environmental trust deposit	2.4	2.9
Interest received on bank accounts	13.3	3.9
	15.7	6.8
Interest paid on shareholder loan	–	(304.8)
Interest paid on bank account	(9.8)	(1.8)
Interest paid to SARS	–	(0.1)
Unwinding of discount on decommissioning and restoration provision	(2.7)	(3.1)
	(12.5)	(309.8)
Net finance income/(costs)	3.2	(303.0)

Interest paid on bank account includes R9.8 million (2009: nil) paid to Nedbank in respect of the revolving credit facility utilised prior to the listing of the Company.

	Group	
	2010	2009
	R (million)	R (million)

23. Profit before tax

Included in the profit before taxation are the following items:

On-mine costs:

– Labour	489.5	322.5
– Utilities	87.6	44.0
– Contractor costs	264.1	157.6
– Materials and other mining costs	362.6	265.5
State royalties	8.4	–
Depreciation – Property, plant and equipment	347.0	100.7
Amortisation – Mineral rights	26.4	44.7
Share-based payment expenses	7.2	–
Other	13.1	4.1
Total cost of sales	1 605.9	939.1

Included in administration expenses:

Advisory fees	7.2	7.8
Audit fees		
– Fees for audit	0.8	0.5
– Other fees	0.4	–
Legal fees	1.0	8.5
Loss on sale of fixed assets	0.2	–
Employee costs (including directors' emoluments)	26.3	11.7
Depreciation of RBP MS non-current assets	0.2	0.0
Nedbank revolving credit facility arranging fee	1.3	2.5
Nedbank revolving credit facility commitment fee	1.8	–
Share-based payment expense	11.6	–
Directors' and officers' liability insurance – general	0.5	–
Listing expenditure not capitalised to share premium	3.8	–

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

	Group	
	2010	2009
	R (million)	R (million)

24. Income tax expenses

Income tax	(0.4)	–
Deferred tax		
– Current year	(171.3)	(3.3)
– Prior year adjustment	–	(2.0)
	(171.7)	(5.3)

The tax on the Group's profit before tax differs from the theoretical amount that would be raised using the South African tax rate as follows:

Profit/(loss) before tax	3 339.9	(118.1)
Tax calculated at a tax rate of 28%	(935.2)	33.1
Non-deductible expenses	(47.4)	(36.4)
Non-taxable income	810.9	0.0
Prior year adjustment	–	(2.0)
	(171.7)	(5.3)

Effective tax rate (%) 5.14 (4.49)

An unredeemed capital allowance of R178.3 million (2009: R370.2 million) is carried forward to 2011.

	Group	
	2010	2009
	R (million)	R (million)

25. Cash generated by operations

Cash generated from operations is calculated as follows:

Profit/(loss) before tax	3 339.9	(118.1)
Adjustment for:		
Depreciation	347.0	100.7
Amortisation	26.4	44.7
Share-based payment	18.8	–
Finance cost	12.5	309.8
Finance income	(15.7)	(6.8)
Profit on remeasurement of previously held interest in BRPM (Note 26)	(2 894.8)	–
Loss on sale of fixed assets	0.2	–
	834.3	330.3
Changes in working capital	(57.3)	(73.0)
(Increase)/decrease in inventories	(28.1)	–
(Increase)/decrease in trade and other receivables	(119.5)	44.1
Increase/(decrease) in trade and payables	90.3	(117.1)
Cash generated by operations	777.0	257.3

26. Acquisition of BRPM

In terms of the restructuring agreements entered into in December 2009, from date of listing RBPlat obtained the power to appoint the majority of the management committee members of BRPM and therefore obtained control of BRPM. The Company was listed on 8 November 2010. In line with the requirements of *IFRS 3 Business combinations*, where a business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss.

26.1 Profit on remeasurement of previously held interest in BRPM

The profit on the remeasurement of the previously held interest in BRPM was determined as follows:

	R (million)
Fair value of 67% previously held equity interest	10 002.7
Carrying amount of 67% previously held equity interest	7 107.9
– Property, plant and equipment	3 903.5
– Mineral rights	2 907.2
– Environmental trust deposit	58.3
– Inventories	41.0
– Trade and other receivables	660.2
– Cash and cash equivalents	186.2
– Deferred tax liability	(469.0)
– Long-term provisions	(44.8)
– Trade and other payables	(134.7)
Profit on remeasurement of previously held interest in BRPM	2 894.8

26.2 Business combination

The fair value of the investment disposed of, being the 67% interest in BRPM, is deemed to be the consideration for the investment acquired, being the 67% interest in BRPM subsidiary.

	R (million)
Fair value of 67% interest assumed as the purchase price	10 002.7
1. The purchase price was provisionally allocated to identifiable net assets as follows:	10 371.0
– Property, plant and equipment	7 212.3
– Mineral rights	5 730.9
– Environmental trust deposit	87.0
– Inventories	61.3
– Trade and other receivables ⁽²⁾	1 002.6
– Cash and cash equivalents	277.9
– Deferred tax liability	(3 570.6)
– Long-term provisions	(67.8)
– Trade and other payables ⁽³⁾	(362.6)
Less: Non-controlling interest	(3 405.5)
Difference between purchase consideration and fair value of net assets acquired recognised as goodwill ⁽⁴⁾	3 037.2
Cash in previously held interest	186.2
Cash held after business combination	277.9
Cash impact of the business combination	91.7

The Company is still in process of assessing the fair values allocated to the individual components. For purchase price allocation purposes in particular consideration is given to mineral rights included in the life of mine. A multi period excess earnings model will be used and finalised within twelve months from date of listing.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

26. Acquisition of BRPM continued

26.2 Business combination continued

2. The fair value of trade receivables acquired is equal to the previous carrying amount of the receivables. The full amount is expected to be collected in the next four months. Refer Note 32 for potential movements in the fair value of these debtors.
3. There were no contingent liabilities acquired that had to be recognised as liabilities.
4. The goodwill acquired relates to deferred tax recognised on the difference between the fair value of assets acquired and the tax deductible amount. Goodwill is not deductible for tax purposes. The basis for calculating the fair value of assets and liabilities was used to assess the need for any potential impairment of goodwill. Refer to Note 3 for the assumptions used.

Included in the results for the year are additional amounts relating to this business combination representing the 33% non-controlling interest as follows:

Additional revenue:	R142.1 million
Additional net profit before tax	R24.1 million

Had the business combination occurred at the beginning of the year then the results of the Group would have been impacted as follows:

R million	Reported results	Pro-forma results	Difference
Revenue	2 106.8	2 914.4	807.6
Cost of sales	(1 605.9)	(2 254.7)	(648.8)
Gross profit	500.9	659.7	158.8
Profit before tax	3 339.9	3 500.4	160.5
Tax	(171.7)	(180.0)	(8.3)
Profit for the year	3 168.2	3 320.4	152.2

The increases reflect the additional 33% non-controlling interest impact.

