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Forward looking statement

Certain statements in this report constitute forward looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, objectives or achievements of Royal Bafokeng Platinum Limited (RBPlat) and its subsidiary companies, as well as the industry in which it operates, to be materially different from future results, performance, objectives or achievements expressed or implied by these forward looking statements.

The performance of the RBPlat Group is subject to the effect of changes in commodity prices, currency fluctuations, uncertainty around the supply of electricity, the risks involved in mining and smelting operations and the operating procedures and performance of the Group. The Company undertakes no obligation to update publicly or to release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

ABOUT THIS REPORT

We choose to report in an integrated manner because we believe that doing so can help our stakeholders make better informed decisions about our business.

This integrated report, which is our primary report to stakeholders, covers the period 1 January 2014 to 31 December 2014. Its scope includes RBPlat's mining operations, projects and the key functions over which we exercise control. None of these have undergone any significant change to their size, structure or ownership during the year under review. We would refer you to page 5 for details of our structure.

With respect to comparability, all significant items are reported on a like-for-like basis with no major restatements.

Reporting frameworks

Our integrated report conforms to the requirements of local and international reporting frameworks, including those of

the South African Companies Act 71 of 2008 and the JSE Listings Requirements. We have used the International Integrated Reporting Framework to guide us in structuring our report to show the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social and financial issues.

We have also applied King III and the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) and have been guided by the Global Reporting Initiative's (GRI) G4 guidelines and its Mining and Metals sector supplement.

Independent third party assurance has been provided by Gilden Assurance over sustainability information that we have identified as material to the sustainability of our business. Details of the assurance of information provided in this report can be found on page 187 of the Transparency and accountability section of this report.

This report also serves as RBPlat's Communication on Progress (COP) to the United Nations Global Compact.

Our annual financial statements (pages 202 to 250), which comply with International Financial Reporting Standards, were audited by PricewaterhouseCoopers Inc. (PwC) whose unqualified audit report can be found on page 201.

Our 2013 integrated report gained first place in the 2014 EY Excellence in Integrated Reporting Awards and in the Mid Cap section of the Annual Report Awards hosted by the Chartered Secretaries of Southern Africa in partnership with JSE Limited.

RBPlat was included in the JSE Social Responsibility Index for the third year running and was recognised as a Best Performer in 2014.



Board approval

The RBPlat Board acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the report's contents and to the best of its knowledge and belief it addresses RBPlat's material issues and presents fairly the integrated performance of the organisation and its impact on the environment and its stakeholders. The Board has approved RBPlat's integrated report for 2014.

Kgomotso Moroka
Chairman

Steve Phiri
Chief Executive Officer

Navigation icons

-  This icon refers to more detailed information in this report.
-  This icon refers to information on our website.

Give us your feedback

We would welcome your feedback on our reporting for 2014 and any suggestions you have in terms of what you would like to see incorporated in our report for 2015. To do so please contact Lindiwe Montshiwagae at lindiwe@bafokengplatinum.co.za.

www.bafokengplatinum.co.za

> AN OVERVIEW OF OUR BUSINESS

OUR BUSINESS MODEL

The four pillars of our strategy are underpinned by our aspiration to deliver *More than mining* by creating economic value for all our stakeholders. We measure our progress against these pillars by continually monitoring our performance against our key performance indicators.

The elements that influence our strategy and how we go about achieving our strategic objectives are also centred round our aspiration to deliver *More than mining*. They begin with our commitment to keeping our people safe and healthy, providing them with a safe working environment, investing in their development, respecting and protecting their human rights and providing them with equal opportunities. Our financial position, which includes a strong cash flow from our operations and an ungeared balance sheet,

makes it possible for us to grow organically, continue to invest in the stay-in-business and replacement capital that will allow us to achieve our strategic goal of operational excellence and pursue value enhancing opportunities. Enterprise risk management, by providing us with an integrated approach to the management of our business risks within a complex and ever-changing environment, underpins the four pillars of our strategy.

Our belief that good governance and responsible leadership is an essential element of sustainability has a major influence on how we run our business. Finally, our business is all about our stakeholders: the value we can offer the investment community and add to the country by paying taxes and royalties; our ability to create jobs and develop our people, and the opportunities we offer community members,

which include developing skills they can apply in the workplace, education support and enterprise development opportunities. Our responsible approach to environmental management involves ensuring that our operations do not have a detrimental impact on the environment in which we operate and in which our doorstep communities live.

Having introduced you to our strategy and what influences the way we operate, our business model describes how we operate, by setting out, in terms of the six capitals, our inputs, activities, outputs and outcomes.

What supports our strategy

- > 4E resources of 71.4Moz (58.7Moz, measured and indicated)*
- > Merensky bias
- > Shallow depth
- > ±60 years life of mine
- > Prime location on Western Limb of Bushveld Complex
- > Low cost operations

What influences our strategy

People

- > Safety of our people and communities
- > Effective leadership
- > Technical strength and depth
- > Investment in training and development

Financial position

- > Strong cash flow generation
- > Ungeared balance sheet

Enterprise risk management

- > Enterprise risk management framework across our business

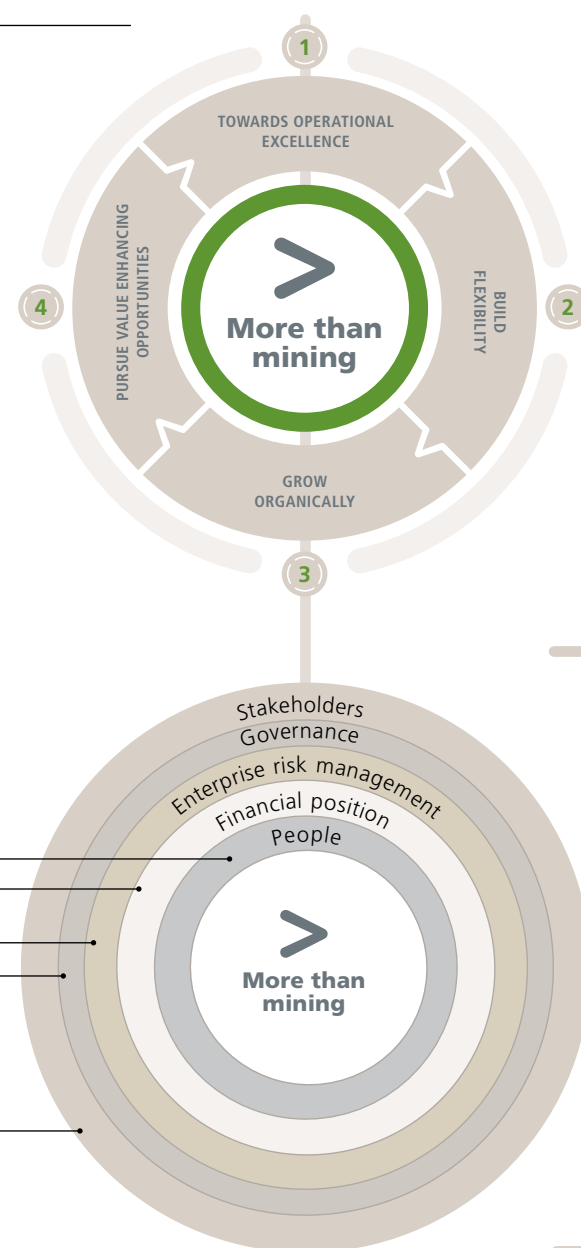
Governance

- > Complying with and exceeding the requirements of the Mining Charter
- > Complying with JSE Listings Requirements
- > Applying principles of King III
- > Complying with all other relevant legislation

Stakeholders

- > Engaging with and responding to all our stakeholders

* This represents 100% of the BRPM JV

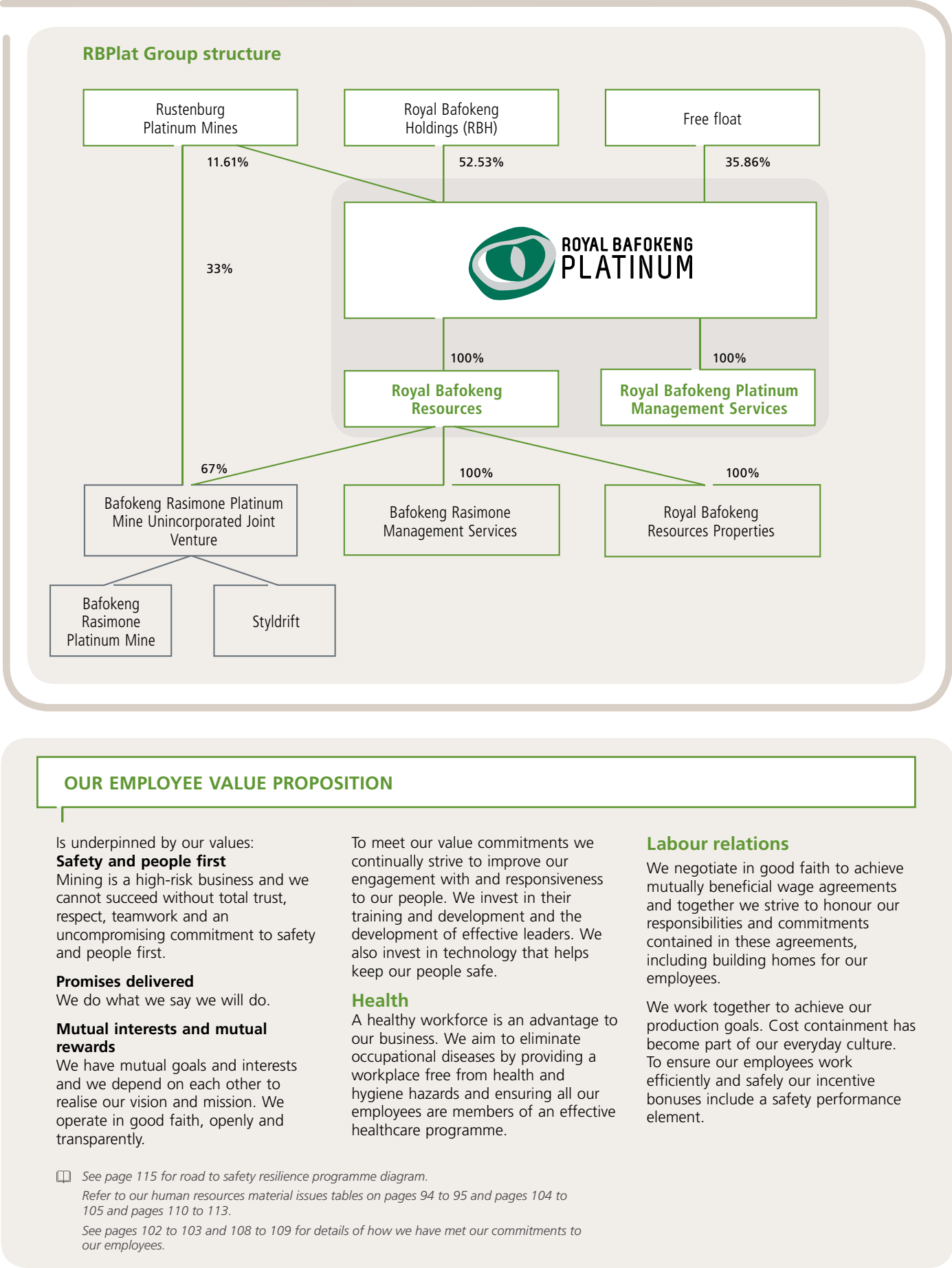
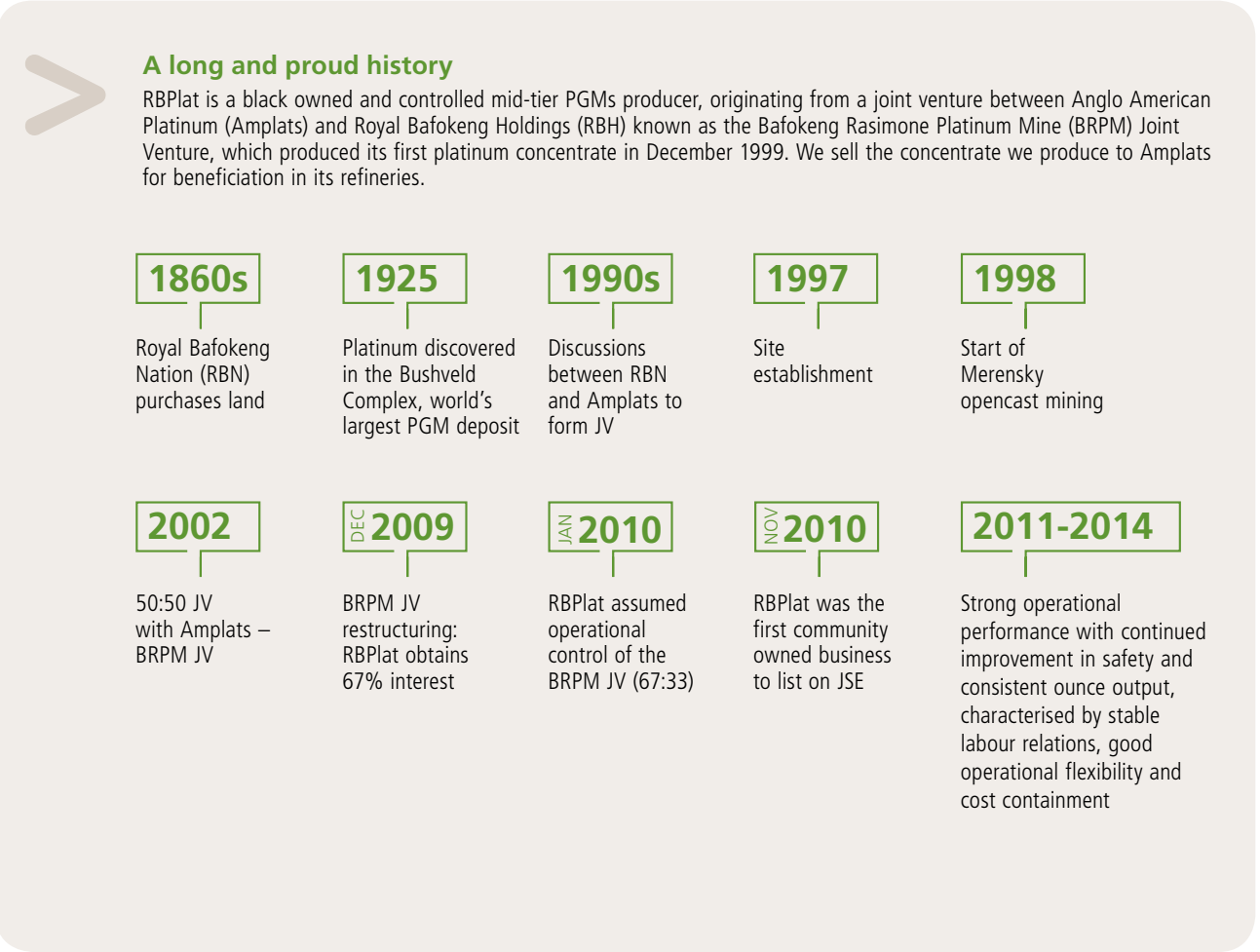


HOW WE OPERATE

	Inputs	Activities	Outputs	Outcomes
FINANCIAL CAPITAL 	<ul style="list-style-type: none"> > Cash flow generated by our operations > Equity funding > Debt funding > Efficient systems, controls and processes 	<ul style="list-style-type: none"> > Appropriate and responsible allocation of financial capital > Sale of concentrate > Financial accounting > Management accounting > Cost management and treasury system > Supply chain management 	<ul style="list-style-type: none"> > Cash flow generated by our operations > EBITDA > Headline earnings per share 	<ul style="list-style-type: none"> > Strong balance sheet > Able to fund our business and grow organically > Shareholder returns > Financial stability > Business sustainability
MANUFACTURED CAPITAL 	<ul style="list-style-type: none"> > Mineral resources and reserves > Mining infrastructure above and below ground > Concentrator plant > Tailings and storm water dams > Mining equipment and consumables > Utilities > Mining and mineral rights > Appropriate skills 	<ul style="list-style-type: none"> > Converting resources into reserves > Mineral resource management > Mining Merensky and UG2 reefs > Process the ore in our concentrator plant > Engineering > Safety, health, environment and risk (SHER) management > Developing Styldrift I > Conducting feasibility studies for Styldrift II 	<ul style="list-style-type: none"> > Merensky and UG2 ore > PGM concentrate > Refined PGMs and base metals from concentrate supplied to refiners > Efficient water and energy use > Greenhouse gas emissions > Waste material > Mine water 	<ul style="list-style-type: none"> > Saleable product that generates our revenue > Fully operating mines > Increased production through organic growth > Depletion of resources > Beneficiation of PGMs
HUMAN CAPITAL 	<ul style="list-style-type: none"> > People > Skills > Ability > Knowledge 	<ul style="list-style-type: none"> > Recruitment and placement > Training and development > Talent management > Performance management > Ongoing engagement with employees and organised labour > Employee relations > Remuneration > Safety and health management 	<ul style="list-style-type: none"> > Effective leaders > Skilled employees > Engaged contract workers > Stable relationship with organised labour 	<ul style="list-style-type: none"> > Effective leadership > Increased productivity > Safe working environment > Labour stability > Employees' sustainable wealth creation > Workforce aligned with business objectives > Low turnover of skilled workforce
SOCIAL AND RELATIONSHIP CAPITAL 	<ul style="list-style-type: none"> > Doorstep and extended communities > Employees > Ethics and human rights 	<ul style="list-style-type: none"> > Implementation of social and labour plan (SLP) > Engaging with communities and other relevant stakeholders > Social impact assessments 	<ul style="list-style-type: none"> > Poverty alleviation > Infrastructure development > Enhanced community skills > Enterprise development > Better working relations > Improved maths and science marks > Jobs 	<ul style="list-style-type: none"> > More sustainable communities > Sustainable small businesses > Improve community relations > An ethical business that respects the rights of its employees and the communities in which it operates
NATURAL CAPITAL 	<ul style="list-style-type: none"> > Natural resources – mineral resources > – water > – land > – air > – biodiversity > Water use licence 	<ul style="list-style-type: none"> > Environmental management planning > Securing mineral rights > Exploration > Adaptation and impact studies > Environmental impact assessments > Emissions measured and monitored > Accurate assessment of resources and reserves 	<ul style="list-style-type: none"> > Geological resource model and reserves > Resources and reserves statement > Carbon footprint per unit reduced > Rehabilitated and restored any disturbed land > Waste material and mine water 	<ul style="list-style-type: none"> > Increased sustainability through the availability of additional resources and reserves > The impact of our mining activities is minimised > Rehabilitation > Treated and recycled
INTELLECTUAL CAPITAL 	<ul style="list-style-type: none"> > Stakeholder management > Risk management > Reputation and brand > Governance structures > Geological model > Cost management systems > Research and development > Project management systems > SHE management 	<ul style="list-style-type: none"> > Industry benchmarking and research > Enterprise risk management > Developing and implementing governance systems and processes > Manage costs > Research and develop new solutions > Continuous reassessment of effectiveness of operational systems and processes 	<ul style="list-style-type: none"> > Risks and opportunities identified and responded to > Accurate information and cost efficiencies > Effective systems and processes > Projects delivered on time, within budget and meeting required quality specifications 	<ul style="list-style-type: none"> > A well managed ethical business with access to accurate information > Innovative ways of working > Improved productivity and efficiencies > Effective decision-making

AN OVERVIEW
OF OUR BUSINESS

CONTINUED



AN OVERVIEW
OF OUR BUSINESS

CONTINUED

BRPM Joint
Venture



The BRPM Joint Venture consists of the Bafokeng Rasimone Platinum Mine (BRPM), which has been in operation since 1998, a concentrator and the Styl drift I project currently under construction.

BAFOKENG RASIMONE PLATINUM MINE – A STEADY
HIGH-MARGIN CASH GENERATIVE OPERATION

MINING

Two x decline shaft complex, conventional mining, 500m average mining depth

PROCESSING

Conventional mill/float concentrator – MF2 configuration

STAY-IN-BUSINESS
(SIB) CAPITAL

6 – 8% of operating costs

LOM

35 years – including UG2

MERENSKY IN LOM

74% (up to 2028), 30% LOM

RESOURCES/RESERVES

	RESOURCES	RESERVES
MERENSKY	> 28.30Mt @ 7.64g/t (4E) = 6.95Moz	> 19.01Mt @ 4.41g/t (4E) = 2.70Moz
UG2	> 71.32Mt @ 5.17g/t (4E) = 11.85Moz	> 55.44Mt @ 3.83g/t (4E) = 6.83Moz
TOTAL	> 99.62Mt @ 5.87g/t (4E) = 18.81Moz	> 74.45Mt @ 3.98g/t (4E) = 9.53Moz

Note: Inclusive resources and reserves figures – 100% of the BRPM JV

KEY PRODUCTION
STATISTICS

Annual 4E
production (koz)

2014: 294
LOM: 280 till 2017
207 remaining LOM

Concentrator
(Mt/annum)

2014: 2.4
LOM: 2.4 till 2018
1.9 remaining LOM

Recovery (%)

2014: 87
LOM: Merensky – 87.9%
UG2 – 81.9%

Mill grade (g/t) (4E)

2014: 4.29
LOM: 4.16

Annual 4E total cash
cost (4E oz) (ZAR)

2014: 8 040
LOM: 9 051 (2014 real)

Cost/t milled (ZAR)

2014: 957
LOM: 1 036 (2014 real)

OUR ORGANIC GROWTH

STYLDRIFT I PROJECT – A LOW COST MECHANISED MINE

MINING

Twin vertical shaft system, mechanised mining, 750m below surface

PROCESSING

Expansion of current BRPM facility to 350ktpm

SIB CAPITAL

10 – 12% of operating costs

LOM

+50 years

MERENSKY IN LOM

100% first 30 years

RESOURCES/RESERVES

	RESOURCES	RESERVES*
MERENSKY	> 72.90Mt @ 6.94g/t (4E) = 16.25Moz	> 45.27Mt @ 4.38g/t (4E) = 6.38Moz
UG2	> 60.95Mt @ 5.07g/t (4E) = 9.94Moz	> Still to be converted to reserves
TOTAL	> 133.85Mt @ 6.09g/t (4E) = 26.19Moz	> 45.27Mt @ 4.38g/t (4E) = 6.38Moz

* Excludes Frischgewaagd

Note: Inclusive resources and reserves figures – 100% of the BRPM JV, excluding Styl drift II

KEY PRODUCTION STATISTICS

First production

First quarter of 2016

Steady state

First quarter of 2019

Mill grade (g/t) (4E)

LOM: 4.22
LOM: Merensky – 4.3
UG2 – 3.7

Recovery of 89%

Annual 4E total cash cost

at 2019 steady state
R6 580 4E oz (2014 real)

Total expansion capital

R11.014 billion

See the manufactured material issues on pages 76 to 79 and the Manufactured capital section on pages 75 to 91 for more information.