Cost of sales was also increased with pro-forma depreciation assuming that the fair value adjustments made as at the acquisition date were the fair value adjustments made at the beginning of the year.

27. Interest in joint venture

The Group had a 67% participation interest in BRPM, whose main business is the mining of platinum group metals. The following amounts represent the Group's 67% share of the assets and liabilities and results of the joint venture, as included in the consolidated balance sheet and income statement. From 8 November 2010, control was assumed and 100% of all line items were recognised.

	2009 R (million)
Property, plant and equipment	3 652.1
Mineral rights	2 925.5
Environmental trust deposit	56.4
Current assets	638.5
Total assets	7 272.5
Deferred tax liability	323.2
Provisions	41.8
Current liabilities	92.2
Total liabilities	457.2
Net assets	6 815.3
Revenue	1 155.0
Profit before amortisation of mineral rights and tax	301.3
Amortisation of mineral rights	(78.6)
Profit before tax	222.7

There were no contingent liabilities relating to the Group's interest in the joint venture in 2009.

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Group
2009
R (million)

28. Increase in interest in joint venture in December 2009

Purchase consideration:

– Shares issued	0.4
– Share premium raised	1 820.8

Purchase consideration settled in shares	1 821.2
--	---------

Purchase consideration settled in cash	–
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Total purchase consideration	1 821.2
------------------------------	---------

Fair value of net assets acquired	1 821.2
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Cash implication of transaction:

Additional 17% interest acquired in cash and cash equivalents of joint venture	11.3
--	------

Cash inflow on acquisition	11.3
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29. Reclassification of equity items due to restructuring of the RBPlat Group in December 2009

The RBH Group restructured its holding of RBR effective 7 December 2009 to facilitate the indirect listing of RBR through the Company. This restructure resulted in RBR becoming a wholly-owned subsidiary of the Company. 102 181 700 ordinary shares with a par value of R0.01 were issued as compensation for the acquisition of the fair value of RBR's assets and liabilities.

Group
2009
R (million)

Compensation for fair value received in restructuring:

– Shares issued	1.0
– Share premium raised	4 997.0

Total consideration	4 998.0
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Fair value received from RBR due to restructuring	4 998.0
---	---------

Compensation settled in cash	–
------------------------------	---

29. Reclassification of equity items due to restructuring of the RBPlat Group continued

Due to the restructuring and the fair value of the assets and liabilities obtained from the RBR group, the net effect on the equity components supporting the net asset value was as follows:

	Group 2009 R (million)
Revaluation reserve	571.3
Other reserves	1 307.3
Retained earnings	393.5
Shareholders' loan capitalised (Note 19)	2 725.9
Equity components alternatively obtained	4 998.0
Compensation for equity components obtained:	
– Shares issued	1.0
– Share premium raised	4 997.0
	4 998.0

	Group 2010 R (million)	Group 2009 R (million)
--	------------------------------	------------------------------

30. Related party transactions

Balances at 31 December:

Loan from Royal Bafokeng Management Services (Pty) Limited	–	(0.2)
Amount owing by RPM for concentrate sales	1 008.5	521.0
Amount owing to RPM for contribution to BRPM	69.7	–

Transactions during the year:

Interest on shareholder's loan	–	(304.8)
Concentrate sales to RPM	2 094.8	1 155.0
Royal Bafokeng Platinum Management Services management fee charged to BRPM	12.1	–

For key management employee benefits refer to the directors' report.

31. Dividends

No dividends have been declared or proposed in the current year (2009: nil).

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

32. Financial risk management

32.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out in terms of policies approved by the Audit and Risk Committee and the Board of Directors, which set guidelines to identify, evaluate and hedge financial risks in close co-operation with the Group's operating unit. The Audit and Risk Committee and the Board provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative instruments, and investment of excess liquidity.

Categories of financial instruments and fair values

The following table represents the Group's assets and liabilities that are measured at fair value (all financial instruments are carried at amortised cost):

Financial assets	Note	Carrying values		Fair values	
		2010 R (million)	2009 R (million)	2010 R (million)	2009 R (million)
Environmental trust deposit	6	87.5	56.4	87.5	56.4
Trade and other receivables	8	1 008.5	521.0	1 008.5	521.0
Related party loans	11	–	0.2	–	0.2
Cash and cash investments	9 & 12	1 150.3	51.5	1 150.3	51.5
		2 246.3	629.1	2 246.3	629.1
Financial liabilities					
Trade and other payables	18	414.8	96.6	414.8	96.6
Financial guarantee	17	17.1	–	17.1	–
		431.9	96.6	431.9	96.6

32.1.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar as the concentrate revenue is impacted by the Rand:USD exchange rate. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Royal Bafokeng Resources entered into a disposal of concentrate agreement with Rustenburg Platinum Mines during 2002 in terms of which RBR's 67% share of the concentrate of the PGMs produced by BRPM will be treated by RPM.

In terms of the agreement, the commodity prices and Rand:USD exchange rates used in the calculation of the concentrate payment is based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

Revenue and concentrate debtors are fair valued every month following the month of delivery until the price is fixed in the third month. In line with industry practice the fair value adjustment is recognised in revenue.

32. Financial risk management continued

32.1 Financial risk factors continued

32.1.1 Market risk continued

Sensitivity analysis:

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments in the statement of financial position, statement of total comprehensive income and therefore equity.

		Statement of financial position		Statement of total comprehensive income	
		2010	2009	2010	2009
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade receivables	8	1 008.5	521.0	+80.9	+41.2

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of the changes in commodity prices. It is specifically applicable to the concentrate debtor (Rustenburg Platinum Mines).

In terms of the disposal of concentrate agreement between Royal Bafokeng Resources and Rustenburg Platinum Mines the commodity prices and Rand:USD exchange rates used in the calculation of the concentrate payment are based on the average daily rates applicable for the third month following the month of delivery, leaving the Group exposed to the commodity price and exchange rate fluctuations until the price is fixed in the third month following the delivery month. Payment is due on the last day of the fourth month following the delivery month.

Revenue and concentrate debtors are fair valued every month following the delivery month until prices are fixed in the third month. In line with industry practice, the fair value adjustment is recognised in revenue.

		Statement of financial position		Statement of total comprehensive income	
		2010	2009	2010	2009
	Note	R (million)	R (million)	R (million)	R (million)
Financial assets					
Trade receivables	8	1 008.5	521.0	±80.9	±41.2

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

32. Financial risk management continued

32.1 Financial risk factors continued

32.1.1 Market risk continued

Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk. The Group does not have any fixed rate financial instruments which could expose it to fair value interest rate risk.