The headgears of Styl drift's Main and Service shafts



AN OVERVIEW
OF OUR BUSINESS

CONTINUED

Meeting and exceeding our community
development commitments

We invested

R413.4 million*

in community development projects
between 2010 and 2014, which exceeded
our social and labour plan commitments

Investment (2010 – 2014)

We focused on:

R25.8 million
Basic infrastructure

R22.8 million
Health support

R32.3 million
Education support

R31.3 million
Job creation and poverty
alleviation

R2.5 million
Enterprise development

R280.2 million
Human resource development

R12.8 million
Community skills development

** Including discretionary spend*

Our approach to
our environmental
responsibilities and
climate change

We adopt a precautionary approach
to our environmental responsibilities,
which is based on international best
practice and legal compliance. We
continually review our environmental
risks and opportunities. Management
plans are in place to address our
significant environmental risks.

Climate change remains a longer-term
risk to our business and we have
conducted a detailed climate change
vulnerability risk assessment of our
operations. The information gained
from this assessment is included in
our risk management model.

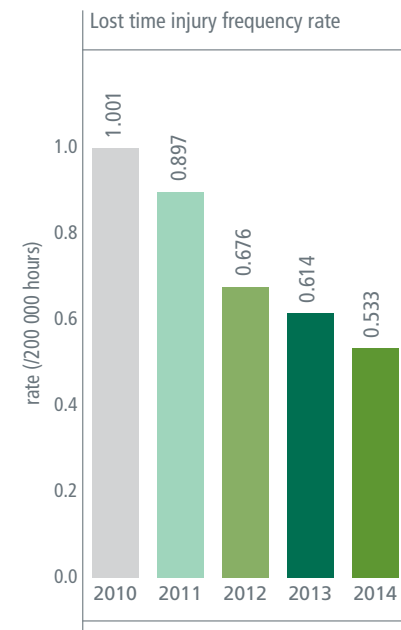
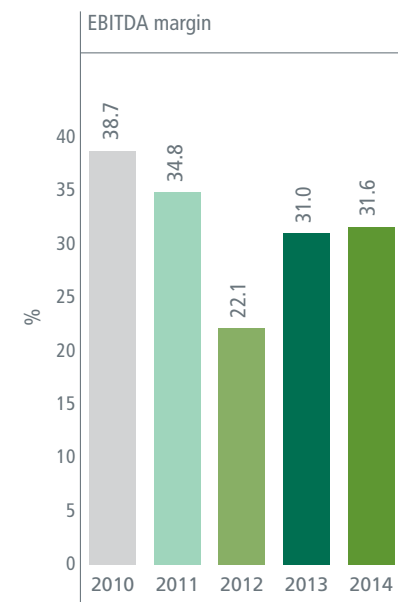
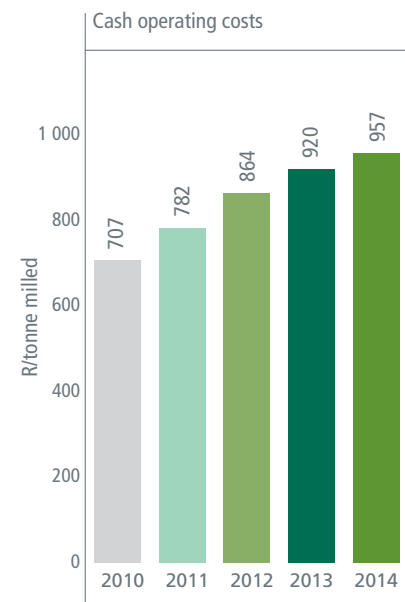
Charora high school grade 11 physical science
class in the new laboratory provided by RBPlat



PERFORMANCE

Our performance over the past five years

RBPlat remains profitable in a challenging environment with an EBITDA margin of 31.6% and R1.4 billion cash generated by operations (2013: R907.8 million)



Five-year financial and operational summary

	Unit	2014	2013	2012	2011	2010
Financial statistics						
Revenue	R (million)	3 767.5	3 251.1	2 865.3	2 974.9	2 106.8
Cash operating cost	R (million)	2 361	2 093	2 051	1 802	1 700
EBITDA*	R (million)	1 189.4	1 008.0	633.8	1 035.5	8 15.3
Profit attributable to owners of the company	R (million)	440.9	284.2	170.3	273.4	3 164.8
Headline earnings	R (million)	440.9	283.9	170.3	273.7	290.2
Headline earnings per share	cents	239	173	104	167	191
Normalised headline earnings**	R (million)	506.9	348.4	233.2	350.2	399.3
Normalised headline earnings per share**	cents	274	212	142	214	283
Weighted average number of ordinary shares in issue for earnings per share		184 797 002	164 319 791	163 960 709	163 677 799	141 132 832
Average basket price***	R/Pt oz	19 842	17 927	16 404	16 282	15 555
Gross profit margin	%	23	18.5	11.9	19.0	23.7
EBITDA margin*	%	31.6	31.0	22.1	34.8	38.7
Number of shares issued outside the Group at year end		189 897 794	164 459 662	164 150 804	163 677 799	163 677 799
Net cash generated by operating activities		1 420.1	907.8	732.6	1 025.1	785.3
Net asset value (NAV) per share	cents	72.8	72.2	70.2	68.9	66.9
Capital expenditure						
Expansion capital	R (million)	1 365	737.0	646.0	635.7	487.9
Stay-in-business (SIB) capital	R (million)	154.4	137.8	238.3	146.1	97.0
SIB % of operating costs	%	7	7	12	6	6
Replacement capital	R (million)	204.1	184.0	307.7	376.0	363.4
Safety						
Fatal injuries	No	2	2	1	0	3
LTIFR	/200 000 hours	0.533	0.614	0.676	0.897	1.001
SIFR	/200 000 hours	0.289	0.265	0.421	0.467	0.531
Safety stoppage losses	kt	79	89	117	92	68
Section 54 stoppages	No	10	11	12	12	7
Mining production						
Stoping square metres	000m ²	527	505	479	471	539
Total tonnes delivered	kt	2 471	2 310	2 384	2 284	2 366
Merensky delivered	kt	1 908	1 895	1 959	2 026	2 288
UG2 delivered	kt	563	415	425	258	78
Total development	km	39.4	36.5	39.4	30.2	33.4
Stoping to development replacement rate	m ² /m	28.7	32.4	27.1	32.2	35.0
IMS panel ratio	ratio	1.70	1.52	1.48	1.01	1.12
Concentrator production						
Total tonnes milled	kt	2 479	2 301	2 375	2 305	2 407
Tonnes milled at BRPM	kt	2 112	2 010	2 214	2 162	2 380
Tonnes milled at Waterval	kt	367	291	160	142	27
Built-up head grade (4E)	g/t	4.29	4.38	4.07	4.35	4.31
Merensky built-up head grade (4E)	g/t	4.45	4.51	4.22	4.44	4.32
UG2 built-up head grade (4E)	g/t	3.74	3.76	3.36	3.60	3.83
Total recovery	%	86.05	86.37	86.71	87.47	86.43
4E metals in concentrate	koz	294	280	269	282	288
Pt metal in concentrate	koz	190	181	174	183	187
Labour						
Working cost labour	No	6 272	6 180	6 057	6 553**	6 793**
Capital labour	No	2 601	1727	1 686	1389	877
Stoping crew efficiencies	m ² /crew	336	320	307	308	343
Tonnes milled per total employee	t/emp	33.1	31.6	29.8	29.3	29.5
Operating costs						
Cash operating costs	R (million)	2 361	2 093	2 051	1 802	1 700
Cash operating cost per tonne milled	R/t	957	920	864	782	707
Cash operating cost per 4E ounce	R/4E oz	8 040	7 519	7 616	6 399	5 902
Cash operating cost per platinum ounce	R/Pt oz	12 463	11 592	11 775	9 863	9 076

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

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

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

++ 2011 and 2010 numbers are averaged for the year, thereafter year-end numbers are provided

Delivering against the four pillars of our strategy in 2014

Towards operational excellence

- > Safety improvements
- > Increased productivity
- > Contained costs
- > Effective employee engagement leading to labour stability

Build flexibility

- > Maintain ore reserve and IMS targets to ensure sustainable production
- > Supplement Merensky production with UG2

Organic growth

- > Construction of Styldrift I
- > Styldrift II exploration

Pursue value enhancing opportunities

- > Royalty agreements with Impala Platinum



Flotation tanks inside the concentrator

Solid results achieved despite challenging environment



ACHIEVEMENTS

- > Labour stability
- > 7% increase in tonnes delivered
- > 8% increase in tonnes milled
- > 5% increase in 4E ounce production
- > Unit cost increases capped below mining inflation:
 - 4% increase in cost per tonne milled
 - 7% increase in cost per 4E ounce
- > R1.43 billion in net cash generated by operations
- > R1.50 billion equity raising
- > Cash on hand at year end of R1.86 billion
- > R413.4 million invested in completing mining charter social and labour plan commitments for period 2010 – 2014
- > Over 96% of employees are historically disadvantaged South Africans (HDSAs)
- > 422 employee houses completed and 295 sales agreements signed by 31 December 2014



IMPROVEMENTS

- > 13% improvement in lost time injury frequency rate (LTIFR)
- > 5% improvement in stoping crew efficiencies
- > 5% improvement in tonnes milled per employee
- > 68% of discretionary procurement from HDSAs



CHALLENGES

- > 11% increase in serious injury frequency rate (SIFR)
- > PGM market conditions
- > Tax dispute relating to 2008 and 2009 assessments



DISAPPOINTMENTS

- > Two fatal accidents at our operations in 2014
- > US\$ metal price performance
- > Six-month delay in planned production ramp-up at Styldrift I



OUR INVESTMENT CASE

BLACK EMPOWERMENT STATUS

We are black owned and controlled. Because the Royal Bafokeng Nation through its investment arm Royal Bafokeng Holdings (RBH) has a 52.53% investment in RBPlat we not only comply with black economic empowerment requirements but exceed them. RBH followed its rights when it supported our capital raising programme in 2014 and it has stated that it views RBPlat as its quality growth investment vehicle in platinum.



BRPM's South shaft

LONG LIFE QUALITY ASSETS

Prime location

on the Western Limb of the Bushveld complex

Long-term shallow

depth mining (>60-year life of mine)

Existing asset – BRPM

- > Access to 6.95Moz (4E) Merensky resource at 7.64g/t (4E) and 11.85Moz (4E) UG2 resource at 5.17g/t
- > Set to remain **Merensky biased** in the long term with UG2 production contributing approximately 10%

High quality organic growth – Styldrift I

- > Styldrift I will increase production to **350kt per month by 2019**
- > Access to 16.25Moz (4E) **Merensky** resource at 6.94g/t (4E) and 9.94Moz (4E) UG2 resource at 5.07g/t
- > Styldrift II, **represents 40%** of our total resource with the option to be brought forward as an **expansion project**. Feasibility studies to be completed in 2016

STRONG FINANCIAL POSITION

- > **Operating free cash flow positive** in 2014
- > **Competitive position** on the industry cost curve
- > **No gearing**
- > Cash balance of **R1.86 billion**

LABOUR AND TRADE UNION STABILITY

- > Long-term wage agreement in place (**concludes in 2019**)
- > **No industrial action** in 2014

STRENGTH AND DEPTH OF MANAGEMENT SKILLS AND EXPERIENCE

- > Foresight in 2010 to introduce **business flexibility** through early co-extraction and create additional immediately stopable reserves
- > Flexibility allows us to **adapt quickly** to the constantly changing environment:
 - **2012 – reacted rapidly** to a reduction in PGM prices by **deferring capex** that would not adversely impact the business in the short to medium term
 - **2013 – changed proposed processing solution** for Styldrift I after a thorough investigation of options including **possible collaboration** with neighbouring mines. Decision was based on both cost implications and providing the best long-term Merensky driven solution
- > **Project management skills** – BRPM Phase III replacement project **on time and within budget**
- > **Additional technical resources** assigned to the Styldrift I project to ensure delivery to the revised schedule which has been delayed by six months over a 10-year project life
- > **Ability to contain costs** in a challenging environment

COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY

- > **Open, honest and timeous** communication to the investor community when challenges arise

A SOCIALLY RESPONSIBLE COMPANY

- > **A Best Performer** on the JSE Socially Responsible Investment (SRI) Index



AWARD WINNING BUSINESS

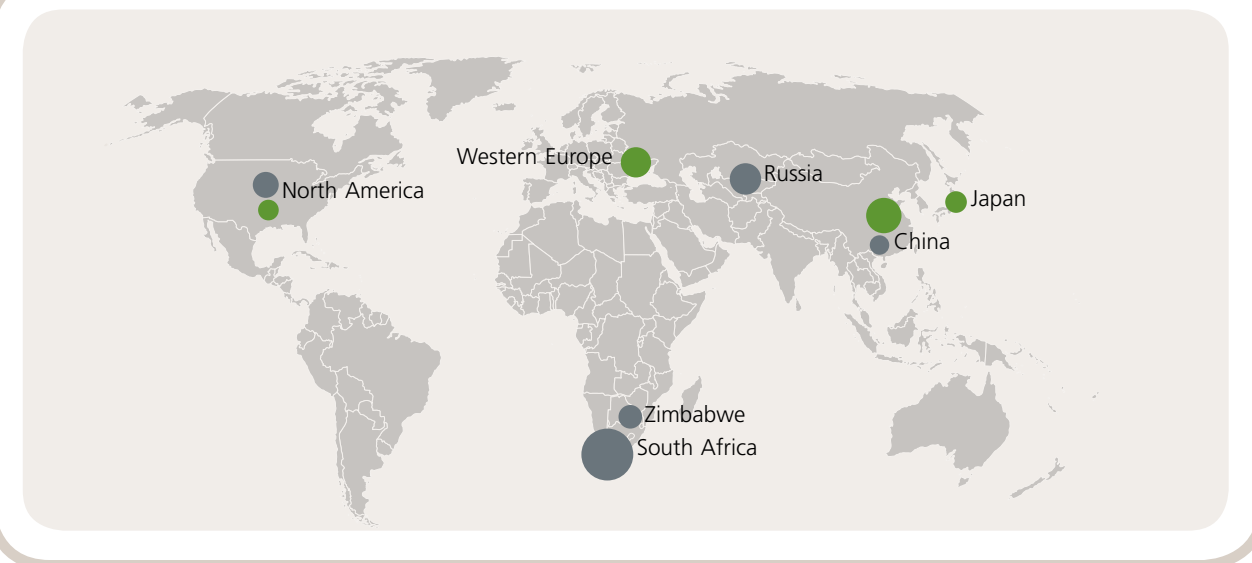
Best Performer status on JSE Socially Responsible Investment (SRI) Index

Winner of the EY Excellence in the 2014 Integrated Reporting Awards and winner of the Mid Cap category of the Chartered Secretaries Southern Africa JSE Integrated Reporting Awards 2014



OPERATING CONTEXT

THE GLOBAL PGM ENVIRONMENT



● Platinum primary supply by region

● Platinum net demand by region

KEY INFLUENCES:

- > Prices
- > Rand/US\$ exchange rate
- > Global emissions legislation
- > World economic growth
- > Supply and demand
- > Recycling

The significant roles of PGMs



> **Automotive** (their catalytic properties, thermal durability and resistance to poisoning make these metals key to achieving cleaner emissions from combustion engines. PGMs are also used in transport system fuel cells, the use of which, while still very small, is growing)



> **Jewellery** (because of its high resistance to wear and tarnishing platinum is very suitable for use in fine jewellery)



> **Industrial** – the chemical, petroleum, electrical, glass, medical and biomedical industries (PGMs are resistant to chemical attack, have excellent high temperature characteristics



and have stable electrical properties. PGMs are also used in industrial fuel cell systems)

> **Investment** (bars, coins, ETFs, exchange stocks)

Platinum has the widest range of end uses. Demand for palladium is mainly for use in light-duty gasoline autocatalysts and diesel autocatalysts, while rhodium is mostly used in autocatalysts.

PLATINUM

Strike-related deficit draws excess market stock down to 2.6Moz

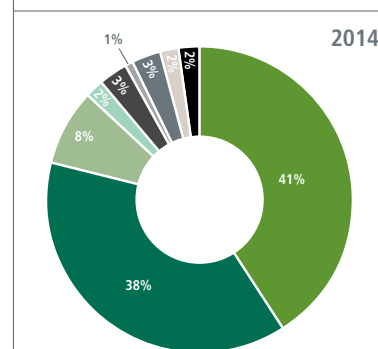
Autocatalyst and jewellery demand for platinum stable

As the graph opposite shows, automotive platinum requirements as a share of total demand rose 145koz to 41% or 3.3Moz in 2014, with most of the growth coming from Western Europe where Euro 6 emission legislation was imposed from September 2014. Jewellery's share remained stable at 38% of demand, which is well up from less than 25% in 2007. Investment growth contracted with its share of demand falling from 11% to 2% in 2014. This is owing to the exceptional year in 2013 with the launch of the Absa NewPlat ETF product in South Africa which added >900koz of platinum.

Strikes help to absorb excess market stocks

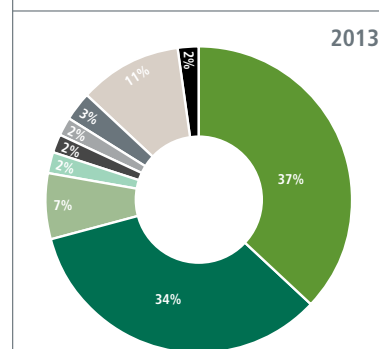
The platinum market and prices are suffering from a build-up of inventories since the financial crisis in 2008/9. However, the five month strike that hit the South African platinum industry and consequent destocking by mining companies aided a reduction of excess stocks from 3.5Moz in 2013 to 2.6Moz at the end of 2014. This stock excludes working inventories for demand applications and ETF holdings.

Share of gross demand for platinum by industry (gross demand amounted to 7.8Moz)

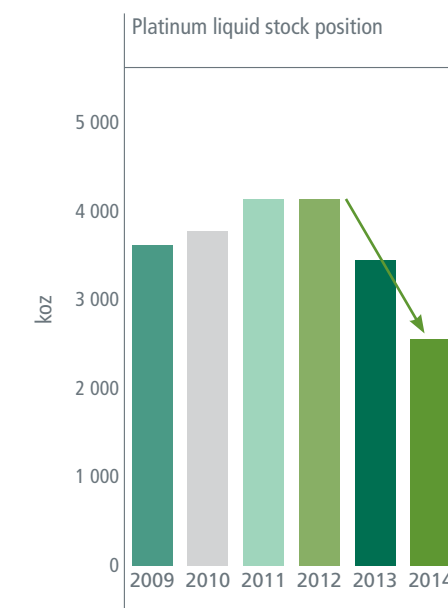


Automotive
Jewellery
Chemical
Petroleum
Electrical
Glass
Medical and biomedical
Investment
Other

Share of gross demand for platinum by industry (gross demand amounted to 7.6Moz)

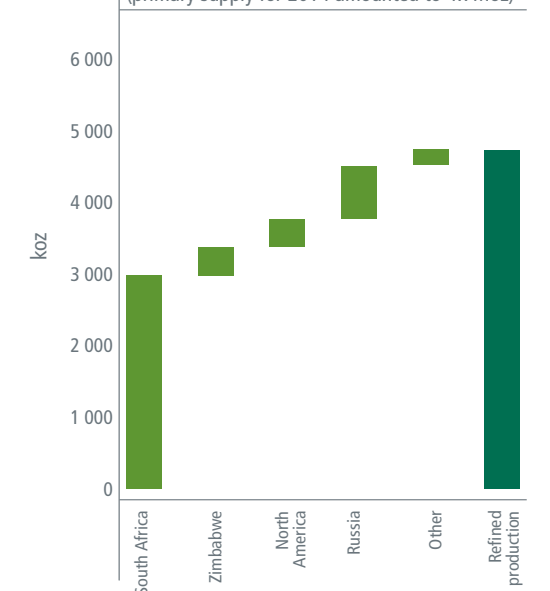


Automotive
Jewellery
Chemical
Petroleum
Electrical
Glass
Medical and biomedical
Investment
Other



Source: SFA (Oxford)

Total platinum mining supply by region (primary supply for 2014 amounted to 4.7Moz)



PALLADIUM

Structural market deficit forecast to persist

The market fundamentals for palladium remain firm

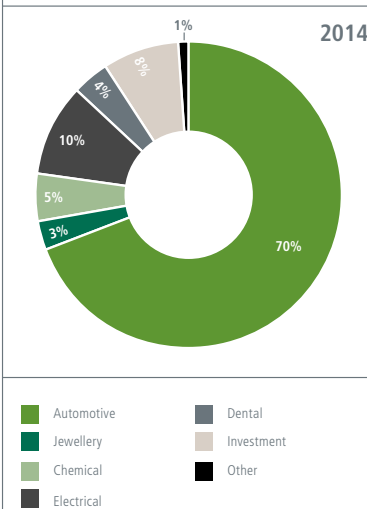
A key feature of the palladium market in 2014 was the launch of two ETF products in South Africa, which accumulated >1Moz. Investment as a share of total demand increased from just 1% from 2013 to 8% in 2014. Automotive demand continues to dominate with a 70% share and grew year-on-year by 6% to 7.5Moz in 2014. Growing sales of palladium-rich gasoline vehicles in North America and China remain strong drivers of demand going forward.

The palladium market deficit widens

2014 saw a deficit of 1.5Moz, excluding producer stock sales and allocation of metals to ETFs and other investments. Above ground stocks are still freely available with more than 6Moz of immediately available stocks at the end of 2014, excluding ETF allocations and industry working inventories.

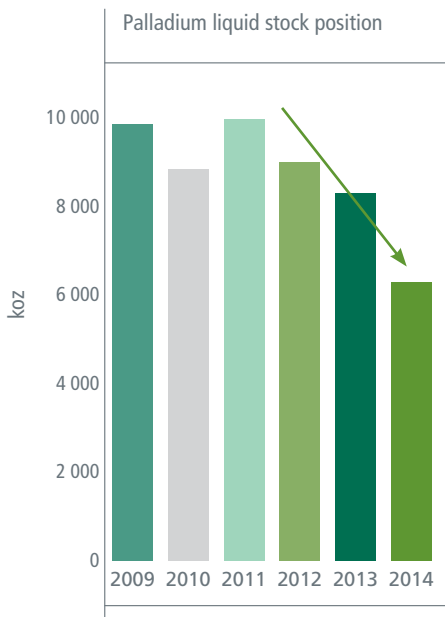
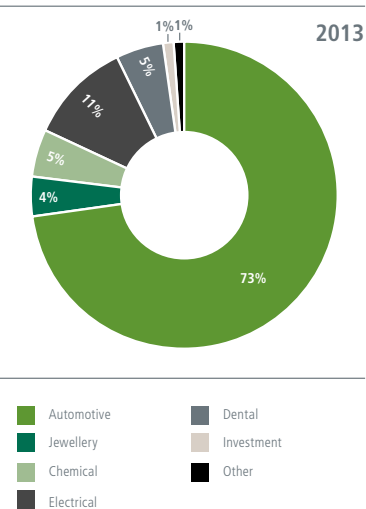
Source: SFA (Oxford)

Share of gross demand for palladium by industry (gross demand amounted to 10Moz)



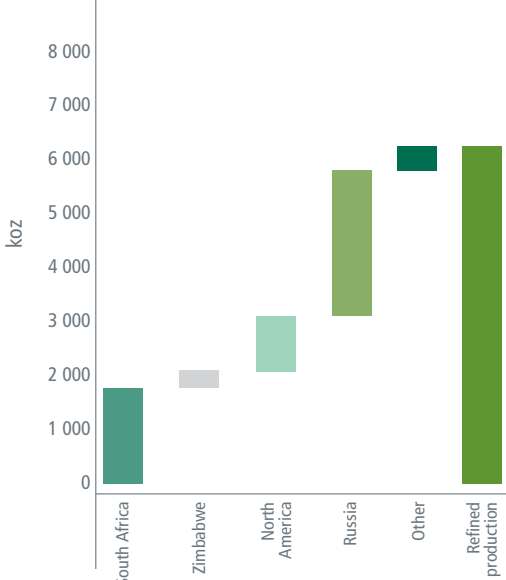
Source: SFA (Oxford)

Share of gross demand for palladium by industry (gross demand amounted to 9.7Moz)



Source: SFA (Oxford)

Total palladium mining supply by region (primary supply for 2014 amounted to 6.2Moz)



RHODIUM

Removal of excess stocks required to lift prices

The market was in deficit in 2014 for the first time in five years

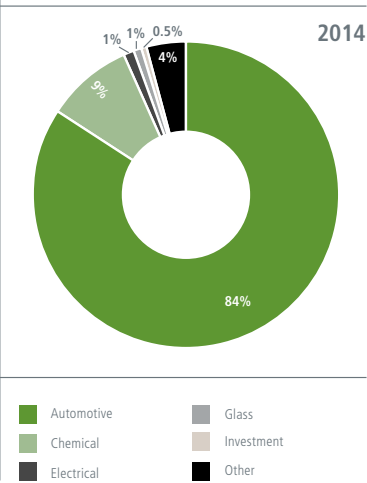
Automotive demand is recovering steadily assisted by Euro 6 emissions legislation requiring some rhodium-rich lean NOx traps. However, as with platinum the ongoing growth in recycling is serving to offset much of the demand upside.

Rhodium temporarily returns to deficit but not enough to destock the market

The impact of the five month strike in the platinum sector and steadily recovering automotive demand is estimated to leave the market with a 190koz deficit in 2014. However, the market has been in surplus since 2009 so there is still excess stock in the market to absorb before a meaningful increase in the price occurs.

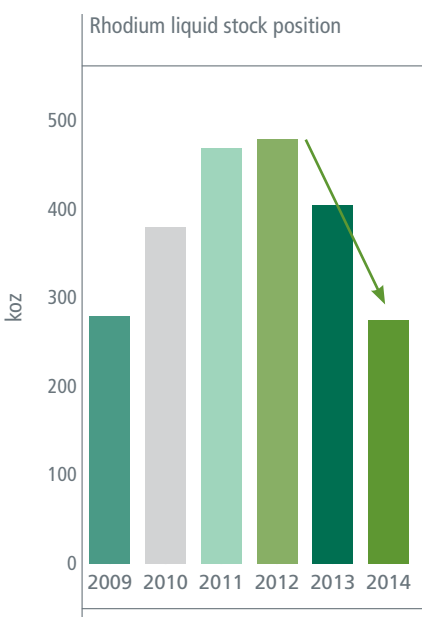
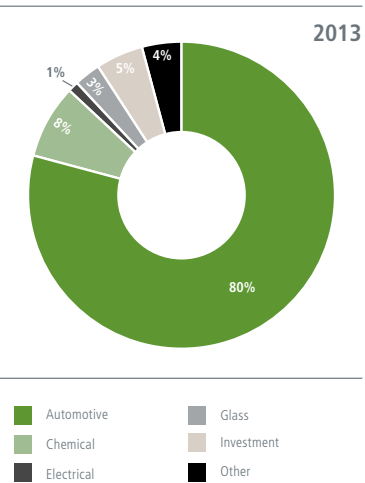
Source: SFA (Oxford)

Share of gross demand for rhodium by industry (gross demand amounted to 1.0Moz)



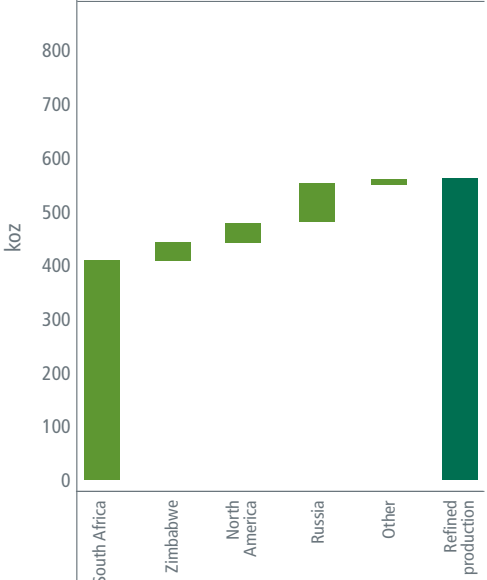
Source: SFA (Oxford)

Share of gross demand for rhodium by industry (gross demand amounted to 980koz)



Source: SFA (Oxford)

Total rhodium mining supply by region (primary supply for 2014 amounted to 560koz)



OPERATING CONTEXT

CONTINUED

The role of emissions legislation in PGM demand

Tailpipe emissions legislation is vital to ensure good air quality in urban areas, indeed, wherever gasoline and diesel vehicles drive.

Established markets such as the United States, Western Europe and Japan have been at the forefront of introducing emissions legislation and continue to tighten this legislation every few years. Emerging markets such as China, India, Brazil and South East Asia are experiencing some of the highest and fastest growth in automotive sales and are fast catching up with the latest legislation. The availability of clean (low sulphur) fuel works remains key to implementing tighter emissions legislation and to autocatalyst deployment.

Euro 6

The main change that has taken place recently has been the imposition of Euro 6 for new light vehicle models in September 2014 and for all models from September 2015. This cuts permitted NOx emissions from diesel engines by more than half. This means some form of NOx emissions control technology is required on most new diesel cars sold in

Europe. In Euro 5, the main step change was to lower particulate matter emissions, while in Euro 4 it was to cut CO₂ emissions. Diesel particulate filters (DPF) and diesel oxidation catalysts, which are both relatively highly platinum-loaded, are also found in most vehicles under Euro 6.

China

In China, rapidly growing concern at all levels over air quality is leading to action on vehicle emissions, but fuel quality is slowing the introduction of legislation. The government announced China 5 (similar to Euro 5) light duty tailpipe regulations effective from January 2018. Major regions and cities have an even more aggressive schedule, requiring fuels with 10 parts of sulphur per million parts of fuel by 2015. Sulphur binds very strongly and irreversibly to the surface of PGMs. Beijing continues to lead and already has 10 ppm sulphur fuel for both gasoline and diesel. Only China V (Euro V) trucks and buses with DPFs (PGM-loaded) can be sold in Beijing after 1 January 2015. Beijing is considering a move to California or US EPA standards for light duty vehicles in 2016, instead of the Euro 6 requirements, as Euro 6 does not tighten gasoline gaseous emissions enough from Euro 5 levels.

Global emissions legislation continues to underpin PGM demand

The table below shows when particular emissions legislation is due to be introduced and this also indicates where and when there should be an increase in PGM demand for autocatalysts because the introduction of new legislation usually leads to an increase in loadings to ensure compliance with legislation. The question marks in the table indicate uncertainty as to whether the legislation will be introduced on their date – the more question marks the greater the uncertainty.

Emissions standards	2012	2013	2014	2015	2016	2017	2018	2019	2020
US EPA									
Light duty vehicles	Tier 2		California LEV III			Tier 3		Pd impact	
Heavy-duty vehicles	US 2010	Thriftling							
Non-road	Tier 4 – big equipment			→	Phase in				Tier 5?
Japan									
LDV and HDV	Japan 2009	Thriftling			Japan 2016 (diesel, NOx)				
Non-road					Tier 4	→	Proposed		
European Union (53% diesel car market)									
Light-duty vehicles	Euro 5 – DPF for diesel		Euro 6		Gasoline PN – Pt filter			Euro 7?	
Heavy-duty vehicles	Euro 5	Euro 6		→	Phase in – DOC + DPF				
Non-road	Tier 3b		Tier 4 – SCR/DOC/DPF						
South Korea (22% diesel car market)									
LDV and HDV	Euro 5 – DPF for diesel		Euro 6						
Non-road					Tier 4				
India (40% diesel car market)									
LDV and HDV cities	BS IV							BS V?	
LDV and HDV national	BS III			BS IV Phase in (2015 – 2017)?					BS V?
Thailand (12% diesel car market)									
Light-duty vehicles	Euro 3	Euro 4 – boosts Pt loadings					Euro 5???		
Heavy-duty vehicles	Euro 3	Euro 4					Euro 5???		
Brazil									
Light-duty vehicles	PL-5	PL-6 (no DPF)							PP7?
Heavy-duty vehicles	P P7								PP8?
Russia									
LDV and HDV	Euro 4		Euro 5			Euro 6?			
China									
LDV/HDV (Beijing)	China 4	China 5							
LDV/HDV (National)	China 3				China 4 (delayed)				

US EPA – United States Environmental Protection Agency
BS – India's Bharat Stage
PL – Brazil's Porconve level for light duty
PP – Proconve P for heavy duty
(Most emerging market legislation is based fairly closely on established US or EU legislation)

Source: SFA (Oxford)

THE SOUTH AFRICAN PGM ENVIRONMENT

Current market conditions favour the extraction of Merensky reef in the Western Limb of the Bushveld Complex, due to its more favourable PGM prill split and natural PGM hedge (attributable to its higher base metal contribution) when compared to the UG2 reef.

PGM INDUSTRY DYNAMICS

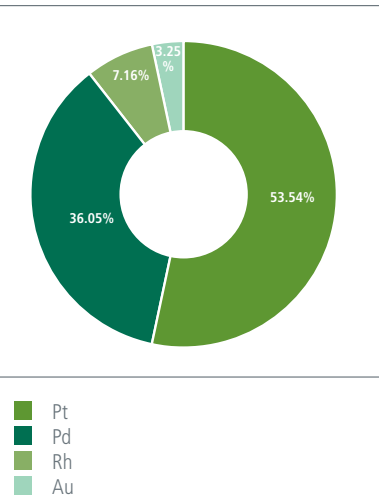
- > **Rising costs** – In 2013 the South African metals and mining sector made the largest revenue contribution to South Africa (> R678 billion) but as a sector it made the smallest profit
(Source: IRAS)
- > Merensky reef depleted – **70% of industry now mining UG2 reef**
(Source: Chamber of Mines – 21 January 2013 RSA PGM Mining Sector Briefing Note)
- > Industry weighted average **head grade reduced by approximately 27%** for 2000 – 2014
Source: SFA (Oxford)
- > Platinum **production per employee reduced by approximately 38%**
(Source: Chamber of Mines 2013 annual report)
- > Approximately **33% of production** is from mechanised mining

RBPLAT'S POSITION

- > **Cost increases contained** at below mining inflation in nominal terms
- > Superior reserve value – BRPM JV will remain **Merensky-biased** in the long term with UG2 production contributing about 10%
 - Platinum: palladium ratio of **2.3:1**
 - **High base metal** revenue contribution
- > Built-up head grade **consistently around 4.3g/t (4E)** and forecast to be **4.2g/t (4E)** long-term
- > **Platinum production per employee** of 30.4koz
- > By 2019 **low cost mechanised mining** at Styldrift I will make up 50% of the BRPM JV's production

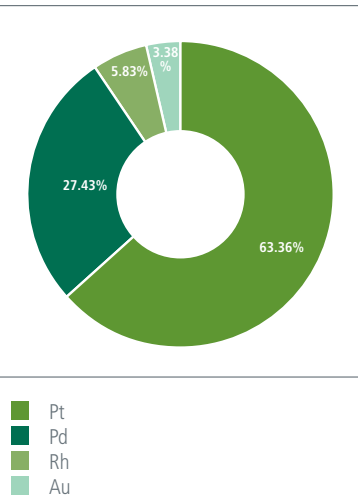
Our in situ reserve revenue is 19% higher than the industry (excluding Russia and North America)

Industry average 4E reserve revenue per tonne – R1 554 based on a basket price of R12 721/oz



Source: SFA (Oxford) and RBPlat

BRPM JV 4E reserve revenue per tonne – R1 882 based on a basket price of R13 301/oz



OPERATING CONTEXT

CONTINUED

PGM INDUSTRY DYNAMICS

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

RBPLAT’S POSITION

> RBPlat’s high grade Merensky resources and reserves are at **shallow depths** (BRPM at 500 metres and Styldrift I at 758 metres)

Industry platinum mine shaft depth



Source: SFA (Oxford)

PGM INDUSTRY DYNAMICS

> **Lengthy strike** in the platinum sector in 2014
> **Reduction in capital expenditure**
> **Escalating labour costs**

RBPLAT’S POSITION

> **Labour stability** with no industrial action in 2014
> **Continued investment** in replacement and expansion projects
> **New long-term wage agreements** providing cost certainty

PGM INDUSTRY DYNAMICS

> Section 54 safety stoppages in terms of the Mine Health and Safety Act usually result in **production losses**

> **Challenges** with meeting black economic empowerment requirements of the Mining Charter Scorecard in terms of leadership and employment equity

> Government expects increased contribution from the mining sector in meeting socio-economic needs. In 2013 the South African mining industry spent **R3.4 billion on corporate social investment** (CSI/socio-economic development)

- Complying with social and labour plan (SLP) targets which could lead to **mining licences being suspended** or cancelled remains a challenge
- Metals and mining sector companies **contributed 46.4%** of the reported CSI spend by JSE listed companies. These companies also **contributed 93.1%** of the investment JSE listed companies made in infrastructure development.

(Source: IRAS)

RBPLAT’S POSITION

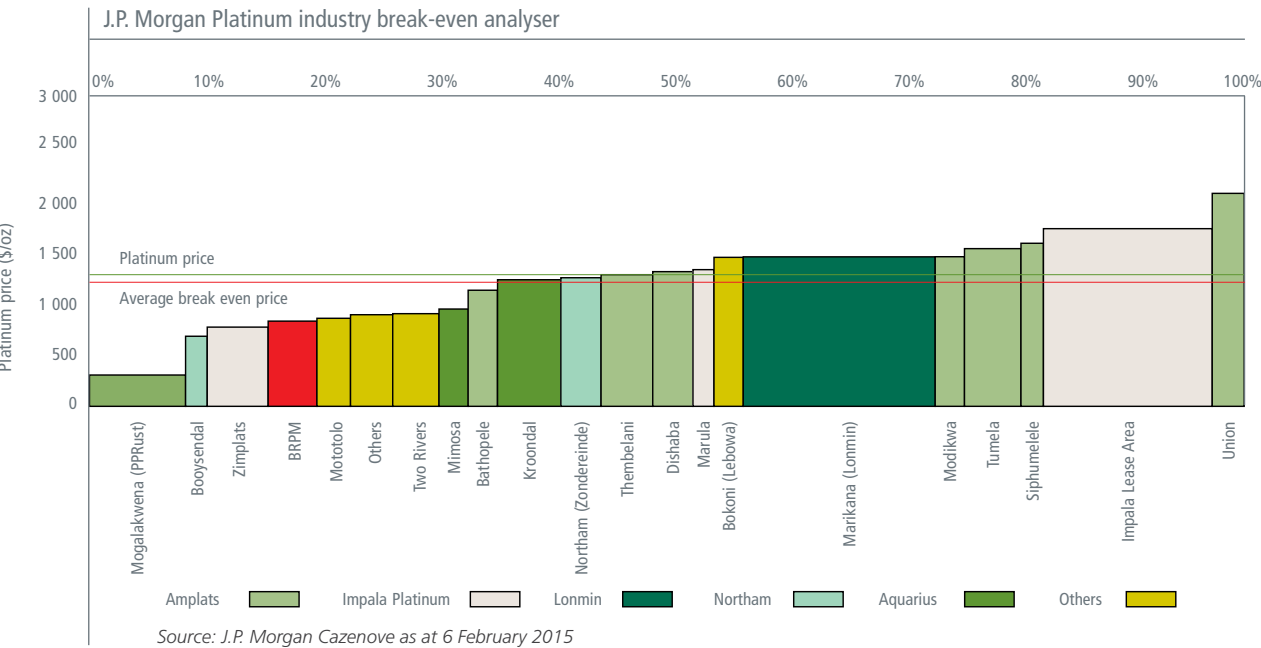
> RBPlat had 10 Section 54 stoppages at its operations during 2014 **resulting in a loss** of 79kt, which is **a 11% decrease** year-on-year.

> **RBPlat exceeds** all the Mining Charter Scorecard requirements in terms of black economic empowerment and employment equity

> We have fulfilled and exceeded our SLP commitments for the period 2010 – 2014, **RBPlat spent R413.4 million** on basic infrastructure, health, education, poverty alleviation, job creation and community skills development

See page 128 of this report for details of our social and labour plan performance.

RBPlat in competitive position on the industry cost curve



Source: J.P. Morgan Cazenove as at 6 February 2015

> ISSUES MATERIAL TO OUR BUSINESS

OUR APPROACH

When we first started reporting on the material issues that could potentially impact our ability to deliver on our core objectives/strategy we designed a process for identifying and prioritising our material issues. We review the process every year and make changes we believe will improve our understanding of our material issues. We assess each issue in terms of the:

- > possible economic impact on our business
- > degree to which it affects our stakeholders and ourselves
- > extent to which it is likely to grow in significance and impact our business in the future
- > business opportunities it presents
- > level of risk it presents.

In 2014 our internal process of identifying our material issues began with workshops we held throughout our operations to get input at operational level. These workshops helped us identify the issues material to our stakeholders, including the unions and our employees. RBPlat's external stakeholders also helped us identify the issues material to government, regulators and industry bodies at operational level.

We interviewed management and the members of our executive committee to get their input into what is material to our business. Our Board reviewed the issues we had identified when they were presented to our Audit and Risk and Social and Ethics committees and they finally reviewed them and agreed to them at a Board meeting.

Externally, we used the feedback obtained from community members at the Joint BRPM and Styldrift I Community Committee meetings, and our interaction with community members during the implementation of our social and labour plans, to identify what the communities in which we operate regarded as their material issues.

We identified the issues that our investors indicated were material to them during our Annual General Meeting, investor presentations, face to face meetings, emails and telephone calls.