Sensitivity analysis:

Interest rate risk sensitivity analysis presents the effect of 100 basis points up and down in the interest rate in the financial statement of total comprehensive income.

	Note	Statement of financial position		Statement of total comprehensive income	
		2010	2009	2010	2009
		R (million)	R (million)	R (million)	R (million)
R (million)					
Financial assets					
Environmental trust					
deposit	6	87.5	56.4	±0.9	±0.6
Financial liabilities					
Shareholder loan	19	–	2 725.9	–	±3.0

32.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterpart may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying value of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables and other financial assets.

The Group's trade debtor credit risk is limited to one customer as all metals in concentrate are sold to Rustenburg Platinum Mines Limited (RPM). RPM has never defaulted on meeting its obligation. The value of the receivable at year-end was R1 008.5 million (2009: R521.0 million). The credit risk relates to overall risk of the Anglo Platinum Group.

With regard to the cash resources, the Group is exposed to the credit risk of the Nedbank Group, Standard Bank and FirstRand Bank Limited. At year-end, the Group invested R250 million in Nedbank preference shares and had R157.2 million on call with Nedbank, R450 million on call with FirstRand Bank Limited and R290.6 million on call with Standard Bank. All these banks have a credit rating of at least AA-(zaf).

Default for reporting purposes is measured as payments outstanding for more than four months. Interest is charged at prime rate on late payments.

No financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

32. Financial risk management continued

32.1 Financial risk factors continued

32.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping committed and uncommitted credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash investments) (Notes 9 and 12) on the basis of expected cash flow.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amount as the impact of discounting is insignificant.

	Note	Less than 1 year R (million)	Between 1 and 2 years R (million)	Between 2 and 5 years R (million)	Over 5 years R (million)
2010					
Trade and other payables	18	414.8	–	–	–
2009					
Trade and other payables	18	96.6	–	–	–
		96.6	–	–	–

32.2

Capital risk management

The Group defines total capital as 'equity' in the statement of financial position plus debt. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

Notes to the consolidated annual financial statements

For the year ended 31 December 2010 continued

33. Segmental reporting

The Group is currently operating one mine with two decline shafts. This operation is treated as one operating segment and therefore no separate segmental reporting is provided.

The Executive Committee of the Company is regarded as the Chief Operating Decision Maker.

34. Basic and diluted earnings per share

The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

	2010 Number	Group 2009 Number
Number of shares issued	164 792 561	137 057 500
Mahube Trust	(563 914)	–
Management incentive scheme	(550 848)	–
Number of shares issued outside the Group	163 677 799	137 057 500
Adjusted for weighted shares issued during the year	(22 544 967)	(125 544 375)
Weighted average number of ordinary shares in issue for earnings per share	141 132 832	11 513 125
Management incentive scheme	152 700	–
Weighted average number of ordinary shares in issue for diluted earnings per share	141 285 532	11 513 125
Profit attributable to owners of the Company R(million)	3 166.3	(123.4)
Basic earnings per share (cents/share)	2 243	(1 072)
Basic earnings per share calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for basic earnings per share		
Diluted earnings per share (cents/share)	2 241	(1 072)
Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for diluted earnings per share		
Headline earnings		
Profit/(loss) attributable to owners of the Company is adjusted as follows:		
Profit/(loss) attributable to the owners of the Company R(million)	3 166.3	(123.4)
Adjustments net of tax:		
Profit on remeasurement of previously held interest in BRPM R(million)	(2 894.8)	–
Loss on disposal of property, plant and equipment R(million)	0.2	–
Headline earnings R(million)	271.7	(123.4)
Basic headline earnings per share (cents/share)	192	(1 072)
Diluted headline earnings per share (cents/share)	192	(1 072)

Company statement of financial position

For the year ended 31 December 2010

		Company	
	Notes	2010 R (million)	2009 R (million)
ASSETS			
Non-current assets			
Investments	2	6 819.2	6 819.2
Current assets			
Held to maturity investments	3	250.9	–
Inter company loans		174.2	–
Current tax receivable		0.3	–
Cash and cash equivalents		598.8	–
		1 024.2	–
Total assets		7 843.4	6 819.2
EQUITY AND LIABILITIES			
Share capital	4	1.7	1.4
Share premium	4	7 819.8	6 817.8
Share based payment reserve		11.6	–
Retained loss		(2.0)	(0.0)
		7 831.1	6 819.2
Current liabilities			
Accruals		12.3	–
Total equity and liabilities		7 843.4	6 819.2

Company statement of comprehensive income

For the year ended 31 December 2010

	Company	
	2010	2009
	R (million)	R (million)
Dividend income	0.9	–
Interest income	5.9	–
Administration expenses	(4.5)	–
Listing fees not capitalised to share premium	(3.8)	–
Loss before tax	(1.5)	–
Income tax expense	(0.5)	–
Loss for the year	(2.0)	–
Other comprehensive income	–	–
Total comprehensive loss	(2.0)	–

Company cash flow statement

For the year ended 31 December 2010

		2010	2009
	Notes	R (million)	R (million)
Cash generated by operations	5	16.5	–
Finance income		5.9	–
Tax paid		(0.8)	–
Net cash flow utilised by operating activities		21.6	–
Increase in held to maturity investments		(250.9)	–
Net cash flow generated by investing activities		(250.9)	–
Issue of ordinary shares net of cost		1 002.3	–
Related party loans granted		(174.2)	–
Net cash flow generated by financing activities		828.1	–
Net increase in cash and cash equivalents		598.8	–
Cash and cash equivalents at beginning of year		–	–
Cash and cash equivalents at end of year		598.8	–

Company statement of changes in equity

For the year ended 31 December 2010

	Number of shares issued *	Ordinary shares Rm	A Ordinary shares Rm	Share premium Rm	Share based payment reserve Rm	Retained earnings Rm	Total Rm
Balance at 31 December 2009	137 057 500	1.4	–	6 817.8	–	(0.0)	6 819.2
Transactions with shareholders							
Shares issued							
Contingent consideration for the 17% interest in BRPM	10 000 000	0.1	–	(0.1)	–	–	–
Shares issued on the listing of the Company	16 620 299	0.2	–	1 005.4	–	–	1 005.6
Capitalisation of listing transaction costs		–	–	(63.2)	–	–	(63.2)
	163 677 799	1.7	–	7 759.9	–	–	7 761.6
Issue of ordinary shares to Mahube Trust	563 914	0.0	–	36.7	–	–	36.7
Issue of A ordinary shares to Mahube Trust	845 871	–	0.0	23.2	–	–	23.2
IFRS 2 charge for the year		–	–	–	11.6	–	11.6
Total comprehensive loss for the year		–	–	–	–	(2.0)	(2.0)
Balance at 31 December 2010	165 087 584	1.7	–	7 819.8	11.6	(2.0)	7 831.1
Balance at 31 December 2008	100 000	0.0	–	–	–	0.0	–
Transactions with shareholders							
Shares issued							
Acquisition of RBR	102 181 700	1.1	–	4 997.0	–	–	4 997.0
Acquisition of 17% interest in BRPM	34 775 800	0.3	–	1 820.8	–	–	1 820.8
Total comprehensive income		–	–	–	–	(0.0)	–
Balance at 31 December 2009	137 057 500	1.4	–	6 817.8	–	(0.0)	6 817.8

Notes to the Company financial statements

For the year ended 31 December 2010

1. General information, basis of preparation and accounting policies

The general information, basis of preparation and accounting policies are disclosed on page 118 to 131.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any impairment provision in the Company's financial statements.