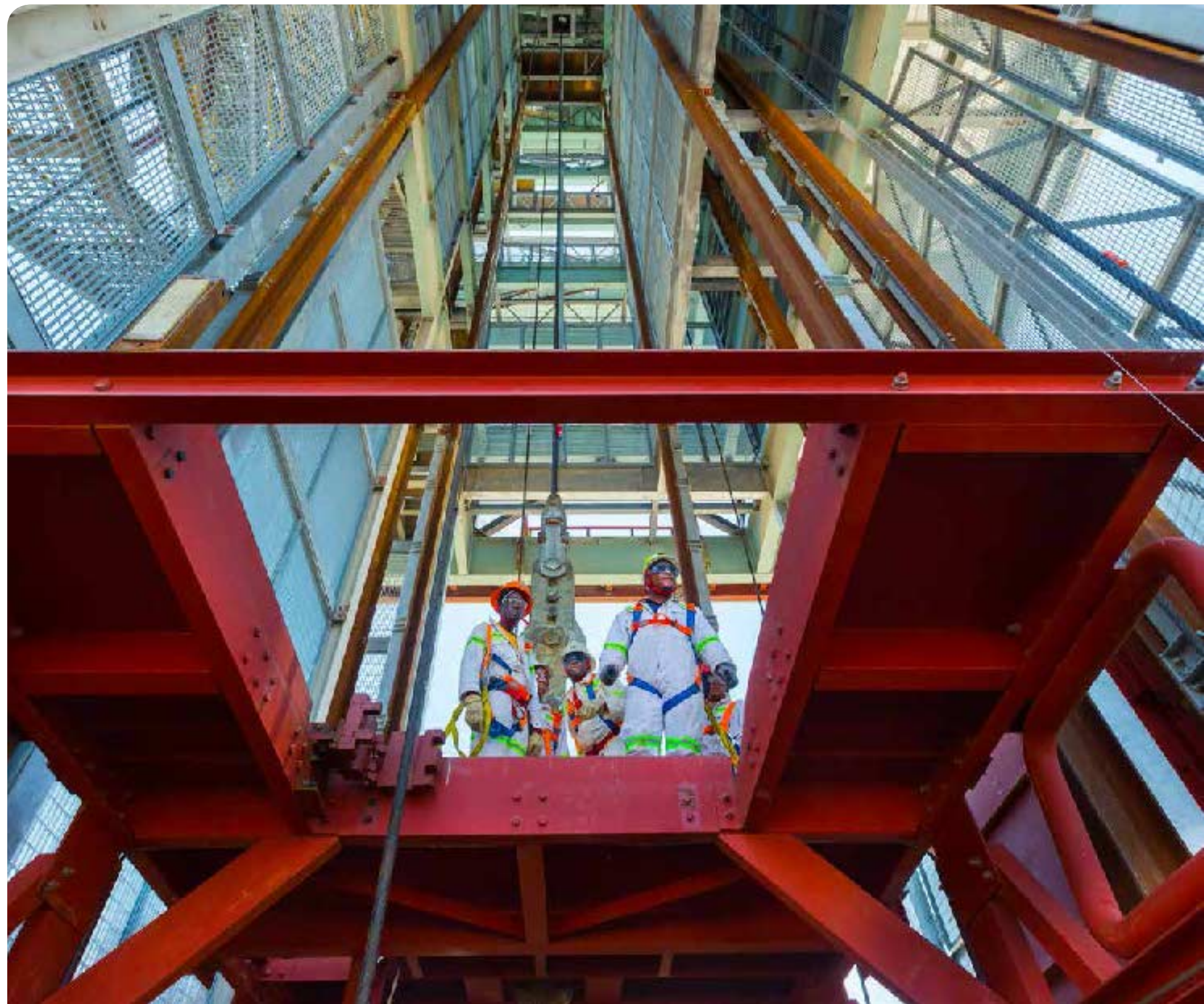
In interactions with our providers of debt our financial team were able to establish what issues were material to them in terms of RBPlat.







Members of our Executive also engage with government, regulators and industry bodies and from these engagements we establish these stakeholders' material issues in terms of RBPlat.

Because we carry out our risk assessments in the context of our material issues, we have included the related risk rankings in the table that follows.

The order of the issues in the table that follows is not in accordance with the risk ranking, but in accordance with the ranking of our material issues.




↘ The equipping skeleton, which is being used to equip the Main shaft at Styldrift I




Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
LABOUR AND TRADE UNION STABILITY 	Strikes have a negative impact on business in many ways, which include financial losses and unhealthy employee-employer relationships	1 	<ul style="list-style-type: none"> > Agreement on a long-term wage agreement with our enrolled (full time) employees that will allow RBPlat not only to contain costs but also to have a long-term view on its wage costs > Aligning our volume contractor wage negotiation timeline in line with those of our enrolled employees > Closing the wage gap between contractors and enrolled employees > Getting all contractors on a medical aid 	<ul style="list-style-type: none"> > No days lost to industrial action > Long-term wage agreement signed with our enrolled employees > Agreement achieved with trade union to align negotiation timelines for enrolled and volume contractor employees > Most volume contractors on a medical aid 	<ul style="list-style-type: none"> > Number of production days lost to industrial action* <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Labour and trade union stability > Implement new wage agreements > Negotiate long-term wage agreement with the volume contractor employees > Development of new employee share ownership programme (ESOP) </div>	Trade unions and employees: <ul style="list-style-type: none"> > Remuneration and incentives > Threat to bargaining process > Workers' rights > Employment equity Investor community: <ul style="list-style-type: none"> > Labour relations > Impact on costs of new wage agreement > Remuneration Providers of debt: <ul style="list-style-type: none"> > Ability to repay borrowings
EMPLOYEE HOME OWNERSHIP 	Our stated purpose is to create economic value for all our stakeholders. Providing our employees with the opportunity to own their homes creates economic value for them and their families. It also helps us meet our Mining Charter and wage agreement commitments, which is to establish family units for our employees	8 	<ul style="list-style-type: none"> > Completing building Phase I of employee home ownership scheme and offering home ownership to our employees > Implementing employee home ownership scheme > Securing funding for Phase II of the scheme 	<ul style="list-style-type: none"> > All 422 houses built, 295 employees have signed sales agreements and 289 employees are living with their families in their new homes > Secured funding 	<ul style="list-style-type: none"> > Signed sales agreements* > Completed houses are occupied <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Start work on Phase II of our employee home ownership scheme </div>	Trade unions and employees: <ul style="list-style-type: none"> > Housing benefits > Meeting previous wage agreement commitments Investor community: <ul style="list-style-type: none"> > Mining Charter and wage agreement commitments
SAFETY PERFORMANCE 	Poor safety performance affects employee morale, increases our costs, reduces productivity and damages our reputation	3 	<ul style="list-style-type: none"> > No fatalities > Reduce our injury frequency rates > Effective leadership at all levels 	<ul style="list-style-type: none"> > One million fatality-free shifts by 15 August 2014 > Sadly, there were two fatal accidents in October 2014 > 79kt (11% lower than in 2013) of production lost to safety stoppages 	<ul style="list-style-type: none"> > Fatal injury frequency rate* > Lost time injury frequency rate* > Serious injury frequency rate > Injury-free days* > Tonnes of production lost to safety stoppages > Maturity level <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Road to resilience > Zero harm > Improving our understanding of the role human behaviour plays in our safety performance </div>	Trade unions and employees: <ul style="list-style-type: none"> > Health and safety Investor community: <ul style="list-style-type: none"> > Good safety record Government, regulators and industry bodies (DMR): <ul style="list-style-type: none"> > Compliance with Mine Health and Safety Act and any relevant regulations Communities: <ul style="list-style-type: none"> > Safety of family members employed by RBPlat

* These key performance indicators have been assured (See the assurance statement on page 187)



See our safety material issues on pages 110 to 111 and the health and wellness issues on pages 112 to 113 of this report for further details.



Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
HEALTH AND WELLNESS OF OUR EMPLOYEES 	A healthy workforce is important to our business because it means that our employees are fit to work at their full potential and absences due to sickness are reduced	3 <div>We are able to have some influence on the impact of this risk</div>	<ul style="list-style-type: none"> > All contract workers on a medical aid > No new cases of any occupational illness or diseases > No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure at RBPlat operations > Introduce wellness peer educators > Intensive education, motivation and support of employees to decrease the HIV incident rate (new infections) > Achieve early detection using innovative TB detector methods 	 <ul style="list-style-type: none"> > The majority of our volume contract workers are members of a medical aid > Two cases of occupational illness > 24 new cases of noise-induced hearing loss (NIHL) > We trained 185 peer educators > HIV incidence rate of 4.6 > TB incidence rate of 805/100 000 > Introduced immediate gene export TB test (Refer to page 120 in safety, health and wellness for details) 	<ul style="list-style-type: none"> > All contract workers on a medical aid > No new cases of any occupational illness or diseases > No new NIHL cases, greater than 10% loss of hearing* > Wellness peer educators working in operations > HIV incidence rate > TB incidence rate* > Absenteeism rate for enrolled employees* <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > All contractors to be on a preferred medical aid scheme > More wellness campaigns to assist our enrolled employees and contract workers > No new cases of occupational illness or diseases > Increase number of wellness peer educators > Further reduce HIV incidence rate > Reduce TB incidence rate </div>	Trade unions and employees: <ul style="list-style-type: none"> > Employee health and wellness Investor community: <ul style="list-style-type: none"> > Healthy productive workforce with low absenteeism rate Government, regulators and industry bodies (DMR): <ul style="list-style-type: none"> > Compliance with Mine Health and Safety Act
OPERATING COSTS 	Essential to contain costs as they affect the profitability of the business	4 <div>We are able to influence the impact of this risk</div>	<ul style="list-style-type: none"> > Enhance operational efficiency and manage costs in all areas over which we have control > Utilise the increased immediately stopable reserves (IMS) to leverage increased productivity > Optimal labour force to achieve production targets 	<ul style="list-style-type: none"> > R957 per tonne milled (4% increase) > R8 040 per 4E ounce (7% increase) > R12 463 per platinum ounce (8% increase) 	<ul style="list-style-type: none"> > Rand per tonne milled (operational efficiency) > Rand per 4E ounce (extracted efficiency) > Rand per platinum ounce <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Continue to enhance operational and extracted efficiency and manage costs over which we have control > Maintain optimal labour force > Harness innovation and technology to constantly improve the way in which our mines are developed and operated </div>	Investor community: <ul style="list-style-type: none"> > Sustainability > Potential for future returns Suppliers and customers: <ul style="list-style-type: none"> > HDSA procurement requirements > Payment terms > Contract terms Business and joint venture partners: <ul style="list-style-type: none"> > Financial returns > Sustainability

* These key performance indicators have been assured (See the assurance statement on page 187)





 See our safety, health and wellness material issues on pages 110 to 111 and the Health and wellness issues on pages 112 to 113 of this report for further details.



Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
MINEABLE RESERVES AVAILABLE ON A SUSTAINABLE BASIS 	We need the flexibility available to us in our BRPM operations that allows us to adapt to changes in the economic environment, i.e. we need to be able to quickly change our mining approach to suit the economic climate. The ability to do so will allow us to achieve the revenue from BRPM that we need to fund our organic growth through the development of Styldrift I and the progressing of Styldrift II through the necessary study phases	(12) We are able to influence the impact of this risk	> Reserves available to support planned production rate	> Achieved key targets of IMA of 22.5 months > IMS for 8.5 months > DOR for 14 months	> IMA > IMS > DOR OUR FOCUS FOR 2015 > Continue to ensure we have reserves available to support our planned rates of production	Government, regulators and industry bodies (DMR): > Mining rights > Compliance with SAMREC Code Investor community: > Possible impact on production which in turn could affect revenue
LIFE OF MINE STRATEGY 	We need to maximise the commercial strength of our operations to ensure their long-term profitability	(5) We are able to influence the impact of this risk	> Maximise ounce production by maintaining current grade and optimising mill throughput > Implement new concentrator strategy and optimise long-term extraction strategy > BRPM South shaft UG2 trial mining remains a vital part of the equation	> Achieved a sustained UG2 face grade of 4.6g/t (4E) and a delivered grade of between 3.6 and 3.8g/t > Merensky production increased by 1% year-on-year	> Face and delivered grade > Establish sustainable UG2 ore reserves to match the depletion of Merensky OUR FOCUS FOR 2015 > Continue to maximise ounce production > Implement long-term extraction strategy > Continue with UG2 trial mining at South shaft	Investor community: > Potential for future returns > Sustainability > Risk management Business and joint venture partners: > Financial returns > Sustainability Employees and unions: > Communication around changes in strategy that could impact employees Government, regulators and industry bodies: > Taxes and state royalties > Possible safety and environmental impacts








Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence Build flexibility Grow organically Pursue value enhancing opportunities						
STAKEHOLDER ENGAGEMENT AND RESPONSIVENESS 	<p>Our ability to build up a stock of relationship capital depends on how effectively we can engage and respond to our stakeholders. It can affect every aspect of our business from our social licence to operate, employee relations, trade union relations, shareholder support, funding and our ability to achieve long-term sustainability through organic growth and value enhancing opportunities</p>	<p>1</p> <p>We are able to influence the impact of this risk</p>	<ul style="list-style-type: none"> > Engaging with employees > Engaging with the union to conclude a new wage agreement > Engaging and responding to the investor community > Implementation of stakeholder engagement framework > Establishing a corporate affairs office > Local community engagement, impact assessments and development programmes 	<ul style="list-style-type: none"> > We believe that our ability to effectively engage with our employees and the union facilitated the successful conclusion of our new long-term wage agreement, without any labour unrest > We also believe that if we had not communicated effectively with our shareholders we would not have achieved the strong support they gave our capital raising efforts this year > The process of implementing our stakeholder engagement framework started this year with a number of additions to the work already being completed and will continue in the coming years > We have addressed our communication challenges, successes and disappointments in each capital section of this report 	<ul style="list-style-type: none"> > Long-term wage agreement in place > Successful capital raising for Styldrift I project completion > Stakeholder engagement framework rolled out <div> <p>OUR FOCUS FOR 2015</p> <p>Continue to strengthen our relationships with employees, unions and communities to reduce the likelihood of operational disruptions through our ongoing employee communication programme and our regular interaction with the unions and the communities</p> <p>Leadership conflict in our doorstep communities made it difficult for us to engage with them during 2014. We plan to offer a training programme to strengthen leadership skills in these communities</p> </div>	<p>Our engagement with our stakeholders and the issues they wish us to engage with them on are set out on pages 136 to 137 of the Social and relationship capital section</p>
Towards operational excellence						
IMPLEMENTATION OF OUR SOCIAL AND LABOUR PLANS (SLPs) 	<p>We believe it is our purpose to create economic value for all our stakeholders, including the communities in which we operate. Implementing our SLPs and going beyond our SLP commitments allows us to create economic value and stability for our communities</p> <p>Implementing our SLPs is also important in terms of complying with the requirement of the Mining Charter and ensuring we retain our social licence to operate</p>	<p>7</p> <p>We are able to influence the impact of this risk</p>	<ul style="list-style-type: none"> > Finalising our existing SLPs and preparing SLPs for BRPM and Styldrift I for the next five years 	<ul style="list-style-type: none"> > We completed and exceeded our commitments in terms of our SLPs covering the period 2010 – 2014 > Our SLPs for the period 2015 – 2020 have been submitted to the Department: Mineral Resources (DMR) and we await its approval of these plans 	<ul style="list-style-type: none"> > Total SLP expenditure* > % of discretionary procurement spend on HDSA suppliers in accordance with the Mining Charter targets* > Total number of employees, contractors and community members that received part time ABET* > Women at mining* > Employment – 40% of HDSA managers in core and support functions* > Number of employees trained in terms of SLP commitments* <div> <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Rolling out our new SLPs </div>	<p>Communities:</p> <ul style="list-style-type: none"> > Local procurement > Portable skills development > Employment opportunities > Infrastructure development > Enterprise development > Education support > Poverty alleviation > Stakeholder responsiveness <p>Investor community:</p> <ul style="list-style-type: none"> > Good governance > Social licence to operate <p>Government, regulators and industry bodies (DMR):</p> <ul style="list-style-type: none"> > Compliance with Mining Charter

* These key performance indicators have been assured (See the assurance statement on page 187)


Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
GLOBAL ECONOMIC AND MARKET CONDITIONS 	<p>We cannot influence the global economic and market conditions in which we operate, however, they can positively or negatively impact our earnings in terms of global demand for the PGMs and base metals we produce. Currency fluctuations also impact our earnings positively and negatively. Our ability to predict possible global economic and market conditions in the short, medium and long term helps us manage our business accordingly and take action to reduce any possible negative impact</p>	<p>(6)</p> <p>We are able to have some influence on the impact of this risk</p>	<ul style="list-style-type: none"> > Optimise our long-term business strategy/profitability > Cost containment 	<ul style="list-style-type: none"> > Profitable in a challenging environment > Costs contained below mining inflation 	<ul style="list-style-type: none"> > Manage our cash flow to ensure we are able to fund our business and achieve our strategic objectives <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to take action to reduce any possible negative impacts > Use ability to predict economic and market conditions to help us manage our business 	<p>Investor community:</p> <ul style="list-style-type: none"> > Market outlook <p>Business and joint venture partners:</p> <ul style="list-style-type: none"> > Financial returns > Sustainability
ESTABLISHING SUITABLE REMUNERATION AND REWARD STRUCTURES LINKED TO PERFORMANCE THAT ARE ACCEPTABLE TO OUR EMPLOYEES AND OUR INVESTORS 	<p>To retain skilled employees we need to ensure they are suitably rewarded. To encourage excellence we also need to ensure our employee rewards are linked to clearly defined performance measures. The disclosure of the remuneration of executives and in particular disclosure of how they have been rewarded against their performance is an important issue for investors. In the past some investors have not been satisfied with our levels of disclosure and we aim to rectify this</p>	<p>(10)</p> <p>We are able to influence the impact of this risk</p>	<ul style="list-style-type: none"> > Implement management incentive programme agreed in 2013 > Conclude new wage agreement with productivity incentives 	<ul style="list-style-type: none"> > See page 186 of the Remuneration section of this report for details of the impact of the incentive programme we implemented 	<ul style="list-style-type: none"> > Suitable remuneration and reward structures linked to performance <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Continue to monitor the effectiveness of our incentive programmes 	<p>Trade unions and employees:</p> <ul style="list-style-type: none"> > Remuneration, incentives and benefits > Career opportunities <p>Investor community:</p> <ul style="list-style-type: none"> > Talent retention > Potential for future returns > Sustainability > Risk management > Remuneration and reward structures
Towards operational excellence Organic growth						
ABILITY TO DELIVER PROJECTS ON TIME AND WITHIN BUDGET 	<p>If we are unable to complete a project on time it will have a negative impact on our reputation, costs, future revenues and our ability to achieve operational excellence and organic growth. It could also impact on our ability to fund projects in the future</p>	<p>(2)</p> <p>We are able to influence the impact of this risk</p>	<ul style="list-style-type: none"> > Styldrift I project execution > BRPM Phase I concentrator upgrade > Styldrift II project studies > BRPM capital projects 	 <ul style="list-style-type: none"> > Six months behind schedule > BRPM Phase I concentrator upgrade on track > Styldrift II project studies on track > On time and within budget 	<ul style="list-style-type: none"> > Capital spend > Measuring ourselves against our project schedule > Earned value** <p>OUR FOCUS FOR 2015</p> <ul style="list-style-type: none"> > Styldrift I project execution > BRPM Phase I concentrator upgrade > Styldrift II project pre-feasibility study completion > BRPM capital projects, Phase III in particular 	<p>Investor community:</p> <ul style="list-style-type: none"> > Project progress and funding <p>Providers of debt:</p> <ul style="list-style-type: none"> > Ability to repay borrowings > Risk management <p>Communities:</p> <ul style="list-style-type: none"> > Employment opportunities > Infrastructure development > Enterprise development > Education support > Poverty alleviation > Skills development





** Earned value is the cost for actual work performed minus the budgeted cost for the work performed

 See pages 88 to 90 of Manufactured capital for more details.

Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
AVAILABILITY OF ADEQUATE AND APPROPRIATE SKILLS 	Without the appropriate skills we need we will not be able to achieve our production targets	 	<ul style="list-style-type: none"> > Implement our employee development training > Continue with the upskilling of our workforce and community members > Retention strategy for artisans > Skills audit to assess potential of BRPM employees for upskilling to mechanised mining > Development of mechanised mining skills among local community members to meet Styldrift I requirements 	<ul style="list-style-type: none"> > Employee development training implemented > See page 108 of the Training and development section for information on the upskilling we achieved during 2014 > Total voluntary turnover of 2.88% > 98 community members received year-on-year mechanised mining training 	<ul style="list-style-type: none"> > Skilled employee turnover by category* > Total employee training spend as a percentage of payroll* <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Increase proactive training initiatives using team behaviour analysis to anticipate where training is required </div>	Unions and employees: <ul style="list-style-type: none"> > Career opportunities > Employment equity > Skills development Communities: <ul style="list-style-type: none"> > Employment opportunities > Portable skills development
Towards operational excellence Build flexibility Grow organically Pursue value enhancing opportunities						
AVAILABILITY OF UTILITIES 	Without water and electricity, the two key utilities we rely on, we would not be able to operate	 	<ul style="list-style-type: none"> > Ensure we have access to sufficient electricity > Continue to implement energy efficiency projects > Ensure we have access to the water we require to operate > Implement measures to make our water use more efficient > Construction of water treatment plant which will reduce our reliance on Magalies Water 	 <ul style="list-style-type: none"> > We have secured an adequate power supply for the construction phase of the Styldrift I project > Contingencies in place to manage the impact of power failures > Water treatment plant under construction and due for commissioning in first quarter 2015 	<ul style="list-style-type: none"> > Energy consumption* > Scope1 and 2 emissions* > Total water consumed* <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Define power supply requirements for Styldrift I > Seek out new opportunities to increase our energy efficiency > Reduce use of Magalies Water at BRPM by using water processed by treatment plant in BRPM concentrator > Complete Phase I of water treatment plant </div>	Suppliers: <ul style="list-style-type: none"> > Contract terms (Eskom and Magalies Water) Investor community: <ul style="list-style-type: none"> > Uncertainty around power supply for Styldrift I ramp-up

* These key performance indicators have been assured (See the assurance statement on page 187)

 See the Natural capital section of this report on pages 151 to 152 for more information on our contingency plans for electricity.

Material issue in 2014	Why it is important to RBPlat	Inherent risk ranking	Our focus in 2014	What we achieved in 2014	Key performance indicators against which we measured our performance	Our stakeholders and their expectations
Towards operational excellence						
MANAGING THE IMPACTS OF OUR SUPPLY CHAIN 	The efficient and effective management of our supply chain can have a considerable impact on reducing costs and increasing our operational efficiency	4 	<ul style="list-style-type: none"> > Meeting our Mining Charter HDSA procurement targets while containing costs > Finalisation of contract for contract mining for Styldrift I > Lead time items for expansion of concentrator plant > Equipping of Styldrift I and delivery of its fleet > Enterprise development for small, medium and micro enterprises (SMMEs) and in particular HDSA SMME suppliers 	<ul style="list-style-type: none"> > Achieved and exceeded as per the Mining Charter targets > In principle agreement in place for contract mining > Lead time items on track > Delivery of fleet on track in accordance with the revised schedule > Appointment of Enterprise Development Manager to drive HDSA SMME development 	<ul style="list-style-type: none"> > Discretionary procurement spend on HDSA suppliers* > Inventory management > Minimisation of absolute stock > Optimisation of cash flow <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Meeting Mining Charter HDSA procurement targets > Inventory management to optimise cash flow and minimise stock on hand > Increased focus on enterprise development for SMMEs and in particular HDSA suppliers </div>	Suppliers: <ul style="list-style-type: none"> > Discretionary procurement from HDSA suppliers > Contract terms > Payment terms Investor community: <ul style="list-style-type: none"> > Ability to contain costs
ENVIRONMENTAL AND CLIMATE CHANGE MANAGEMENT 	It is important that we manage the significant environmental impacts of our operations to ensure we continually improve our environmental performance and comply with all relevant environmental legislation. It is also important that we assess the possible impacts of climate change on our organisation including its financial implications, which include the possible impact of a carbon tax	(11) 	<ul style="list-style-type: none"> > Reduce our carbon intensity per 4E ounces in concentrate > Comply with relevant environmental legislation > Implement environmental strategy > Retain ISO 14001 certification 	<ul style="list-style-type: none"> > Refer to Natural capital section on page 150 for our performance in this regard > We complied with all environmental legislation in 2014 and addressed three environmental contraventions following a DMR inspection > A Section 93 notice in terms of the MPRDA was issued by DMR for Styldrift I > We submitted amendments to our water use licences (both Styldrift I and BRPM) to Department: Water Affairs and Sanitation, and await approvals > Continued implementing the environmental strategy which is part of our SHE strategy > Retained ISO 14001 certification for BRPM > Best Performer on the JSE SRI Index in 2014 	<ul style="list-style-type: none"> > No instructions from authorities to rectify environmental and legal non-compliance > Reduction in intensity of our Scope 1 and 2 emissions <div> OUR FOCUS FOR 2015 <ul style="list-style-type: none"> > Investigate target setting in line with business strategy > Comply with environmental legislation > Obtain ISO 14001 certification for Styldrift and maintain certification for BRPM > Obtain environmental authorisations for environmental impact assessments, water use licences and environmental management programme amendments submitted to the authorities </div>	Government, regulators and industry bodies (DMR, DEA, DWA): <ul style="list-style-type: none"> > Regulatory compliance > Water use licences > Environmental authorisations > Climate change Communities: <ul style="list-style-type: none"> > Environmental pollution > Public participation Investor community: <ul style="list-style-type: none"> > Responsible mining > Company qualifies as a constituent of the JSE SRI Index

* These key performance indicators have been assured (See the assurance statement on page 187)

> OUR APPROACH TO RISK MANAGEMENT

RBPlat views risk not only as a threat or uncertainty, but also as an opportunity to grow and develop the business within the context of our strategy and risk appetite.

The underlying premise of the RBPlat risk management philosophy is a thorough understanding of its risk exposures in order to ensure that management and the Board are appropriately informed to take strategic decisions in the interests of shareholders and other stakeholders. The risk management system, policies and processes are being embedded within the organisational culture and are consistent with our long-term strategy.

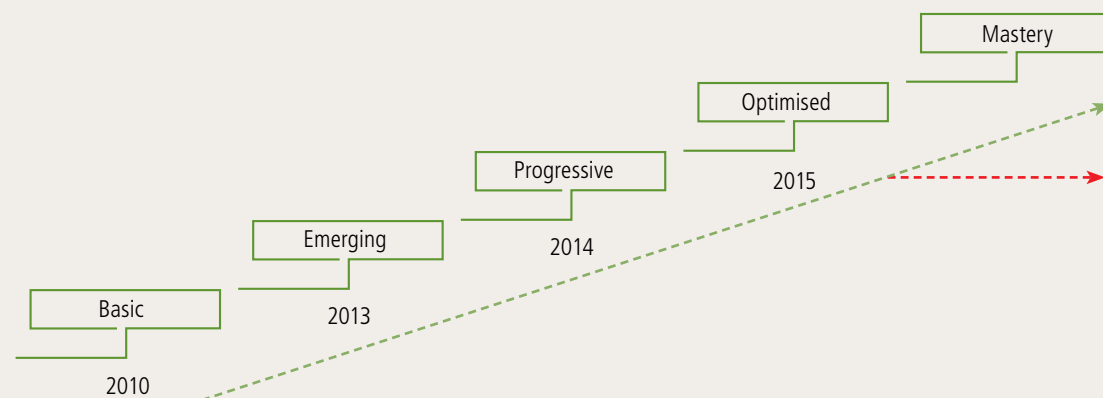
RBPlat's risk management vision outcomes:

- > Governance of risk is driven from the top, risk management, however, is driven bottom up
- > We have a comprehensive understanding of the risks we face as a business
- > We are confident in our selection of which risks to adopt and how to manage them
- > Our risk management strategy aims to meet all internal and external stakeholder requirements
- > We consistently apply risk management techniques to generate value
- > Effective risk management is an intrinsic part of our day-to-day activities. It enhances the quality of our strategic, capital allocation and day-to-day business decisions
- > Remuneration and incentives take into account the extent to which risk exposures are linked with performance and whether these risk exposures comply with the agreed risk appetite.

RBPlat's risk management maturity journey

RBPlat adopted an enterprise risk management (ERM) maturity model to track its progress from the basic risk management process in 2010 when the company started, to an optimised risk management process which will drive its business strategy. While this is a long-term process and substantial effort is required to move between each ERM maturity stage, RBPlat is committed to achieve a state of "Optimised" by the end of 2015, which will not only ensure improved ERM practices but it will also bring RBPlat in line with best practice. The achievement of this level of ERM maturity will ensure that all risk categories at RBPlat reach the same level of maturity, including the SHE risk management process, and fully align risk management across the Company. ERM is a dynamic concept and our ERM framework will require constant revisiting and updating to meet RBPlat's strategic objectives, the needs of industry and regulation. Our ERM framework will certainly evolve as RBPlat's management of risk matures. The maturity model is displayed below.

RBPlat's risk management maturity journey

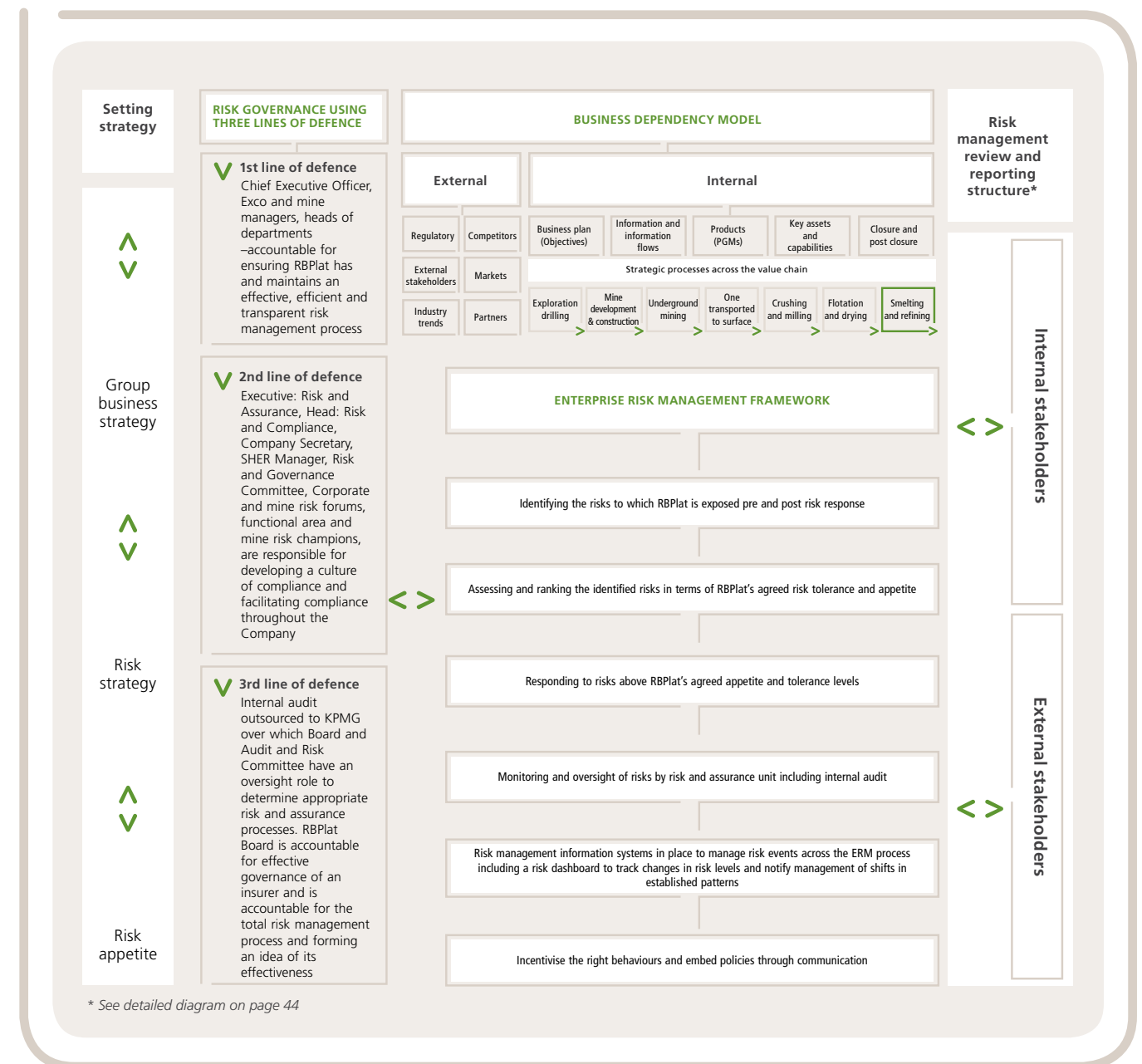


Enterprise risk management (ERM) framework

Our ERM strategy, framework and policy are closely aligned with RBPlat's business strategy and business plan. The aim of the ERM framework is to:

- > provide a structure within which management can operate to enforce the proactive ERM process
- > inculcate a risk management culture throughout RBPlat and its mining operations
- > further ensure that the risk management efforts of RBPlat are optimised.

The aim of the framework is also to embed the culture and practice of risk management in our day-to-day business activities by aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the uncertainties RBPlat faces in creating stakeholder value.



* See detailed diagram on page 44

An integrated approach

The RBPlat ERM framework allows for risk-based decision making and provides a streamlined process for evaluating risks and opportunities within the business. Across our business, value is managed on an enterprise-wide and integrated basis. The risks arising from the business activities that create this value are also managed in an integrated manner across the Company.

A detailed three-year risk management plan, which is reviewed annually but reported on quarterly to the Board, forms the basis of our risk management and assurance activities and focus. It allows us to actively manage risk and ensure it becomes an integral part of RBPlat's business culture. At the same time it reviews our risks at strategic and operational level and focuses specifically on the implementation of our risk response plans.

Strategy context setting (business dependencies)

We developed a business dependency model, which highlights RBPlat's dependencies, critical parts of our business value chain and our vulnerabilities and provides the context for our assessment of risk. Establishing the context also defines the basic parameters for managing risk and sets the scope and criteria for the rest of the risk process. We arrive at the model by first establishing what externally or internally may influence the setting or achievement of our objectives and how it impacts our stakeholders. The external context is anything outside RBPlat which may influence the setting or achievement of our objectives. It is based on a Company-wide view and includes regulatory, political, legal, financial and economic aspects and also considers competition, stakeholders' expectations, industry trends, business partners and strategic alliances. The internal context is anything within RBPlat that may influence the way in which we will manage risk. It includes RBPlat's business objectives and plans, information flows, key assets and capabilities, product mix, skills and other strategic and operational processes across the business.

The ERM process

The nature of mining is uncertainty, which presents both risk and opportunity, with the potential to erode or enhance value. The challenge for RBPlat executive management is to determine how much risk to accept in the achievement of our business objectives.

The key driver of our risk process is active management of risks within the span of control for decision making at both operational and strategic level. Risk assessments are performed annually at Group (RBPlat), operational (mines and concentrator), departmental (operational and functional) and project level. We also review and track risk responses on a quarterly and monthly basis.

This is in addition to the operational risk assessments that are carried out within the safety, health and environment (SHE) portfolio. Risk assessment workshops and interviews are conducted with multi-disciplinary teams, including the relevant executive or departmental head, line management, technical and functional specialists and support functions. Risks are owned by the various executives and/or departmental heads and are actively managed through the normal management processes, rather than as a separate risk process.

Control owners are allocated to ensure that control effectiveness is enhanced, or new controls or risk responses are implemented.

The risks we identify through our various risk assessment processes form part of our stakeholder material issue identification process and they are also related to RBPlat's business strategy. In turn, the outcome of the stakeholder material issue identification process feeds into the risk process to ensure that risks related to stakeholder material issues are integrated with the risk management process.

Monthly mine business review meetings are used to gain feedback from mine managers and departmental heads on the risk profiles and registers and to ensure that they are aligned with the mine's operational and financial performance. The risk and assurance

unit helps departments actively manage their risks by tracking their implementation of risk response plans, the findings of internal audit and the facilitating of risk assessments.

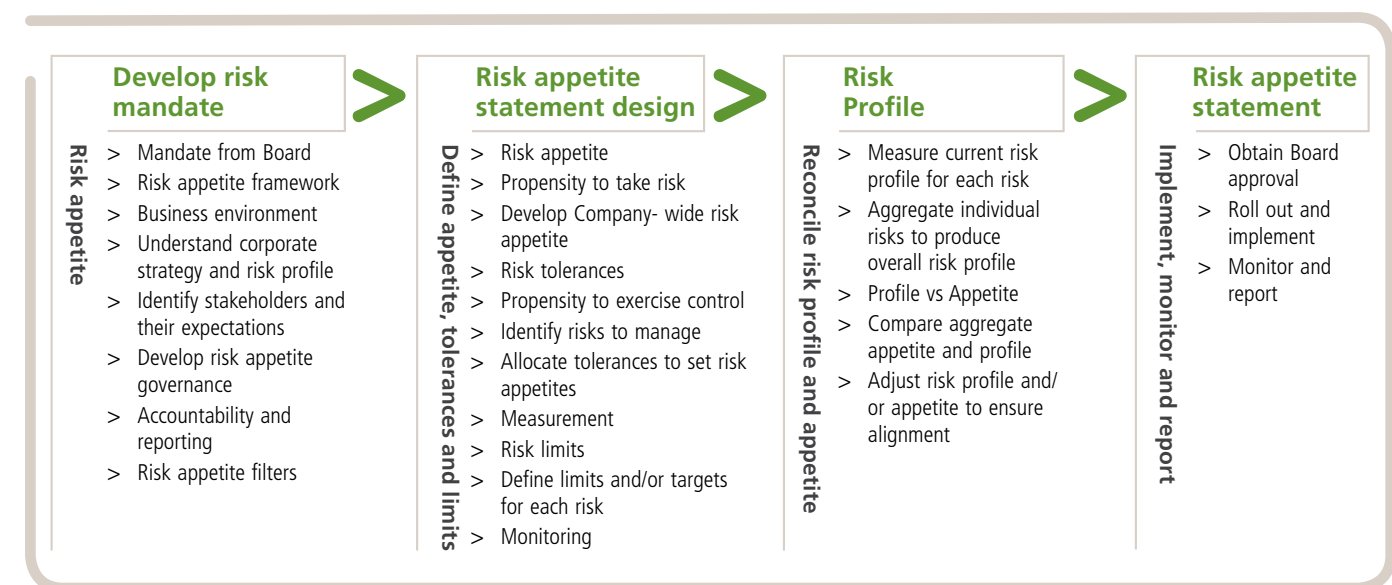
The strategic and business risk profiles developed from the above processes are reported to the Executive Committee and the Audit and Risk Committee every quarter.

Our approach to risk appetite and risk tolerances

The RBPlat Board's ultimate responsibility for risk management includes the development of RBPlat's risk appetite and setting and monitoring of risk tolerance.

Our approach to constructing RBPlat's risk appetite considers RBPlat's business drivers (risk profile), shareholders'

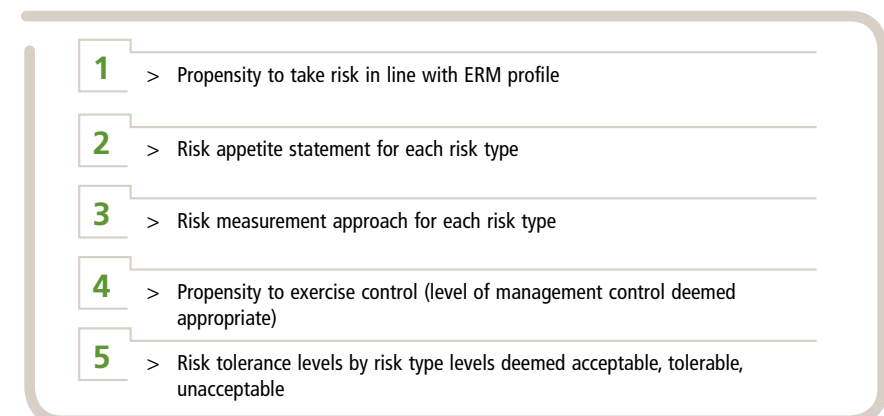
expectations and regulatory/rating agency expectations when developing the risk appetite statement.



Risk appetite statement design

Our risk appetite statement is designed to ensure the RBPlat Group includes risk factors in any major strategic or tactical decision and to ask the question: "Is this course of action compatible with our risk appetite?"

The business plan, budgets (operational and capital) and the authority limits manual are used as a base to determine appetite and tolerance levels.



Our risk management review process and reporting structure

- Risks are reported to various governance structures including the:
- > Board (annually and Audit and Risk Committee quarterly feedback to the Board)
 - > Board Audit and Risk Committee (quarterly)
 - > Executive Committee (quarterly and ad hoc when required)
 - > Business performance review meetings (monthly)
 - > All other stakeholders through our Integrated report.

Operational risks are reviewed by the relevant responsible person and are reported to various forums/committees as per our ERM framework. Functional risk and project risks are also reported to the specific governance structures responsible for its performance.

The Executive: Risk and Assurance, supported by the Head: Risk and Compliance, is responsible for the ongoing reporting on risks and the risk management process to the various stakeholders.

Risk escalation processes are in place to ensure risks are reported and communicated within normal reporting cycles and on an ad hoc basis to address matters of particular urgency.

Our risk management review process and reporting structure

COMMUNICATION AND REPORTING

✓ Board

- > Audit and Risk Committee

✓ Executive Committee

- > Functional and operational executives
- > Executive: Risk and Assurance

✓ Business review forum

- > Mine managers
- > Mine heads of departments

✓ Strategic/corporate risk profile

- > Approve ERM framework
- > Confirm strategic risk profile
- > Set risk appetite
- > Determine risk tolerance
- > Monitor progress on risk
- > Track performance against risk tolerances
- > Review effectiveness of risk assessment process
- > Assess insurance portfolio for adequacy
- > Provide oversight for the combined assurance plan

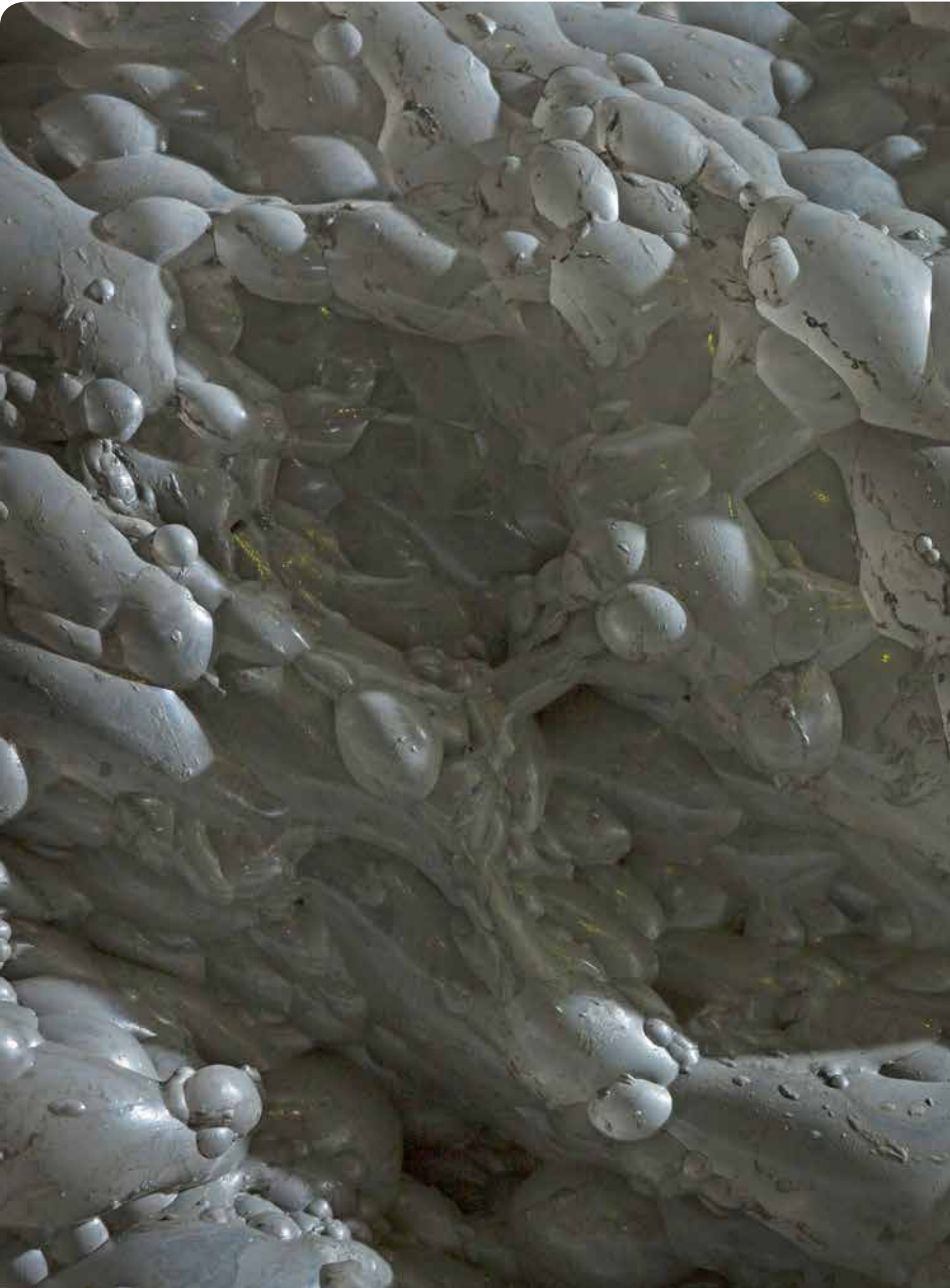
✓ Corporate risk profile

- > Develop risk management plans and methodologies
- > Determine and review corporate risk profile
- > Consolidate mine specific and functional risk profiles
- > Monitor risk tolerance level adherence and set appropriate risk limits
- > Monitor progress on risk management plan and response plans
- > Stakeholder risk reporting and monitoring