	Company	
	2010	2009
	R (million)	R (million)

2. Investment in subsidiaries

Investments in unlisted companies at cost:

Direct investment

1 000 ordinary shares with a par value of R1.00 each in Royal Bafokeng

Platinum Management Services (Pty) Limited (100% interest)

0.0

0.0

320 ordinary shares with a par value of R1.00 each in Royal Bafokeng

Resources (Pty) Limited (100% interest)

6 819.2

6 819.2

6 819.2

6 819.2

Indirect investment in subsidiaries consists of:

Bafokeng Rasimone Management Services (Pty) Limited (100% interest)

All subsidiaries are incorporated in South Africa.

3. Held to maturity investments

Investment in vested rights of the NED Investment Trust

250.0

–

Accrued dividends

0.9

–

250.9

–

The investment in Nedbank preference shares is made through the acquisition of the vested rights in the NED Investment Trust. RBPlat invested R250 million on 9 December 2010 on a 180 day notice period earning the following dividend yield:

- R200 million earning 62% of prime nominal annual compounded semi-annually
- R50 million earning 61.57% of prime nominal annual compounded quarterly.

At 31 December 2010 dividends of R0.9 million (2009: nil) accrued on the Nedbank preference shares.

Notes to the Company financial statements continued

For the year ended 31 December 2010

	Company	
	2010	2009
	R	R

4. Share capital and share premium

The authorised and issued share capital of the Company is as follows:

Authorised share capital

250 000 000 (2009: 200 000 000) ordinary shares with a par value of R0.01 each	2 500 000	2 000 000
1 500 000 (2009:0) A1 ordinary shares with a par value of R0.01 each	15 000	–
1 500 000 (2009:0) A2 ordinary shares with a par value of R0.01 each	15 000	–
1 500 000 (2009:0) A3 ordinary shares with a par value of R0.01 each	15 000	–
	2 545 000	2 000 000

Issued ordinary share capital

Opening balance 137 057 500 (2009: 100 000) ordinary shares with a par value of R0.01 each	1 370 575	1 000
102 181 700 ordinary shares issued as compensation for the acquisition of the RBR equity and loans	–	1 021 817
34 775 800 ordinary shares issued as compensation for the additional 17% participation interest acquired in the BRPM in December 2009	–	347 758
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	100 000	–
16 620 299 ordinary shares issued as primary issue with the listing of the Company	166 203	–
550 848 ordinary shares issued as part of the management share incentive scheme	5 508	–
563 914 ordinary shares issued to the Mahube Trust	5 639	–

Less: Treasury shares

550 848 ordinary shares issued as part of the management share incentive scheme	(5 508)	–
Total 164 241 713 shares (2009: 137 057 500 shares)	1 642 417	1 370 575

Issued A1 ordinary share capital

845 871 A1 ordinary shares issued to the Mahube Trust	8 459	–
Total	8 459	–

Share premium	R (million)	R (million)
Opening balance	6 817.8	–
102 181 700 ordinary shares issued as compensation for the acquisition of the RBR equity and loans	–	4 997.0
34 775 800 ordinary shares issued as compensation for the additional 17% participation interest acquired in the BRPM in December 2009	–	1 820.8
Additional 10 000 000 ordinary shares issued to RPM as deferred compensation	(0.1)	–
16 620 299 ordinary shares issued as primary issue with the listing of the Company	1 005.4	–
550 848 ordinary shares issued as part of the management share incentive scheme	33.5	–
563 914 ordinary shares issued to the Mahube Trust	36.7	–
845 871 A1 ordinary shares issued to the Mahube Trust	23.2	–
Capitalisation of listing transaction costs to share premium	(63.2)	–
Less: Treasury shares		
550 848 ordinary shares issued as part of the management share incentive scheme	(33.5)	–
Total	7 819.8	6 817.8

Notes to the Company financial statements continued

For the year ended 31 December 2010 continued

4. Share capital and share premium continued

On 22 September 2010, the Company increased its authorised share capital by creating 50 000 000 ordinary shares; 1 500 000 A1 ordinary shares; 1 500 000 A2 ordinary shares and 1 500 000 A3 ordinary shares. The A ordinary shares will be issued to the Mahube Trust as part of the employee share incentive scheme and these A ordinary shares are not listed.

During the year an additional 100 000 ordinary shares were issued to RPM at par value as deferred compensation for the additional 17% participation interest in the BRPM JV acquired with effect from 7 December 2009.

A further 16 620 299 ordinary shares were issued on 8 November 2010 as part of the primary issue of ordinary shares with the listing of the Company. On the same day, an additional 417 416 ordinary shares were issued and on 3 December 66 716 ordinary shares were issued as part of the Company's management staff incentive scheme.

On 20 December 2010, 563 914 ordinary shares and 845 871 A1 ordinary shares were issued to the Mahube Trust in terms of the Company's ESOP.

5. Cash generated by operations

	2010 R (million)	2009 R (million)
Loss before tax	(1.5)	–
Finance income	(5.9)	–
Share based payment	11.6	–
Increase in accruals	12.3	–
Cash generated by operations	16.5	–

Disclaimer

Certain statements in this integrated annual report constitute forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of RBPlat and its subsidiary companies, as well as the industry in which it operates, to be materially different from future results, performances, objectives or achievements expressed or implied by these forward-looking statements. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes', 'anticipates' or the negatives of this terminology. Such forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events.

No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Company.

Shareholders' analysis

Register date: 31 December 2010

Issued share capital: 164,095,215 shares

SHAREHOLDER SPREAD	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	4 032	75.46	1 348 690	0.82
1 001 – 10 000 shares	1 000	18.72	2 985 930	1.82
10 001 – 100 000 shares	239	4.47	7 988 383	4.87
100 001 – 1 000 000 shares	59	1.10	17 730 367	10.80
1 000 001 shares and over	13	0.24	134 041 845	81.69
Total	5 343	100	164 095 215	100.00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholders	%	Number of shares	%
Banks	35	0.66	12 770 319	7.78
Brokers	12	0.22	4 631 678	2.82
Close corporations	66	1.24	68 317	0.04
Endowment funds	60	1.12	397 072	0.24
Individuals	3 911	73.20	3 527 538	2.15
Insurance companies	33	0.62	2 245 545	1.37
Investment companies	7	0.13	561 900	0.34
Medical aid schemes	5	0.09	29 261	0.02
Mutual funds	123	2.30	16 745 177	10.20
Nominees and trusts	682	12.76	1 461 626	0.89
Other corporations	87	1.63	97 448	0.06
Own holdings	1	0.02	93 744 620	57.13
Pension funds	168	3.14	6 498 312	3.96
Private companies	140	2.62	352 180	0.21
Public companies	12	0.22	20 777 975	12.66
Sovereign wealth funds	1	0.02	186 247	0.11
Total	5 343	100	164 095 215	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-public shareholders	10	0.19	94 368 543	57.51
Directors	3	0.06	503 339	0.31
Associates and management	6	0.11	120 584	0.07
Own holdings	1	0.02	93 744 620	57.13
Public shareholders	5 333	99.81	69 726 672	42.49
Total	5 343	100	164 095 215	100.00

Issued at year-end were another 563 914 ordinary shares to the Mahube Trust and 133 432 ordinary shares issued to employees in terms of the Bonus Share Plan. These shares were only reflected by the JSE after year-end.

Glossary of terms and acronyms

4E	Four elements. The grade at BRPM is measured as the combined content of the four most valuable precious metals: platinum palladium, rhodium and gold
ABAS	Anglo American Business Assurance Services
ABET	Adult basic education and training
AIDS	Acquired Immune Deficiency Syndrome
Anglo Platinum	Anglo 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
BRPM	Bafokeng Rasimone Platinum Mine
CD4 Count	HIV infects and destroys a type of white blood cell called a CD4 cell (sometimes called a T-cell). When the immune system loses too many CD4 cells, it becomes weak and is unable to fight off germs. At this point the HIV+ person is at risk of contracting infections, called AIDS-related opportunistic infections (OIs), which can cause serious illness or death. The number of CD4 cells gives a picture of the health of the immune system. A normal CD4 cell count is about 500 – 1 500 cells per cubic millimetre of blood. CD4 cell counts usually fall as HIV disease progresses. A CD4 cell count can help a healthcare provider tell whether the HIV disease is progressing and the individual concerned should start HIV treatment
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base metal and precious metal minerals, these minerals are treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
Cu	Copper
Debt:equity ratio	Interest-bearing borrowings, including the short-term portion payable, as a ratio of shareholders' equity
DEA	Department of Environmental Affairs
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
EMS	Environmental Management System
Fatality	Death resulting from an accident
Flotation	In the flotation process, milled ore mixed with water (pulp) is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (water-loving). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the 'concentrate' and a waste pulp stream, called 'tailings'
GJ	Gigajoules (10 ⁹ joules)
Greenfield project	A project situated on a previously underdeveloped mineral resource
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
HIV	Human Immunodeficiency Virus
IAR	Integrated Annual Report
IFRS	International Financial Reporting Standards
IMS	Immediately stopable
In situ	The original, natural state of the ore body before mining or processing of the ore takes place
ISO 14001	ISO 14001 is applicable to any organisation that wishes to establish, implement, maintain and improve an environment management system and to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004 by making a self-determination and self-declaration, or seeking confirmation of its conformance by parties having an interest in the organisation, such as customers, or seeking confirmation of its self-declaration by a party external to the organisation, or seeking certification/registration of its environmental management system by an external organisation

Glossary of terms and acronyms continued

Kotula	Anglo Platinum's employee share ownership plan
kt	Thousand tonnes
ktpm	Thousand tonnes per month
LED	Local Economic Development
LTIFR	Lost time injury frequency rate, which is the number of lost time injuries per 200 000 hours worked
Merensky Reef	The Merensky Reef is a layer in the 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
Mt	Million tonnes
MSDS	Material Safety Data Sheets
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
NIHL	Noise-induced hearing loss
NUM	National Union of Mineworkers
Ni	Nickel
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
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
Pt	Platinum
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 (Pty) Limited
Rh	Rhodium
RPM	Rustenburg Platinum Mines Limited
SAMREC	South African Code for the reporting of exploration results, Mineral Resources and Mineral Reserves
SENS	Stock Exchange News Service
SIB	Stay in business capital expenditure
SMME	Small, Medium and Micro Enterprises
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
TAWUSA	The Togetherness Amalgamated Workers Union of South Africa
Total energy consumption	Energy from electricity purchased, plus energy from fossil fuels consumed
tpm	Tonnes per month
UASA	United Associations of Trade Unions South Africa
UG2 Reef (Upper Group 2)	A chromite layer in the Bushveld complex, often containing economic values of PGMs
VCT	Voluntary counselling and testing

Global reporting index (GRI) content index

GRI Indicator	Description	Page number
Standard disclosures part I		
1. Strategy and analysis		
1.1	Statement from the most senior decisionmaker about the relevance of sustainability in the organisation and its strategy	8 – 15
1.2	Description of key impacts, risks, and opportunities	17 – 21
2. Organisational profile		
2.1	Organisation's name	Front cover
2.2	Major products	6 – 7
2.3	Operational structure and major divisions	4
2.4	Location of organisation's head office	Inside back cover
2.5	Countries of operation	5
2.6	Nature of ownership	4
2.7	Markets served including geographic breakdown/sectors served/customers	5
2.8	Scale of organisation including number of employees, net sales/revenues, total capitalisation	30, 52 – 55, 22, 25
2.9	Significant changes during reporting period regarding size, structure or ownership including: the location of, or changes in operations including facility openings, closing and expansions and changes in the share capital structure and other capital formation, maintenance and alteration to operations	53, 58, 59, 62
2.10	Awards received in the reporting period	RBPlat did not receive any awards during the financial year ending 31 December 2010.
3. Report parameters		
	Report profile	
3.1	Reporting period for information provided	Inside front cover (IFC)
3.2	Date of previous report	IFC
3.3	Reporting cycle	IFC
3.4	Contact point	IFC
3.5	Process for defining report content	IFC
3.6	Boundary of the report	IFC
3.7	Limitations on the scope or boundary of the report	IFC
3.8	Basis for reporting on joint ventures, etc.	IFC
3.9	Data measurement techniques and bases of calculations including assumptions	Throughout
3.10	Restatements of information	N/A
3.11	Significant changes from previous reporting periods	N/A
3.12	GRI Content Index table	163
3.13	Policy and practice for seeking independent assurance for report	1