✓ Mine specific risk profiles

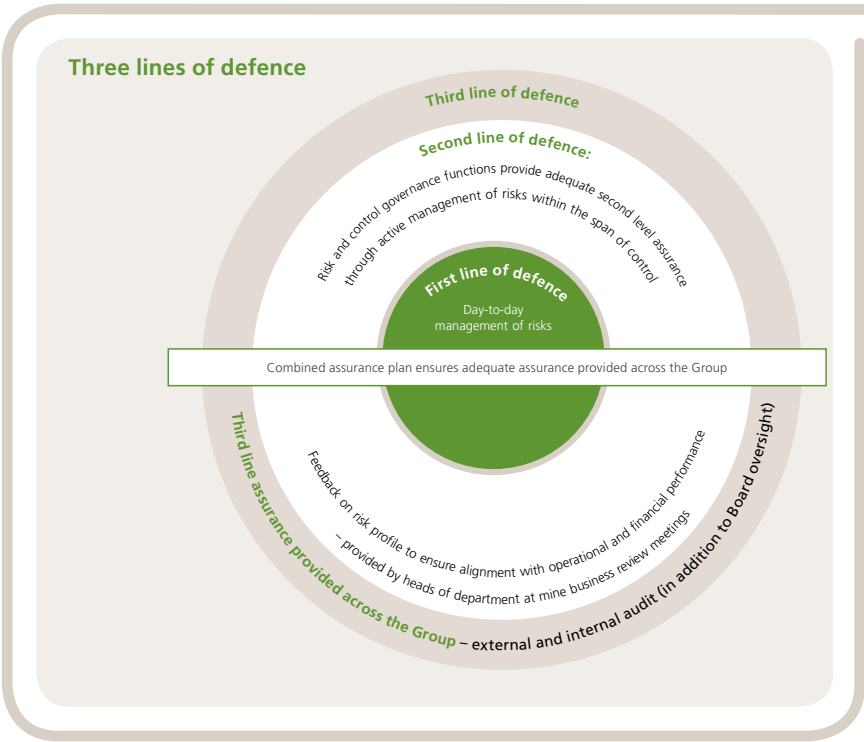
- > Determine mine specific risk registers and profiles
- > Departmental/sectional and functional risk assessments
- > Monitoring of risk response plans
- > Set and measure risk limits at mine level
- > Operate within approved risk tolerance
- > SHE risk reporting
- > Compliance monitoring
- > Detailed risk assessments (issue based/change, etc)
- > General risk awareness

The froth produced as part of the flotation process in the RBPlat concentrator



Three lines of defence model

In line with global best practice our three lines of defence model is also incorporated into our risk management processes. It plays an important part in ensuring our risk management is effective and that we maintain a high standard of risk governance. The heart of the RBPlat risk management philosophy and activity, as well as responsibility for internal controls, is entrusted to the first line of defence, which primarily includes line management and certain functional management areas. The second line of defence includes the risk and assurance unit, complemented by the operational risk management function residing in the SHER Department at mine level, as well as other shared services and head office functions like supply chain management, finance, etc. The third level of defence is primarily the Board, Audit and Risk Committee and other Board sub-committees, external audit and the outsourced internal audit function.



Combined assurance

RBPlat adopted the combined assurance plan approach to ensure that adequate assurance is provided across the Group and to prevent gaps or duplication in assurance efforts. The Risk and Assurance unit is responsible for drafting the combined assurance plan in consultation with functional and operational management and the outsourced internal audit service provider. The outcomes of all assurance activities are compiled in an audit tracking tool and progress on the recommendations is tracked monthly and reported to the Audit and Risk Committee every quarter.

Assurance matrix

Area assured	Independent assurance providers	Work done	Outcome	Framework/standard	Frequency
Annual financial statements	> External audit (PwC)	> Annual audit	> External audit opinion	> IFRS > Companies Act > International Standards on Auditing (ISA)	> Annual
Review of internal controls and risk management	> Internal audit (KPMG)	> Internal audit provides assurance on RBPlat's ERM	> Internal audit opinion	> IFC review	> Annual
Internal financial controls	> Internal audit (KPMG)	> Assurance on the effectiveness of our organisational control environment	> Internal audit opinion	> ISO 31000 standards relating to risk management > King III	> Annual
Mineral resources and reserves	> MinCorp	> Audit of procedures applied to the estimation of mineral resources and reserves and confidence in the estimation	> Audit opinion	> SAMREC code (2009)	> Biennial
Safety, health and environment	> DQS > LWTR Consulting > Green Giant Consulting > Routledge Modise Inc > Middindi Consulting > Open House Management Services	> Annual certification > BRPM safety audit (Section 54 stoppages and self-imposed stoppages) > Environmental legal audit > Safety and health legal audit > Mine design major excavations and rock engineering audits	> BRPM recertified > BRPM recertified > Certification for both BRPM and Styldrift I	> ISO 14001 standards relating to environment and quality > ISO 9001 standards relating to quality management > OHSAS 18001 Occupational health and safety assessment certification	> Annual > Biennial > Biennial
Sustainability (integrated report)	> Gilden Assurance (Pty) Ltd (Independent third party assurance provider)	> Opinion on selected sustainability key performance indicators > AA1000 Accountability Principles application	> Assurance statement	> AA1000AS	> Annual

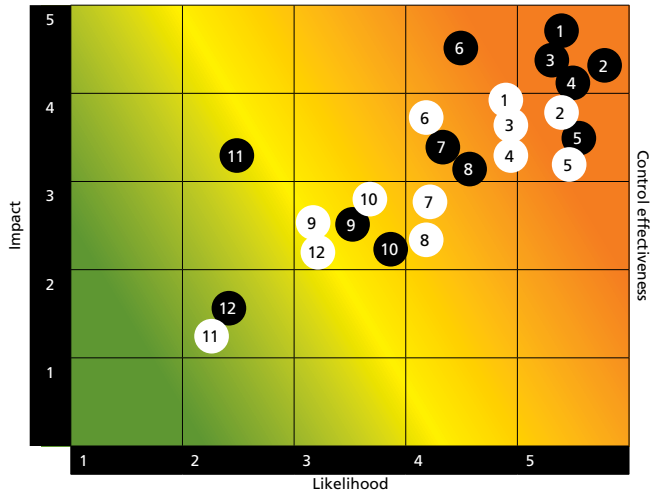
RBPLAT'S TOP RISKS

Strategic risk profile

Risks related to the business strategy and material issues

The ERM approach we have adopted at RBPlat provides us with an integrated approach to the management of our business risks within a complex and ever-changing environment. The following risk profile provides detail of the key strategic risks and responses related to our business strategy and plan, as well as its relation to our stakeholders' material issues. It also provides a summary of the key business risks affecting our main operations.

RBPlat's strategic risk profile



Inherent risk ranking	Risk description*	Residual risk ranking
1	Potential breakdown in stakeholder engagement and responsiveness	2
2	Inability to deliver on time and fund projects within, budget especially the Styldrift I project	1
3	Inadequate safety performance	4
4	Potential for operating costs to escalate	3
5	Operational exposures due to poor performance against life of mine strategy	5
6	Global economic and market conditions	7
7	Failure to implement our social and labour plans (SLPs)	8
8	Inability to provide employee home ownership	6
9	Lack of availability of utilities	10
10	Failure to have available adequate and appropriate skills	9
11	Our environmental and climate change management could result in non-compliance with key legislation	12
12	Insufficient mineable reserves available on a sustainable basis	11
Legend ● Inherent risk ○ Residual risk		

* Detail on pages 48 to 51






Inherent risk ranking	Risk description
1	Production losses related to Section 54s and other safety-related stoppages due to incidents and intensified investigations and MSHA enforcement by the DMR could negatively impact our revenue
2	Failure to attract and retain adequate and appropriate skills due to unsuitable remuneration and reward structures could negatively impact on BRPM achieving its business plan
3	Potential industrial action could negatively impact on BRPM's operations and its ability to achieve its business plan
4	Inadequate South shaft UG2 profitability could negatively impact on BRPM achieving its business plan
5	Regulatory change to enforce wage and benefits parity between contactors and enrolled employees could negatively impact on profitability and/or life of mine plan









RBPlat's concentrator top five inherent risks

Inherent risk ranking	Risk description
1	Insufficient Merensky ore for processing resulting in plant stoppages, elevated levels of wear and tear, instability to existing maintenance strategies and an increase in unit cost
2	Project construction schedule interface with normal concentrator plant operations could cause project delays and/or production stoppages
3	Insufficient Styldrift I material could have major impact on RBPlat profitability
4	Failure of the Larox filter could lead to production stoppages and resultant negative impact on revenue
5	Failure to secure the required labour (with the required skills) for the 100ktpm concentrator could impact efficiencies

Styldrift I's top five inherent risks

Inherent risk ranking	Risk description
1	Inability to deliver on the specific milestones in line with the project schedule leading to further project delays
2	Contractors' adverse financial position could negatively impact funding model and cash flow
3	Potential cost overruns on the project could negatively impact funding model and cash flow
4	Inability to process ore as a result of the concentrator and/or overland conveyor not being ready on time would negatively impact cash flow and life of mine
5	Insufficient power available for ramping up to steady state production

				Residual risk		Inherent risk	
Stock of capitals and the pillars of our strategy that could be affected	Increase/decrease in inherent risk ranking	Risk description, root cause and potential impact	Response to risk	2014	2014	2013	2012
Towards operational excellence							
	▲	Inability to deliver on time and fund projects within budget, especially the Styldrift I project , could negatively impact on future revenue, costs and reputation	Effective project management capability has been developed and adequate governance and financial management structures are in place Continue developing Styldrift I operational readiness. Capacitate site management with appropriate resources, systems and strategic partnerships > Engage ramp-up contractor to commence with technical scope alignment > Customisation of human resource, supply chain, mineral resource management, IT, engineering and security systems Put measures in place to mitigate the risk around the non-performance of key contractors	(1)	(2)	(6)	(8)
Grow organically							
	=	Potential breakdown in stakeholder engagement and responsiveness could lead to breakdown in stakeholder relationships and in particular a breakdown in labour and union stability that could lead to unprotected industrial action which could negatively impact on RBPlat's ability to meet its production and financial targets	Our stakeholder engagement framework was updated to ensure proactive management of stakeholder-related risks. An effective employee engagement model has been agreed with employee representative bodies and continuous engagement takes place. Current measures account for a long-term wage agreement which will regulate our enrolled labour issues until June 2020 Engagement with representative bodies regarding our contract workforce to align wage negotiation period with those of our enrolled employees over time are also intended to reduce the risk of industrial action RBPlat participates in industry initiatives to enhance relationships with all stakeholders. The Executive: Corporate Affairs manages stakeholder-related risk at strategic level in support of initiatives at our operations	(2)	(1)	(1)	(1)
Towards operational excellence							
	▼	Potential for operating costs to escalate to higher than planned levels (due to safety stoppages, higher staff costs, suppliers costs, etc) could impact on the Group's ability to fund projects from operational cash flows	We have focused on improving productivity and reducing costs across our operations and corporate office. Following a successful cost saving project in 2013 we focused on achieving further sustainable cost savings in 2014. The review of our supply chain management processes, and the changes we implemented to support cost saving initiatives in 2013 have been effective. We continued optimising our supply chain in 2014. Our implementation of activity-based accounting at shaft level has also assisted with the management of cost	(3)	(4)	(3)	(5)
	▲	Inadequate safety and health performance resulting in injuries and/or work stoppages due to Section 54s may impact on RBPlat's ability to meet production and financial targets. Poor health in our employees would result in our employees not being fit to work at their full potential and being absent due to sickness. This would impact on our productivity and profitability	We have adopted a zero harm philosophy and we are working to increase our maturity level on the road to resilience. We conducted extreme audits/internal shaft audits and have a safety strategy in place. We have introduced continuous evaluation teams to assess leadership and team safety performance and conduct immediate safety retraining where required. Improving understanding of the role that human error plays in injuries, accidents and incidents. All our employees (enrolled and contractors) have to undergo a medical examination before they can work on our mines. All employees returning from leave have to undergo a medical before returning to work. All our enrolled employees are on the Platinum Health medical aid and are able to access a wellness programme. Almost all our volume contractors were able to join a medical aid during 2014. We hope to arrange for all our volume contractors to become members of Platinum Health, which will allow us to monitor their wellness	(4)	(3)	(4)	(4)
	=	Operational exposures due to poor performance against life of mine strategy which could impact unit costs and operating profit	Maximising the commercial strength of our operations to ensure their long-term profitability through effective mine planning, production monitoring and reviewing processes. In addition, various processes are in place to manage operational risks, including safety, fire, environment and plant processes	(5)	(5)	(5)	(7)

				Residual risk		Inherent risk	
Stock of capitals and the pillars of our strategy that could be affected	Increase/decrease in inherent risk ranking	Risk description, root cause and potential impact	Response to risk	2014	2014	2013	2012
Towards operational excellence							
	▲	Inability to provide employee home ownership in line with the wage agreement commitments could lead to business interruptions due to strike action	A housing collective agreement formed part of the wage agreement which ended on 30 June 2014. Phase I of the employee home ownership scheme delivered 422 houses at Waterkloof Hill in 2014 and additional land has been secured for the construction of additional homes. RBPlat is negotiating affordable finance for home owners. To date 295 sales agreements have been signed by employees and 289 employees are now resident in the new three-bedroomed homes. We continue to consult with neighbouring mining companies regarding the potential for cooperating on specific housing projects to speed up delivery of housing to our employees	6	8	9	-
	▲	Global economic and market conditions could result in financial exposure due to a significant drop in PGM prices and/or strengthening of the rand	Focus has been on achieving cost reductions and maintaining a low cost base, by increasing operational efficiencies and production enhancements	7	6	10	3
	▼	Failure to implement our social and labour plans (SLPs) could lead to a negative impact on our mining licence and also community unrest as a result of unemployment and other socioeconomic issues which could also negatively impact RBPlat's reputation and affect us financially	The stakeholder engagement model we adopted as part of our sustainable development framework and policy is intended to assist with engagement around delivery of our SLP projects We have fulfilled and exceeded our commitments in terms of our SLPs covering the five-year period 2010 – 2014. This included submitting Section 102 applications because it was necessary to do so where projects had been changed for various reasons. We have now submitted our SLPs covering the next five-year period to the DMR and will commence work on these in 2015. We conducted a review of our SLP compliance and established a monitoring process to proactively manage our exposure in regard to both SLP compliance and other Mining Charter commitments. Both the delivery of our SLP projects and the development of our operations have provided employment and skills development opportunities for community members We have regular engagement sessions with the communities and a recruitment strategy and development programme that favours local community members	8	7	2	2
	▲	Failure to have available adequate and appropriate skills could lead to a drop in the quality of skills, which will negatively impact on achieving operational efficiencies and our SLP and failure to establish suitable remuneration and reward structures could lead to loss of key employees	Maintain momentum on current human resource development strategy to meet SLP and operational requirements. Enhance the talent management and succession planning process to ensure key individuals and functions are retained and monitor effectiveness of remuneration and reward structures and benchmark them to ensure they are competitive	9	10	13	10
	▲	Lack of availability of utilities could result in the failure of the power supply, or an inadequate power supply could lead to business interruptions and delays in expansion projects, negatively impacting our financial and operational performance	We have a supply agreement with Eskom in place and the power supply for Styldrift I has been secured. The existing main sub-station is adequate for BRPM requirements for the foreseeable future RBPlat's emergency preparedness plan includes 12MVa of diesel power generating capacity which is adequate for the safe exit of our employees from Styldrift I and BRPM in the event of a total power failure. This also provides sufficient generating capacity to protect our key infrastructure in the event of a prolonged outage	10	9	11	12
Build flexibility							
	▲	Insufficient mineable reserves available on a sustainable basis could lead to inability to support planned production rate	Approved mining production planning programme and supervisory structure is in place	11	12	14	9
	▲	Our environmental and climate change management could result in non-compliance with key legislation, which may lead to the withdrawal of mining-related licences (mineral rights/water, etc) negatively impacting mining operations and costs	We have ongoing monitoring of licence requirements in place and address deviations if and when they are identified. Regulatory compliance and business sustainability frameworks and policies are in place and are actively implemented and monitored	12	11	12	6
 Potential tax liability stemming from shareholder loan treatment/mining rights transfer matter. Senior counsel has been engaged to advise on the issue. Various engagements with SARS and Royal Bafokeng Holdings resulted in SARS assessing and rejecting our appeal. RBPlat has made a submission for deferment of payment pending litigation. This risk was ranked 5 on an inherent risk basis for 2014.			We have lodged an objection against these tax assessments and an application to suspend payment in terms of Section 164 (2) of the Tax Administration Act. The South African Revenue Service (SARS) has disallowed Royal Bafokeng Resources' (RBR's) objection and RBR lodged a notice of appeal in November 2014. Based on independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending the matter. This risk has now materialised and is part of a litigation process.				

BOARD OF DIRECTORS

NON-EXECUTIVE DIRECTORS



ADVOCATE KGOMOTSO MOROKA SC (60)

Chairman (Independent)
BProc, LLB

Kgomotso joined our Board as Chairman and independent non-executive director on 1 June 2010. A practising senior advocate, she is Chairman of the Nomination Committee, a member of the combined Remuneration and Nomination Committee and a permanent invitee to all other committee meetings. She is a director of the Standard Bank Group, South African Breweries, Multichoice South Africa and Netcare. Kgomotso is a trustee of the Nelson Mandela Children's Fund, Project Literacy and the Apartheid Museum.



PROFESSOR LINDA DE BEER (45)

(Independent Chairman of the Audit and Risk Committee)
Chartered Director (SA) CA(SA), MCom (Tax)

Linda joined the RBPlat Board as an independent non-executive director on 1 June 2010. An independent reporting and governance advisor and visiting professor at the University of the Witwatersrand, she is involved in local and international accounting and audit standard setting. She is also a member of the King Committee and chairs the Financial Reporting Investigations Panel of the JSE.



ROBIN MILLS (68)

(Independent)

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

Robin, who is a partner in a private mining equity fund: Appian Capital Advisory LLP, joined our Board as an independent non-executive director on 20 September 2010, following an international career as a mining engineer with the Anglo American/De Beers Group. He is a member of the Audit and Risk and the Social and Ethics committees.



MARK MOFFETT (55)

(Independent)

CA(SA)

Mark, who was appointed to our Board on 22 September 2014, currently operates an independent consultancy in South Africa. He has extensive experience in mining finance, having spent over 25 years in senior financial positions in Anglo American plc and the De Beers Group, as Chief Financial Officer of Xstrata Alloys South Africa and most recently as Group Controller for Xstrata plc. He is a member of the Audit and Risk Committee.



THOKO MOKGOSI-MWANTEMBE (52)

(Independent)

MSc

Thoko, who was appointed to the RBPlat Board in November 2014, is currently the Chief Executive of the Kutana Investments Group. She previously held executive positions at Telkom Limited, Lucent Technologies, Siemens Telecommunications, Alcatel SA and Hewlett Packard SA, where she was the Chief Executive Officer. In 2005 she won the ICT achiever of the year award and ICT personality of the year. In 2007 she received the BWA businesswoman of the year award in the corporate category. She is a non-executive director of Vodacom Limited, Absa Bank Limited and Aveng Limited. She became a member of the Remuneration and Nomination and Social and Ethics committees on 19 November 2014.



MIKE ROGERS (70)

(Independent)

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

Mike, who was appointed to the Board as a non-executive director on 7 December 2009, is Chairman of the Social and Ethics Committee and he will also chair the Remuneration and Nomination Committee until 1 May 2015, at which time Thoko Mokgosi-Mwantembe will become Chairman of this committee. In his former role as Executive Head of Joint Ventures at Anglo American Platinum Mike gained an in-depth understanding of RBPlat's operations. He became an independent non-executive director in February 2014.

NON-EXECUTIVE DIRECTORS



LOUISA STEPHENS (38)

(Independent)

CA(SA), BBusSc (Finance)

Louisa joined the RBPlat Board on 29 September 2014. She is currently an independent financial trader at Prime Select Holdings having previously gained extensive experience in mergers and acquisitions, structuring and arranging debt funding and implementing leveraged debt transactions as the Chief Investment Officer of Circle Capital Ventures (Pty) Ltd and General Manager: Investments and Finance at Nozala Investments (Pty) Ltd. Prior to joining Circle Capital Ventures she was a fund manager at the National Empowerment Fund's Corporate Fund (uMnotho Fund) after gaining experience in acquisition and leverage finance in Rand Merchant Bank's Investment Banking Division. She is a non-executive director of South Ocean Holdings Limited and Greymatter and Finch (Pty) Ltd. Louisa is a member of the Audit and Risk Committee.



LUCAS NDALA (40)

CA(SA), PGDM (UCT)

Lucas was appointed to our Board as a non-executive director on 28 May 2013. He is currently the Chief Executive Officer of Mining Oil and Gas Services (MOGS), having previously held the position of Chief Financial Officer of Royal Bafokeng Holdings (Pty) Ltd since 2008. Lucas became a member of the Remuneration and Nomination Committee on 19 November 2014.