Global reporting index (GRI) content index continued

GRI Indicator	Description	Page number
Governance, commitments and engagement		
4.1	Governance structure including committees	78 – 88
4.2	Is the Chair of the board executive or non-executive	79 – 80
4.3	Organisations with a unitary board structure state the number of members of the board that are independent and/or non-executive members. Define independent and non-independent	79 – 80
4.4	Mechanisms for shareholders and employees to provide recommendations/direction to highest governance body	86; and 91 – 97
4.5	Linkage between compensation and organisation's performance for members of highest governance body/senior executives	109
4.6	Process for the board to ensure conflicts of interest are avoided	107
4.7	Processes for determining qualifications and expertise of members of the board for guiding the organisation's strategy on economic, environmental and social topics	87
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of implementation	2
4.9	Procedures of highest governance body for overseeing economic, environmental and social performance including compliance, codes of conduct	87
4.10	Processes for evaluating performance of governance body with respect to economic, environmental and social performance	86
Commitment to external initiatives		
4.11	Explanation of how precautionary approach/principle is addressed by organisation	17, 89
4.12	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives	70 – 77
4.13	Significant memberships in associations and/or advocacy organisations	91 – 97
4.14	List of stakeholder groups	91 – 97
4.15	Basis for identification and selection of stakeholders with whom to engage	91 – 97
4.16	Approaches to stakeholder engagement, including frequency and type	91 – 97
4.17	Key issues raised through stakeholder engagement and how organisation has responded	91 – 97
Economic performance indicators		
	Disclosures on management approach	16, 18
EC1	Direct economic value generated and distributed	114 – 158
EC2	Financial implications and other risks and opportunities due to climate change	23, 36, 37
EC3	Coverage of the organisation's defined benefit plan obligations	N/A (RBPlat does not have a defined benefit obligation)
EC4	Significant financial assistance received from government	N/A

GRI Indicator	Description	Page number
Environmental performance indicators		
	Management approach	16, 17, 36
EN1	Weight of materials used	37
EN3	Direct energy consumption by primary source	36
EN4	Indirect energy consumption by primary source	36
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	36
EN8	Total water withdrawal	37
EN10	Percentage and total volume of water recycled and reused	37
EN13	Habitats protected or restored	37
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	37
Social performance indicators		
Labour and decent work		
	Management approach to Labour and Decent Work	16, 17, 19
LA1	Total workforce by employment type, employment contract, and region	30
LA2	Total number and rate of employee turnover by age group, gender and region	30 (not available by age group and gender)
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	30
LA4	Percentage of employees covered by collective bargaining agreements	30
LA7	Rate of injury, occupational disease, and number of work-related fatalities	26 – 28
LA8	Programmes to assist employees, families, or community members regarding serious diseases	28 – 30
LA9	Elements of occupational health and safety management approach	26 – 28
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	32 – 34
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	31
Human rights		
	Management approach to human rights	91
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	N/A
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	N/A
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	N/A
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	95 – 96

Global reporting index (GRI) content index continued

GRI Indicator	Description	Page number
Social		
	Management approach to community	16, 36, 74
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	37, 73, 74
Product responsibility		
	Management approach to product responsibility	37
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	37
PR2	Number and type of instances of non-compliance with regulations concerning health and safety effects of products and services	None received
PR3	Procedures for product and service information and labelling	None received
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None received
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	N/A
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	N/A
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	N/A
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	N/A
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	RBPlat did not receive any fines during the year
HIV and AIDS		
HIV 2	Describe the overall strategy for managing the HIV/AIDS Risk.	28
HIV 3	Describe extent of preparedness and contingency planning in anticipation of expected HIV/AIDS risk.	17
HIV 4	Describe how your organisation monitors its progress and reports in terms of HIV Indicators 1 - 3.	28
HIV 5	Describe how the organisation involves stakeholders in the formulation of HIV policy, strategy and implementation.	28
HIV 6	Indicate current and projected future HIV/AIDS prevalence and incident rates among relevant populations (e.g. workforce, service providers, communities where the workforce is resident, target consumers, direct suppliers).	28
HIV 11	Detail the organisation's Voluntary Counselling and Testing (VCT) programme.	28
HIV 12	Describe other support and counselling programmes and measures.	28
HIV 13	Describe the organisation's HIV/AIDS education and training program.	28
HIV 14	Describe the organisation's condom and femidom distribution programme.	28
HIV 15	Describe the organisation's general healthcare and wellness provisions for employees (and/or ex-employees) and their families, making specific mention of STD-treatment for those who are AIDS sick.	29

Shareholders' diary

Financial year-end	31 December of each year
Interim year-end	30 June of each year
Integrated Annual Report release date	8 March 2011
Annual General Meeting	5 April 2011

Notice to shareholders

ROYAL BAFOKENG PLATINUM LIMITED

Incorporated in the Republic of South Africa

Registration number: 2008/015696/06

(RBPlat or the Company)

JSE Share Code: RBP and ISIN: ZAE000149936

Date of incorporation: 1 July 2008

Notice is hereby given that the second Annual General Meeting of shareholders of the Company will be held in the *main boardroom, 2nd Floor, Block C, 37 High Street, Melrose Arch, Johannesburg* on Tuesday, 5 April 2011 at 10h00 to conduct the following business:

Ordinary business

1. To consider and adopt the annual financial statements of the Company for the year ended 31 December 2010, including the directors' report and the report of the external auditors.
2. To re-elect by way of separate resolution, the following directors retiring by rotation in terms of the Articles of Association of the Company, who are eligible and offer themselves for re-election:
 - 2.1 Mr Nicolaas Johannes Muller
 - 2.2 Mr Marthinus Johannes Lourens Prinsloo
 - 2.3 Mr Michael Howard Rogers.

A brief biography of each director listed above can be viewed on page 80 of the integrated annual report.

3. To reappoint Messrs PricewaterhouseCoopers Inc (PwC) as independent accredited external auditor of the Company until the next Annual General Meeting; and to appoint Mr Andries Rossouw of PwC as the designated auditor to hold office for the ensuing year.

Special business:

To consider and, if deemed fit, to pass with or without modification, the following resolutions:

4. Ordinary Resolution Number 1: Appointment of Audit and Risk Committee Members:

To select by way of individual separate resolution, the following independent non-executive directors, as members of the Company's Audit and Risk Committee:

- 4.1 Prof Linda de Beer
- 4.2 Prof Francis William Petersen
- 4.3 Mr David Collen Noko
- 4.5 Mr Robin George Mills

Brief biographies of the directors who are offering themselves for election, can be found on pages 79 to 80 of the integrated annual report.

5. Ordinary Resolution Number 2: Control of authorised unissued shares

Resolved that the entire current authorised but unissued ordinary share capital of the Company as at the date of this Annual General Meeting be placed under the control of the Board of directors of the Company and that the directors be granted a general authority to allot and issue up to 5% of such authorised but unissued ordinary share capital on such terms and subject to such conditions as the Board may in its discretion determine, subject to the limitations and provisions of the Companies Act No. 61 of 1973 as amended ("Companies Act") and the JSE Listings Requirements, as applicable from time to time.