DAVID WILSON (44)

CA(SA)

David was appointed to our Board as a non-executive director on 29 May 2014. He is currently Investment Manager: Strategic Investments at Royal Bafokeng Holdings (Pty) Ltd (RBH). Prior to joining RBH, he was a director and Head of Mergers and Acquisitions for sub-Saharan Africa at Deutsche Bank, South Africa. Before joining Deutsche Bank in 2004 he was an Associate Director, Corporate Finance at HSBC South Africa and Vice President, Corporate Finance at ING Barings, South Africa. He is a member of the Social and Ethics Committee.

EXECUTIVE DIRECTORS

And members of the Executive Committee



STEVE PHIRI (58)

Chief Executive Officer

BJuris, LLB, LLM, Dip Corp Law

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



MARTIN PRINSLOO (46)

Chief Financial Officer

CA(SA)

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

EXECUTIVE COMMITTEE



NEIL CARR (55)

Executive Head: Operations

BSc (Mechanical Engineering), EDP (INSEAD)

Neil, who has over 30 years' experience in the platinum mining industry, joined RBPlat as Head of Projects and Engineering in 2010 and was promoted to Executive: Head of Operations in 2014. Prior to joining RBPlat he held senior management and leadership positions in Lonmin for 20 years and Implats for nine years.



GLENN HARRIS (53)

Head of Operations for the BRPM Joint Venture

NHD (Metals), BTech, MDP, MMCC

In his current role Glenn heads up operations for the BRPM and the Styldrift I project, collectively known as the BRPM Joint Venture. Before assuming this role he had been General Manager of BRPM since 2006. He has 30 years' experience in mining, 19 of which have been in platinum mining.



REGINALD HAMAN (40)

Executive: Risk and Assurance

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

Reg has 19 years' experience in risk and governance, gained in senior executive positions in various sectors including mining and financial services. He is the past President of the Institute of Risk Management of South Africa and served on the King III risk management working group.



MPUELENG POEE (55)

Executive: Corporate Affairs

BProc, MDP, Certificate in Advanced Corporate and Securities Law

Before joining RBPlat in 2013 Mpueleng was the Public Affairs Executive at RBH. Having begun his career as a lawyer with Bell, Dewar and Hall (now merged with Faskens Martineau), where he later became a director, he joined AngloGold Limited as legal counsel in 1999.



VICKY TLHABANELO (54)

Executive: Human Resources

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

Vicky, who joined RBPlat in 2010, has held leadership positions for more than 15 years. Her experience includes over 23 years in human resources in various areas including banking, retail research, agriculture, academic institutions, as well as mining and development.

CHAIRMAN'S LETTER TO STAKEHOLDERS

It is my pleasure to introduce you to our integrated report for the financial year ended 31 December 2014.



Adv Kgomoetso Moroka SC
Chairman

A highlight for me, as Chairman of RBPlat, was the launch of the first phase of our new employee home ownership scheme in September 2014, which not only provides our employees with the opportunity to have their families living with them in a very pleasant and safe environment, but also gives them the opportunity to own an asset that should appreciate over time.

The biggest event in the South African platinum industry during 2014 was the devastating five-month strike in the first half of the year. While we were very fortunate not to experience any strike action, inevitably the impact the strike had on our neighbours also affected RBPlat and its employees.

I would like to recognise the efforts of management, employees and union representatives that made it possible for RBPlat to enjoy another year of labour stability. This spirit of cooperation also allowed us to achieve a five-year wage agreement and to start delivering on the commitment we made in our previous wage agreement to build homes for our employees.

We were grateful that our shareholders, despite the current outlook for the platinum industry, supported our capital raising programme in the first quarter of 2014. We were able to reward their confidence in RBPlat by producing a very pleasing set of results for 2014.

We advised the market when RBPlat released its half year results for 2014, that we had identified that the Services shaft hoisting capacity at Styldrift I was a key constraint in terms of underground construction activities. The project schedule has been revised to take this into account and Styldrift I will now start ramping up in the first quarter of 2016 instead of in the third quarter of 2015, as previously scheduled.

Sadly, we did not meet one of our key strategic objectives of zero harm in our operations. On Saturday, 4 October 2014, Mr Xadreqe Chihungo, who was employed as a stage hand by Shaft Sinkers, was fatally injured in a shaft-related incident at Styldrift I. This was the first fatal accident at Styldrift I for over three-and-a-half years. On Friday, 10 October 2014, Mr Refumane Petrose Kanono, who was employed as a loco operator by JIC, was fatally injured in an underground accident at BRPM's South shaft, when he was trapped by a ventilation door. On Thursday, 8 January 2015, Mr Amelio Paquette, who was employed as a winch operator by JIC, was fatally injured when he was trapped during a fall of ground in a stope panel at BRPM's North shaft. The Board extends its condolences to their families, friends and colleagues for their loss.

Today population growth, urbanisation, social and economic development and the demand for a green low-carbon economy, all contribute to an increased demand for minerals and metals, with platinum group metals (PGMs) making a major contribution to a green low-carbon economy. We recognise that meeting these demands and achieving the benefits society seeks comes at a cost to people and the environment. This is the reality that lies at the heart of sustainable development, which has as its central idea the principle that any human activity and the products that activity delivers should make a net positive long-term contribution to the wellbeing of humanity and the ecosystem. This approach puts the focus not on how our mining can be sustainable but on how our mining and the minerals and metals we produce can contribute to sustainable development. It is therefore important when we assess the net contribution of our mining activities to sustainable development

that we take into consideration the unique long-term nature of mining, the benefits it generates, as well as the costs and risks involved over its life cycle and that of its mineral product.

This was the final year of our five-year social and labour plan (SLP), which is central to our performance in terms of the Mining Charter Scorecard. I would refer you to the Social and relationship capital section of this report on pages 126 to 131, which provides a detailed report on what we have achieved over the five years of our SLP and also sets out our SLP for the next five years. It is pleasing that we have been able, through our SLP investment, to deliver against our declared purpose of creating economic value for all our stakeholders.

Our efforts towards sustainability were recognised when we became a Best Performer on the JSE Socially Responsible Investment (SRI) Index for 2013.

The Board and Executive management reviewed the relevance of our strategic objectives as we do every year, and while some of the issues that we need to address to achieve these objectives may have changed over the years, or become more or less important, we concluded that our objectives remain relevant.

I would refer you to my Corporate governance review on pages 166 to 167 and the Governance section of this report on pages 168 to 179 for information on how the Board carried out its responsibilities during 2014.

On behalf of the Board my thanks and congratulations go to everyone who contributed to a stable and productive year at our operations.

Adv Kgomoetso Moroka SC
Chairman

For information on our wage agreement and our employee home ownership scheme, see pages 102 and 103 of the Human resources section of this report.
Details of RBPlat's performance against our SLP are to be found on pages 126 to 131.
Our directors' CVs can be found on pages 52 to 53.

CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW

I am very proud that RBPlat's performance since 2010, and the confidence our shareholders have in our ability to deliver against our organic growth strategy, resulted in both the bookbuild and rights offer that made up our capital raising programme for Styldrift I being significantly oversubscribed. Through their ongoing support our investors also endorse our declared commitment to seek and deliver the good from mining and to leave a lasting legacy of sustainable benefits for all our stakeholders.



Steve Phiri
Chief Executive Officer

While we have found that integrated reporting has many advantages, in particular having an integrated view of our business throughout the year and helping to eliminate repetition in our reporting, this year there is one message that is repeated throughout this report: the importance of the role that labour stability played in our performance in 2014. This stability didn't just happen. All the parties involved: RBPlat's management, the union representatives and our

□ workforce, have invested and continue to invest time and effort in building a partnership based on trust, mutual respect, transparency and fairness. We believe that the willingness of all parties to engage with and respond to each other has established a partnership that played a key role in both our labour stability and our pleasing production performance in 2014.

This partnership also resulted in the completion of the first phase of our employee home ownership scheme, of which we are all justifiably proud.

My thanks to our management team, our workforce and the union for your contribution to our performance in 2014 and I encourage you to continue working together to ensure we maintain this critically important partnership.

□ Details of our employee engagement can be found on page 103 of the Human resources section of the report and information on industrial action at RBPlat can be found on page 100. See pages 114 to 116 for more information on our safety statistics and efforts to improve our safety performance. For further detail refer to the Manufactured capital section of this report.

□ We were so hopeful that we would have a fatality-free year, but as our Chairman has already mentioned, we had two fatal accidents in October 2014, one at BRPM and one at Styldrift I. We have made progress towards improving the safety performance in our core mining areas at BRPM, where there were no fatalities during 2014. Sadly, we started 2015 with a fatal accident at BRPM as a result of a fall of ground. We will be increasing our focus on the service areas of the mine and continue to strengthen our efforts to keep people safe throughout our operations.

We made changes to our management structure this year following the departure of our Chief Operating Officer. It was pleasing to realise that, despite our talent management and succession programme being in its early stages, the depth of talent at RBPlat meant it was a manageable process to reorganise the team. There was no need to seek new talent outside RBPlat.

Our performance against our strategy

When we took over the management of the BRPM Joint Venture (JV) in 2010 we identified four strategic objectives and the issues we needed to address to achieve these objectives:

- > Towards operational excellence at BRPM (achieving a safe operating environment, labour stability, optimising volumes and reducing costs)
- > Building flexibility in the business through co-extraction and increasing immediate stopable reserves (IMS)
- > Growing organically through Styldrift I and II
- > Pursuing value enhancing opportunities, including acquisitions and synergies.

As our Chairman mentioned, these strategic objectives still remain relevant today.

Towards operational excellence at BRPM

While we were disappointed by our safety performance this year, our lost time injury frequency rate (LTIFR) has shown a steady improvement over the past five years. We continue to work towards improving our safety maturity level. As I've already mentioned, we have been fortunate that labour stability has been a key feature of our performance, particularly in the past two years. It has made an important contribution to optimising volumes and containing costs at BRPM. These are both areas where we performed very well in 2014, as you will see from the Manufactured and Financial capital sections of this report. The decision we took in 2013 to focus on our more profitable core business, which is mining and processing the Merensky reef, also worked well in 2014.

To build flexibility we need:

- > Well-developed Merensky ore reserves
- > To be able to supplement current Merensky production with UG2.

□ One of our most important structural achievements over the past three years has been the increase in the IMS panels to stoping team ratio we have achieved through a sustained increase in the rate of development, redevelopment, ledging and equipping over the past three years. This increase has contributed to a number of important performance improvements at BRPM.

Our initiation of mining the UG2 reef at BRPM in 2010 has also contributed to our operational flexibility by providing access to a secondary reef horizon.

Organic growth

- > Complete construction and ramp-up of Styldrift I
- > Develop Styldrift II and bring forward as an expansion project
- > Further develop UG2 – depending on market conditions

Our Styldrift I project, which fell behind schedule by six months this year mainly due to constraints regarding the Services shaft, will now start ramping up to full production in the first quarter of 2016. When it achieves steady state in the first quarter of 2019 it will increase our production to approximately 470koz (4E) per annum.

The Styldrift II resource represents 40% of the BRPM JV's overall resource. We have completed the pre-feasibility study and are proceeding with the feasibility study. Our aim is to bring the project forward as an expansion project much earlier than we originally anticipated. We are very excited about what we have seen of the results of the studies so far.

Because of the work we have done to provide access to the UG2 reef horizon at BRPM we are in a position to increase our mining of UG2 as and when market conditions make this a profitable option.

Pursue value enhancing opportunities

- > Regional consolidation and royalty agreements
- > Mergers and acquisitions

Our royalty agreements with Impala Platinum (Implats) remain in place, however, our income from these agreements was negatively affected by the impact on Implats' production of the five-month strike in the platinum industry.

While we have not as yet made progress with this leg of our strategy, we continue to consider possible mergers and acquisitions and to seek out synergies and ways of cooperating with our neighbours.

Market review

- > Platinum market saw a deficit in 2014
- > Five-month strike in platinum sector contributed to South African refined mine supply falling by 1.37Moz or by 886koz including stock utilisation
- > Gross demand excluding investment was up by 3.3% for the year
- > Recycling growth up just 2.3% to 2.0Moz
- > However, platinum prices declined to levels not seen since 2009
- > The South African rand depreciated by 10% against the US dollar

□ See page 88 for information on Styldrift I and page 90 for information on Styldrift II.

□ Silo at BRPM's South shaft



CHIEF EXECUTIVE OFFICER'S STRATEGIC REVIEW

continued

These factors should have contributed to higher platinum prices in 2014, but this was not to be the case. Macroeconomic influences were negative for commodities at the end of 2014. This was due to a two-speed global economy with growth in the US, a stronger US dollar and the prospect of higher US interest rates, while Europe, Japan and China showed signs of slowing. In platinum's case, there were excess stocks available to the market, which have built up since the financial crisis, and these served to offset supply disruption from South Africa.

Platinum

The platinum price declined by 6% year-on-year to average US\$1 384/oz in 2014. The price started the year in the mid-US\$1 300s, and increased to trade largely between US\$1 400/oz and US\$1 490/oz for the duration of the strikes in the platinum sector. Platinum peaked at US\$1 511/oz in early July, before weakening to end the year below US\$1 200/oz, which despite a depreciating rand is less than the breakeven price for a number of South African operations.

Market liquidity

Stocks immediately available to market that have mainly built up since the financial crisis are estimated at 2.6Moz at the end of 2014. These stocks exclude the working inventories for demand applications and ETF holdings and are thus considered as a minimum of what the market needs to absorb to motivate higher prices.

Market outlook

Global platinum demand excluding investment is forecast to rise by just over 4% in 2015 to 8.2Moz, with automotive demand projected to increase by 130koz to 3.3Moz (excluding non-road). The majority of automotive growth comes from Europe, as tighter emissions legislation and higher platinum loadings largely offset lower demand from Japan. Platinum recycling is forecast to grow by over 8%, and this may dampen net demand growth, particularly as more highly loaded platinum diesel catalysts are scrapped in Europe.

A weaker macroeconomic environment and a stronger dollar point to platinum prices remaining relatively flat throughout 2015, at less than US\$1 300/oz, and if the rand continues to weaken against the US dollar, dollar denominated prices could be even lower.

The long-term outlook indicates that the current recycling wave will peak in a

couple of years, demand will continue to grow steadily and the lack of expenditure generally in primary supply will limit supply growth.

Palladium

The deficit in the palladium market is estimated to have widened to 1.75Moz in 2014, excluding producer stock sales and the allocation of metals to ETFs. Global ETFs absorbed a net 940koz of additional metal in 2014. Prices peaked at US\$910/oz in September but along with a commodity-wide sell-off and dollar strengthening, prices fell to US\$804/oz by year end. This reflects the availability of stocks to meet market requirements for now.

Market outlook

A structural market deficit is forecast to persist, which should lead to synchronously higher prices as stocks deplete. However, as said, the market is currently well stocked and macroeconomic headwinds in 2015 could lead to a dip in prices in the near term.

Automotive palladium requirements are forecast to rise to around 80%, as a percentage of total demand, with China expected to show the highest demand growth. This should lift prices towards US\$1 000/oz in the medium term, unless there is a technological shift in end-use and further substitution.

Rhodium

The average rhodium price increased by almost 10% to US\$1 173/oz in 2014, partly attributable to a drop in primary supply. Gross demand excluding investment increased by 3.8% year-on-year, to breach 1Moz for the first time since 2008. Industrial demand, net of recycling, decreased by 4.5% year-on-year to 150koz, although demand for autocatalysts has improved by 5.5% year-on-year, net of recycling. With a substantial drop in supply, this means fundamentals switching to a deficit in 2014, but the industry remains well stocked for now and price pressure is limited in the near term.

Market outlook

Medium-term production growth for rhodium is more constrained than for platinum and palladium as a significant proportion of rhodium-rich UG2 capacity has been closed out since 2008. Depletion of existing assets will see global output start to decline from 2018, and combined with a slow rate of net demand growth, this should keep the rhodium market in a narrow deficit for the next five years. The rhodium market for 2015 is expected to remain close to balance.

Outlook

In the short to medium term our focus will remain on achieving operational excellence in our core business of mining BRPM, improving safety, maintaining productivity and containing costs.

The expansion of the Joint Venture concentrator, which will process the ore from both BRPM and Styldrift I, will be completed in the first half of 2017 and it is expected to start processing ore from Styldrift I in the third quarter of 2015.

Our biggest challenge in the short term, in terms of organic growth, is achieving the milestones we have set ourselves for the Styldrift I project in order to start ramping up production in the first quarter of 2016 and achieving steady state by the first quarter of 2019.

The results of the Styldrift II pre-feasibility, which was presented to the Board in February 2015, indicated a very good business case for proceeding with the feasibility study, which the Board has approved.

Developing new opportunities for platinum

During 2014 the platinum industry joined forces to find new ways to develop a global market for platinum investment. The result of these discussions was the launch of the World Platinum Investment Council (WPIC) in November 2014. RBPlat is one of six

platinum producers funding the Council, which include Anglo American Platinum, Aquarius Platinum, Impala Platinum Holdings, Lonmin and Northam Platinum.

WPIC's mission is to help investors make better informed decisions regarding physical platinum. WPIC believes that presenting the platinum investment proposition to a wider range of investors will in future result in platinum being considered favourably as an investment. It is not, for instance, well known that platinum has performed well as an investment asset over the past 20 years.

Outstanding issues of concern to our industry

While our industry has long been concerned with the environmental and social impacts of its activities society is now calling for its members to go further than this to ensure that their activities deliver a net positive contribution in the long term. This approach will involve considering how all the implications of mining touch both people and the environment over both the short and long term. It is a tougher challenge than simply considering environmental and social impacts and their mitigation, however, it is a fairer approach as it will take into account the full range of benefits, costs and risks resulting from mining and metals production over time.

Currently, a key issue of concern to our industry is the uncertainty regarding water and electricity supplies for our operations.

The need to reconfirm who has a constitutional obligation for communities and who has a secondary and supporting responsibility for them, and to re-establish the partnership between government and the private sector, remains an outstanding issue that has still not been addressed.

Last year I spoke about the uncertainty regarding the regulatory environment for South African mining companies. This uncertainty, which is unfortunately still with us, remains a deterrent to investment in our industry. Hopefully, a win-win solution will be found during 2015, regarding the sections of the Mineral and Petroleum Resources Development Act (MPRDA) in dispute.

In conclusion

I have already thanked RBPlat's management, our employees and the union representatives for their contribution to our achievements this year. I look forward to working with them to achieve even more in 2015. My thanks go to our communities for working in partnership with us to ensure the stability of our operations. I would also like to thank our Joint Venture partners for their support.

Three Board members resigned this year. First of all, I would like to recognise the contribution of Nico Muller, who was Chief Operating Officer of RBPlat from March 2009 to September 2014, made to our journey towards operational excellence. In particular I would like to recognise his foresight in building flexibility in RBPlat's operational performance. I would also like to thank David Noko and Francis Petersen, who served as non-executives on our Board from its inception in 2010, for their valuable contribution to our deliberations.

Steve Phiri
Chief Executive Officer

Styldrift I, which is currently under construction



OUR PERFORMANCE AGAINST THE CAPITALS

FINANCIAL
CAPITAL



PERFORMANCE



ACHIEVEMENTS

Significant
cash generated
by operations

Successful
R1.5 billion
equity raising

Successful
implementation of Phase I
of the employee home ownership scheme

OVERVIEW
FINANCIAL SUMMARY
AND STATISTICS
OUTLOOK

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IMPROVEMENTS

Cost management
reporting



CHALLENGES

PGM market conditions

Tax dispute relating to 2008 and 2009 assessments



DISAPPOINTMENTS

US dollar
metal price performance

**R1.4
billion**

in cash generated by
our operations



Key financial capital material issues

Key material issues in 2014	Key performance indicators that were our focus for 2014	What we achieved in 2014	Focus for 2015
> The confidence our shareholders have in RBPlat was demonstrated through their support for our capital raising programme	> Raise equity as part of the funding strategy for the Styldrift I project	> Successfully raised R1.5 billion of equity as part of our funding plan for Styldrift I project	
> Improved funding flexibility to ensure availability of the capital required to fund the Styldrift I project and related processing solution	> Start negotiations around term debt to complete funding strategy for Styldrift I project	> Viable proposals from six financial institutions for R3 billion term debt facility	> Finalisation of R3 to R4 billion debt facilities for Styldrift I project
> Impact of new wage agreement on costs	> Actual percentage increase in the wage bill	> Successfully finalised new wage agreement consisting of two phases over five years	> Implementation of wage agreement and continuing to foster a mutually beneficial relationship with our workforce
> Transparent and accountable communication with the investor community	> Effective stakeholder engagement measured by response of investors	> Periodic communication with investor community including annual and interim results presentations, quarterly updates, road shows and one-on-one meetings	> Ongoing stakeholder engagement, particularly investor relations
> Impact of safety stoppages on revenue	> Production lost to safety stoppages	> 79kt lost due to safety stoppages	> Continue with our efforts to improve our safety performance
> Impact of delay in ramp-up of Styldrift I on cash flow and repayment of debt	> Project team to finalise operational cost implications in respect of new ramp-up profile for Styldrift I in light of the challenge experienced relating to the constraints of the Services shaft	> Impact assessed and communicated to market in third quarter 2014 (refer to page 88 of Manufactured capital for details of the results of the assessment)	> Continue to build flexibility in the funding model – term debt now only required in 2016. Will finalise solution during 2015
> Containing our costs and implementing SAP business planning consolidation (BPC) cost management system to improve business planning processes and management reporting	> Embedding cost containment as part of the way we work > Improving our reporting systems so that we can make informed business decisions as quickly as possible > Further increase our control of budgets in order to drive cost efficiencies	> Contained costs below mining inflation > The implementation of the SAP business planning and control (BPC) software system, which will allow us to monitor and manage our cost performance on a daily basis, is almost complete. Currently running in parallel with existing Ess-base management accounting system to test accuracy	> Reporting including new management accounting system, (business planning and control (BPC)) and integrated report > Stabilise and optimise the SAP BPC system to further improve our cost management systems and controls > Maintain a strong cost containment focus
> Global economic and PGM market conditions	> Operate in a sustainable manner which will help us maintain healthy margins, provide returns to our shareholders and allow us to repay our future borrowings > Cash and liquidity management of the business (treasury management system) > Continue to evaluate mergers and acquisitions opportunities	> Excellent cash generation > Implemented treasury management system which allows us to better manage our cash > A number of possible mergers and acquisitions have been investigated but none have as yet been concluded	> Continue to take action to reduce any possible negative impacts > Use ability to predict economic and PGM market conditions to help us manage our business in a challenging environment
Supply chain issues:			
> Meeting our Mining Charter HDSA procurement targets	> Focus on increasing our preferential spend with historically disadvantaged South Africans (HDSAs) and local suppliers using our enterprise development programme	> 68.13% of discretionary procurement was from HDSAs*	> Meet and exceed our Mining Charter HDSA procurement targets > Continue with our efforts to build capacity in local HDSA businesses
> Hedging strategy for acquisition of Styldrift fleet equipment	> Through the foreign exchange risk management system, we will receive US\$ instead of ZAR for the BRPM Joint Venture concentrate sales to Rustenburg Platinum Mines (RPM) which will allow us to hedge the purchase of equipment for Styldrift I payable in euro. The intention is to hedge the euro against the US\$ which is more cost effective than hedging the euro against the ZAR due to less volatility between the US\$ and euro	> Opened a customer foreign currency (CFC) account to receive US\$ and acquired necessary approvals and facilities for the hedging arrangements	> Hedging of US\$ against euro for euro purchases of equipment for Styldrift I once delivery schedules have been finalised by project team

* These key performance indicators have been assured (See page 187 for the assurance statement)



INVESTOR
COMMUNITY

JOINT
VENTURE
PARTNERS

PROVIDERS
OF DEBT

SOUTH AFRICAN
REVENUE
SERVICES

Overview

Our shareholders' support for our capital raising programme in March/April 2014 was a clear indication of their confidence in RBPlat and its ability to deliver against its organic growth strategy. It was particularly pleasing in view of the tough times the platinum industry experienced during the five-month strike in 2014.