6. Ordinary Resolution Number 3: Authority to execute and sign

That any one director or the Company Secretary of the Company be and are hereby duly authorised and empowered to do all such things and sign all documents and take all such actions as they consider necessary to implement the resolutions set out in the notice convening the second Annual General Meeting of the Company.

7. Special Resolution Number 1: General authority to repurchase shares

Resolved that the directors of the Company be and are hereby authorised, by way of a general authority in terms of the Companies Act, to repurchase issued ordinary shares in the share capital of the Company or to authorise a subsidiary Company to purchase such shares in the Company at such price and on such other terms and conditions

Notice to shareholders continued

as the directors may from time to time determine, subject to the Articles of Association of the Company, the provisions of the Companies Act and the Listings Requirements of the JSE Limited (JSE), when applicable and provided that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement with the counterparty (reported trades are prohibited)
- this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of passing of this Special Resolution Number 1
- an announcement will be published as soon as the Company or any of its subsidiaries have acquired the ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with paragraph 11.27 of the JSE Listings Requirements
- acquisitions of shares in aggregate in any one financial year may not exceed 20% of the Company's ordinary issued share capital as at the beginning of the financial year
- ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such ordinary shares
- at any point in time, the Company and/or its subsidiaries may only appoint one agent to effect any repurchase
- any such general repurchase will be subject to Exchange Control approval at that point in time
- the Company and/or its subsidiaries undertake that they will not enter the market to repurchase the Company's ordinary shares until the Company's sponsor has provided written confirmation to the JSE regarding the adequacy of the Company's working capital in accordance with Schedule 25 of the JSE Listings Requirements
- the Company and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period, as defined in the JSE Listings Requirements unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in an announcement over the Securities Exchange News Service (SENS) prior to the commencement of the prohibited period
- in addition in the case of an acquisition by a subsidiary of the Company, the authority shall be valid only if:
 - the subsidiary is authorised by its Articles of Association;
 - the shareholders of the subsidiary have passed a special resolution authorising the acquisition; and
 - the number of shares to be acquired is not more than 10% in the aggregate of the number of issued shares of the Company, as at the beginning of the financial year.

The directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the aforementioned general authority, undertake that they will not effect a general repurchase unless for a period of 12 months after the date of the general repurchase, the following can be met:

- the Company and the Group will be able, in the ordinary course of business, to pay their debts
- the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group
- the Company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes and
- the working capital of the Company and the Group will be adequate for the ordinary business.

The directors have no specific intention, at present, for the Company or its subsidiaries to repurchase any of the shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year, which is in the best interests of the Company and its shareholders.

Reasons for and effect of Special Resolution Number 1:

- The reason for and the effect of the special resolution is to grant the Company's directors a general authority, up to and including the date of the following Annual General Meeting of the Company, to approve the Company's acquisition of shares in itself, or to permit a subsidiary of the Company to acquire shares in the Company.
- The directors, whose names are set out on page 78 of the integrated annual report, accept full responsibility for the accuracy of the information contained in this special resolution and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard, and that this resolution contains all information required by law and the JSE Listings Requirements.

Notice to shareholders continued

Litigation statement

In terms of section 11.26 of the JSE Listings Requirements, the directors, whose names are given on page 78 of this integrated annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, which may have, or have had a material impact on the Group's financial position over the recent past, being at least the previous 12 months.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of the general authority contemplated above:

- Directors and management — pages 78 to 81
- Major beneficial shareholders — page 160
- Directors' interests in shares — page 107
- Share capital of the Company — page 136

Other than the facts and developments reported on in the integrated annual report, there have been no material changes to the financial or trading position of the Company and its subsidiaries since 31 December 2010 and the issuing of this notice to shareholders.

Voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the Annual General Meeting or may appoint a proxy to attend, speak and vote in their stead. Shareholders holding dematerialised shares not in their own name must furnish their Central Securities Depository Participant (CSDP) or broker, with their instructions for voting at the Annual General Meeting should they wish to vote. If your CSDP or broker does not obtain instructions from you, it will be obliged to act in terms of the mandate signed or the completed proxy form attached.

Unless you advise your CSDP or broker before the expiry date of your intention to attend the Annual General Meeting or to appoint a proxy to do so the CSDP or broker will assume that you or your proxy will not be attending the Annual General Meeting. If you wish to attend the Annual General Meeting, or to appoint a proxy to do so, you must obtain a letter of representation signed by your CSDP or broker prior to the Annual General Meeting.

Shareholders with dematerialised shares in their own name, or who hold shares that are not dematerialised, and who are not able to attend the Annual General Meeting and wish to have representation at the meeting must complete and submit to the Transfer Secretaries, the form of proxy attached in accordance with the instructions contained therein by no later than 10h00 on Friday, 1 April 2011. The completion of the form will not preclude the shareholder from subsequently attending the Annual General Meeting.

Shares held by a share trust or scheme will not have their votes at the Annual General Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Please note that unlisted securities and shares held as treasury shares may also not vote. [4.24 and the Companies Act]

By order of the Board of Directors.



LC Jooste

Company Secretary

3 March 2011

Registered office

1st Floor Block C
37 High Street
Melrose Arch, 2076
Johannesburg
South Africa
PO Box 55669, Northlands, 2116

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg
South Africa
2001
PO Box 61051, Marshalltown, 2107

Notice to shareholders continued

Explanatory notes

1. Annual financial statements

At the Annual General Meeting, the directors must present the annual financial statements for the year ended 31 December 2010 to shareholders, together with the reports of the directors and auditors. These are contained within the integrated annual report.

2. Re-election of directors

In accordance with the Company's Articles of Association, one third of the directors must retire by rotation at each Annual General Meeting and may offer themselves for re-election.

A brief biography of directors offering themselves for re-election is contained on page 80 of this integrated annual report. The Board of directors of the Company with the assistance of the Remuneration and Nominations Committee have reviewed the composition and performance of the Board of directors in accordance with corporate governance guidelines and transformation requirements and have recommended the re-election of the directors offering themselves for re-election.

3. Reappointment of the Accredited Independent External Auditor

PricewaterhouseCoopers (PwC) have agreed to continue in office and as such the reappointment of PwC has been endorsed and is recommended by the Board of directors. The Audit and Risk Committee of the Company has assessed the performance and independence of the external auditors and is satisfied that no governance guidelines have been breached. A non-audit service policy has also been approved and is in place to ensure the independence of the external auditor is maintained.

4. Ordinary Resolution Number 1: Election of Audit and Risk Committee

Shareholders of a public company are to elect the members of an audit committee at each Annual General Meeting. The Nomination Committee has in accordance with the provisions of King III, satisfied itself that, the independent non-executive directors offering themselves for election as members of the Company's Audit and Risk Committee:

- are independent non-executive directors as contemplated in King III and the JSE Listings Requirements
- are suitably qualified and experienced
- have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance processes (including information technology governance) within the Company
- collectively possess skills which are appropriate to the Company's size and circumstances, as well as its industry
- have an understanding of International Financial Reporting Standards (IFRS), South African Statements of Generally Accepted Accounting Practice (GAAP) and other financial and sustainability reporting standards, regulations and guidelines applicable to the Company
- adequately keep up to date with key developments affecting their required skills set.

For further details regarding the Audit and Risk Committee, please refer to page 103 of this integrated annual report.

5. Ordinary Resolution Number 2: Control of unissued shares

In terms of the Companies Act, the shareholders have to approve the placement of the unissued shares under the control of the directors. The existing authority granted by the shareholders at the previous Annual General Meeting held on 3 September 2009 expire at the Annual General Meeting to be held on 5 April 2011, unless renewed. The authority will be subject to the Companies Act and the JSE Listings Requirements.

Ordinary Resolution Numbers 1 and 3 require a 50% majority of the votes cast by shareholders present or represented by proxy at this Annual General Meeting. Ordinary Resolution Number 2 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at this Annual General Meeting in order for this ordinary resolution to become effective. The directors consider it advantageous to renew these authorities to enable the Company to take advantage of any business opportunity that may arise in future.

6. Special Resolution Number 1: General authority to purchase shares

The effect of Special Resolution Number 1 and the reason therefore is to grant the Company or any of its subsidiaries a general approval in terms of the Companies Act, No 61 of 1973, as amended (the Companies Act), for the acquisition by the Company or any of its subsidiaries of the Company's shares, which general approval shall be valid until the earlier of such next Annual General Meeting of the Company or its variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 months from the date of this Annual General Meeting.

The directors are of the opinion that it would be in the best interest of the Company to extend such general authority and thereby allow the Company or any of its subsidiaries to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions, tax dispensation and price justify such an action.

[illegible]

Form of proxy

Royal Bafokeng Platinum Limited (RBPlat or the Company)
(Incorporated in the Republic of South Africa)
(Registration number: 2008/015696/06) (Share Code: RBP) (ISIN: ZAE000149936)

Form of proxy for the second Annual General Meeting to be held on the 2nd Floor, Block C, 37 High Street, Melrose Arch, Johannesburg on Tuesday, 5 April 2011 at 10h00. For use by certificated ordinary shareholders and dematerialised ordinary shareholders with "own name" registration only.

Shareholders of dematerialised ordinary shares other than "own name" registration must inform their CSDP or broker of their intention to attend the Annual General Meeting and request their CSDP to issue them with the necessary authorisation to attend the Annual General Meeting in person or provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person but wish to be represented thereat.

I/We,

of (address)

being registered holders of ordinary shares in the issued share capital of the Company hereby appoint:

1. or failing him/her

2. or failing him/her

the Chairman of the Annual General Meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 5 April 2011 at 10h00 for the purpose of considering and, if deemed appropriate, to pass with or without modification the resolutions to be proposed at the meeting or at any adjournment thereof in respect of the shares registered in my/our name(s), in accordance with the following instructions:

	Number of ordinary shares		
	In favour	Against	Abstain
1. To receive and adopt the annual financial statements			
2. To re-elect the directors who retire by rotation and offer themselves for re-election by separate resolution:			
2.1 NJ Muller			
2.2 MJL Prinsloo			
2.3 MH Rogers			
3. To reappoint PwC as independent external auditors, and the individual designated auditor			
4. Ordinary Resolution 1: To elect the Audit and Risk Committee members			
4.1 L de Beer			
4.2 FW Petersen			
4.3 DC Noko			
4.4 RG Mills			
5. Ordinary Resolution 2: Control of authorised but unissued share capital			
6. Ordinary Resolution 3: Authority to execute and sign documents in respect of the abovementioned resolutions			
7. Special Resolution 1: General authority to repurchase shares			

Please indicate with an X in the spaces provided above how you wish to cast your vote. If no indication is given the proxy will vote at his/her discretion or abstain from voting.

Any member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. Every person present and entitled to vote shall, on a show of hands have one vote only, but on a poll, every share shall have one vote. Voting will be conducted by poll.

Signed at on 2011

Signature or assisted by (where applicable)

Notes to the form of proxy

1. An ordinary shareholder may insert the name of a proxy or the names of two alternative proxies of the ordinary shareholder's choice in the space provided and any such proxy need not be a shareholder of the Company. Should a proxy not be specified, this will be exercised by the Chairman of the Annual General Meeting (AGM).
2. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this form, unless previously recorded by the Company or waived by the Chairman of the AGM.
3. This proxy form should be completed and returned to the Company's transfer secretaries, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), so as to reach them by no later than Friday, 1 April 2011 at 10h00.
4. The completion and lodging of this proxy form shall not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. The Chairman of the AGM may reject or accept a proxy form which is completed other than in accordance with these instructions, provided that she is satisfied as to the manner in which a shareholder wishes to vote.
6. Any alteration or correction made to this form of proxy must be signed in full.
7. An "X" must be inserted in the relevant space according to how a shareholder wishes his/her votes to be cast. However, if a shareholder wishes to cast his/her votes in respect of a lesser number of ordinary shares than he/she owns in the Company, the number of shares held in respect of which a shareholder wishes to vote must be inserted. Failure to comply with the above will be deemed to authorise the Chairman of the AGM, if she is the authorised proxy, or any other proxy, to vote or abstain from voting at the AGM as he/she deems fit in respect of all the relevant shareholders' votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by that shareholder or by his/her proxy, but the total of the votes cast in respect of which abstention is recorded may not exceed the total number of the votes exercisable by the shareholder or by his/her proxy.

Company information

Company, registered office and Company Secretary:

Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
Share Code: RBP
ISIN: ZAE000149936

1st Floor, Block C, 37 High Street
Melrose Arch, Johannesburg
PO Box 55669, Melrose Arch, 2076
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Public Officer

Martin Prinsloo
Email: martin@bafokengplatinum.co.za

Independent External Auditors

PricewaterhouseCoopers Inc
2 Eglin Road, Sunninghill
Johannesburg
2157
South Africa

Transfer Secretaries

Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
PO Box 61051, Marshalltown, 2107
South Africa
Telephone: +27 11 370 5000
Fax: +27 11 688 5200

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place, Corner of Fredman Drive and Rivonia Road
Sandton
2196
South Africa

Legal Advisors

Bowman Gilfillan
165 West Street
Sandton
2196
South Africa

Bankers

Nedbank Limited
135 Rivonia Road
Sandton
2196
South Africa



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