Our raising of R1.5 billion equity capital for the Styldrift I project included an accelerated bookbuild offering to qualifying investors and a rights offer to qualifying RBPlat shareholders. The bookbuild was significantly oversubscribed and in light of very strong demand, it was upsized to R700 million. In all, 11 290 323 new ordinary shares were placed with qualifying institutional investors at a price of R62 per bookbuild share. Following the bookbuild 99.7% of the rights offer shares offered to qualifying RBPlat shareholders were subscribed for and excess applications resulted in the rights offer being 4.47 times oversubscribed, resulting in the full R800 million being successfully raised.

Following the equity capital raise, which resulted in our free float increasing to 35.9%, we have seen an increase in the liquidity of trade in our shares.

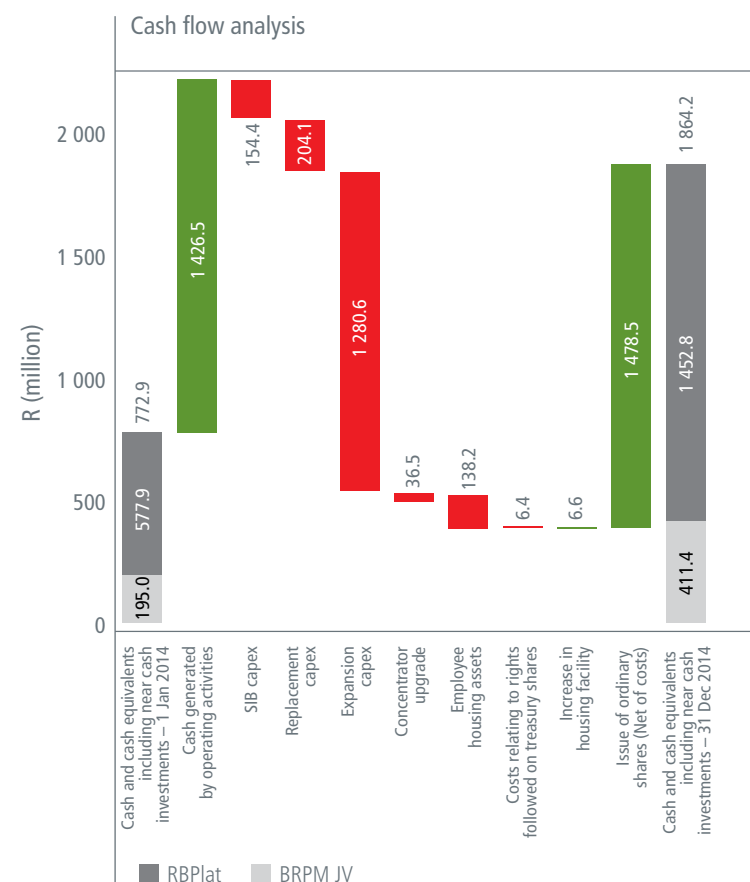
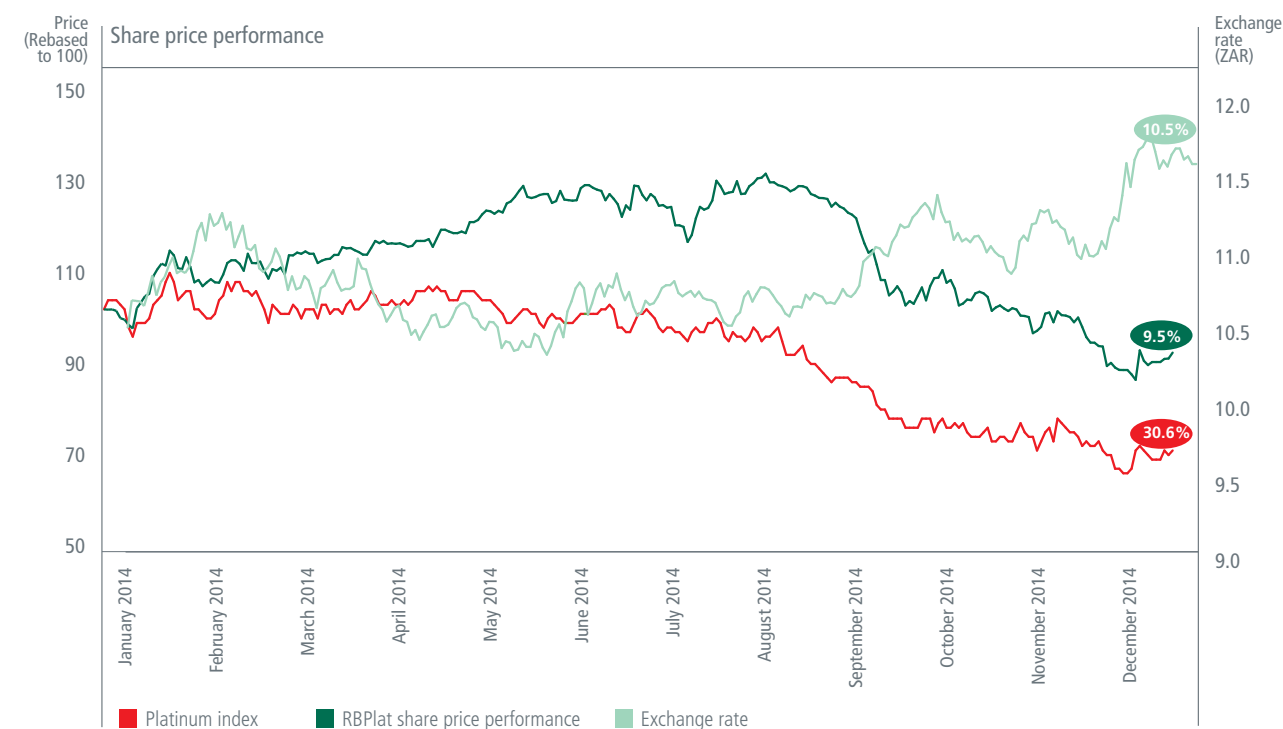
RBPlat's financial results for 2014 reflect the benefits of the stability we achieved in the sea of turmoil created by the five-month strike in the platinum industry during 2014.

The third party recognition we received for our integrated reporting when our report was placed first in the EY Integrated Reporting Awards for 2014 and won the Mid Cap section of the Chartered Secretaries and JSE integrated reporting awards confirmed to us that we are doing the right things in terms of our efforts to operate our business in an integrated manner.

We embarked on a request for proposal process with financial institutions during 2014. Viable proposals were received from six financial institutions to fund R3 billion in term debt, with funding/underwriting commitments ranging between R1 billion and R3 billion each. Due to the delay in the ramp-up of Styldrift I production and the

RBPlat's share price performance compared with that of the platinum sector

RBPlat's share price outperformed the platinum index despite having lost 9.5% compared to the 30.6% erosion in the performance of the platinum index. At the same time the rand depreciated 10.5% against the US\$.



For details of the governance RBPlat has put in place regarding the funds shareholders have entrusted to us see page 166 of the Governance section of this report.

concomitant delay in capital expenditure, we estimate that we will now only require term debt funding in 2016. We have therefore temporarily suspended our term debt raising process until the second half of 2015.

Our cash flow generation once again exceeded all our expectations, funding R1 426.5 million (85.1%) of our total Group capital expenditure for the year of R1 675.6 million, including the R1 280.0 million invested in the Styldrift I and II projects. This left the Group with a cash or near cash balance of R1 864.2 million at year end.

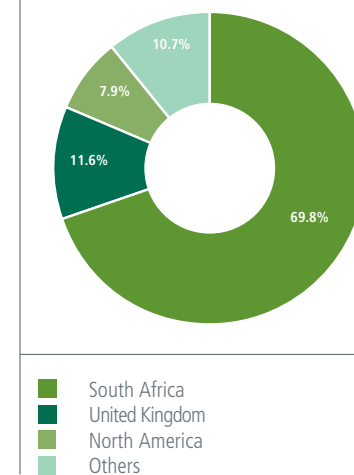
During 2014 we introduced a new treasury management system which,

by providing us with an integrated view of our bank accounts and investments, has enhanced the effectiveness of our cash management.

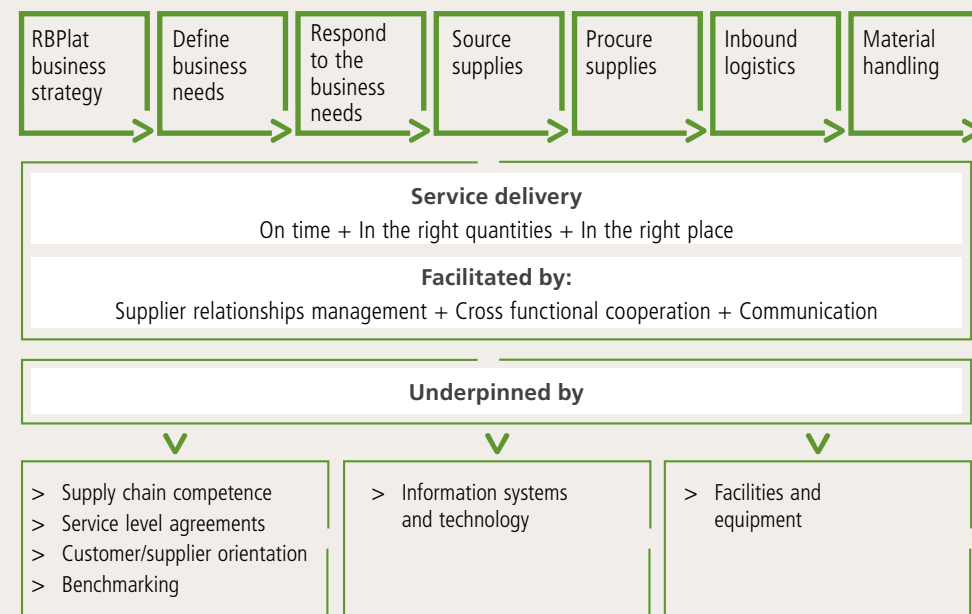
Containing costs

While we were able to achieve substantial cost reductions in 2013, we knew that it was unlikely that we would be able to maintain the same level of cost reduction in 2014. Despite an 11.8% increase in our fixed costs we were, however, able to keep our unit cost increases below mining inflation. I would refer you to the industry cost curve on page 23, which provides a benchmark for RBPlat's cost performance in terms of our industry.

Geographical spread of free float of our shareholders as at 31 December 2014



Our supply chain value model



Our effective management of costs and our solid operational performance, combined with the assistance of a weak rand, resulted in a significant improvement in RBPlat's financial performance in 2014.

Delivering against our social and labour plans (SLPs)

During 2014 we honoured our social licence to operate by successfully completing and exceeding our commitments in terms of our SLPs for the period 2010 – 2014. We have exceeded our targets for discretionary procurement from HDSA businesses, which is an important part of our Mining Charter commitments, since 2011.

Supply chain management

Supply chain management plays an important role in containing our costs. Having stabilised our supply chain in 2013, our focus for 2014 was on making our procurement processes as efficient as possible. This involved analysing our existing procurement processes to find areas where we could improve these processes and contain costs.

RBPlat's strategic sourcing function managed to realise significant cost savings by successfully renegotiating contract pricing and implementing our total cost of ownership supply chain strategy.

By implementing a labour control system using SAP, which allows us to check the accuracy of invoicing by

volume contractors, we now have much better control of a major cost area for RBPlat.

- A major task the supply chain team undertook this year was the codifying of all the items we stock to eliminate duplication and ensure efficient buying that also helps us to categorise spend and improve reporting and decision-making.

Our supply chain team demonstrated great flexibility and agility when called upon to take over all key supply contracts from the main contractor at Styldrift I as a matter of urgency. This exercise, involved registering new suppliers on our system, signing contracts with them, verifying their information, which included checking that they comply with our policies on labour practices and environmental management. In total we have taken over 197 supplier contracts from the main contractor.

Financial summary and statistics

	2014 R (million)	2013 R (million)	2012 R (million)	2014 vs 2013 % change
Revenue	3 767.5	3 251.1	2 865.3	15.9
Cost of sales	(2 902.2)	(2 650.1)	(2 525.5)	(9.5)
Gross profit	865.3	601.0	339.8	44.0
Other income	25.2	77.5	66.9	(67.5)
Administrative expenses	(137.3)	(105.0)	(101.7)	(30.8)
Net finance income	91.3	39.0	56.3	134.1
Profit before tax	844.5	612.5	361.3	37.9
Taxation	(245.7)	(164.7)	(85.6)	(49.2)
Non-controlling interest	(157.9)	(163.6)	(105.4)	3.5
Profit attributable to owners of the Company	440.9	284.2	170.3	55.1
Headline earnings	440.9	283.9	170.3	55.3
Headline earnings per share (cents)	239	173	104	38.2
Normalised headline earnings*	506.9	348.4	233.2	45.5
Normalised headline earnings per share (cents)*	274	212	142	29.3
Weighted average number of ordinary shares in issue for earnings per share	184 797 002	164 319 791	163 960 709	12.5
EBITDA**	1 189.4	1 008.0	633.8	18.0
Average annual R:US\$ exchange rate	10.85	9.65	8.21	12.4
Closing R:US\$	11.57	10.47	8.47	10.5
Average basket price (R/Pt oz)***	19 842	17 927	16 404	10.7
Gross profit margin (%)	23.0	18.5	11.9	24.3
EBITDA margin (%)**	31.6	31.0	22.1	1.9
Statement of cash flows				
Cash generated by operating activities	1 426.5	907.8	732.6	57.1
Capital expenditure (100% BRPM)	1 723.5	1 058.8	1 192.3	62.8
Cash, net of debt (including preference share investment)	1 864.2	772.9	910.5	141.2
RBPlat share performance on the JSE				
Ordinary shares (cents/share)				
– High	7 690	6 499	6 749	18.3
– Low	4 740	4 201	4 374	12.8
– Year end	5 271	5 900	5 750	11.3
Volume of shares traded	45 595 706	37 834 520	24 529 533	20.5
Number of shares issued outside the Group at year end	189 897 794	164 459 662	164 150 804	15.5

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

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

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

Headline earnings

The Group's headline earnings increased by R157 million from R283.9 million in 2013 to R440.9 million in 2014. This increase reflects the improvement in our PGM rand basket price and cost saving initiatives implemented in 2014.

Our headline earnings per share for 2014 of 239 cents are 38.2% higher than the 173 cents per share reported in 2013.

Revenue

Our revenue of R3 767.5 million for 2014 was 15.9% higher than the R3 251.1 million for 2013. The increase is due to a 9.7% increase in our rand basket price and a 5.2% increase in 4E production volumes. The base metal content of the Merensky reef makes a valuable contribution to our rand basket price.

Revenue from production through the BRPM concentrator increased by 13.4% from R2 944.7 million to R3 339.6 million. The 2014 revenue number included R5.6 million (2013: R11.9 million) generated from the on-reef development from Styldrift I project.

Revenue from toll concentrating of UG2 increased by 39.7% from R306.4 million in 2013 to R427.9 million in 2014 due to a 26.3% increase in toll production volumes and an increase in the rand basket price.

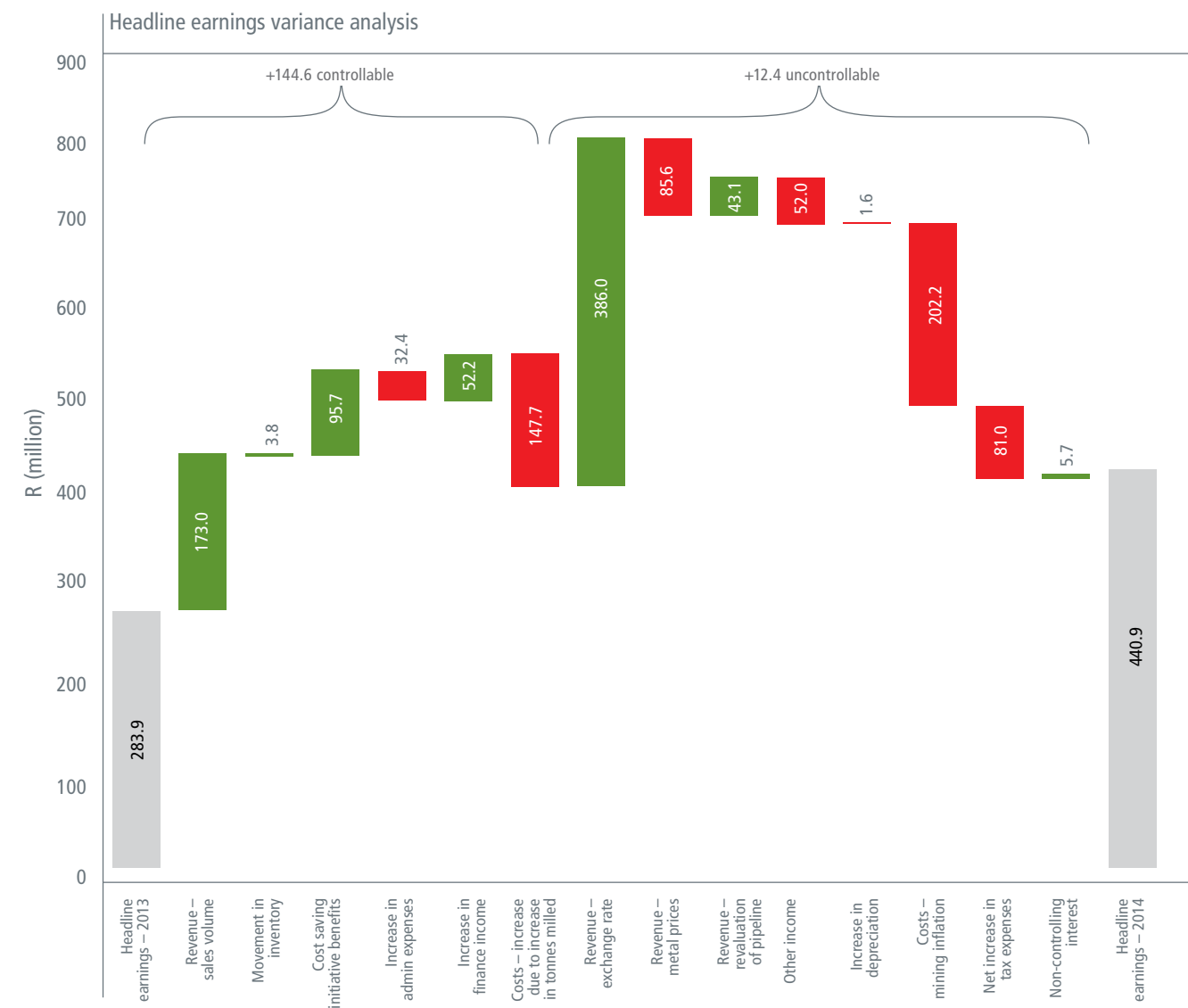
Gross profit

Our gross profit margin improved significantly from 18.5% in 2013 to 23.0% in 2014. This was due to a 15.9% increase in revenue which was offset by a 5% increase in cost of sales. This limited increase in the cost of sales was as a result of our continued focus on cost management in 2014.

Cash operating costs

BRPM's average cash unit cost per tonne milled increased by 4.0% from R920 per tonne milled in 2013 to R957 per tonne milled in 2014. The cash unit cost per platinum ounce increased by 8% from R11 592 to R12 463 per platinum ounce produced. The BRPM JV remains at the lower end of the industry cost curve.

Please refer to pages 126 to 131 for details of our SLP delivery and page 134 for details of our discretionary procurement.



Summarised statement of financial position

	2014 R (million)	2013 R (million)	2012 R (million)	2014 vs 2013 % change
Non-current assets	19 960.5	18 558.4	17 947.0	7.6
Property, plant and equipment	10 889.5	9 567.9	8 899.2	13.8
Mineral rights	6 518.4	6 583.7	6 645.0	(100)
Goodwill	2 275.1	2 275.1	2 275.1	–
Environmental trust deposit	113.6	106.8	103.1	6.4
Deferred tax asset	27.6	24.9	24.6	10.8
Employee housing	136.3	–	–	100.0
Current assets	3 543.4	2 259.1	2 154.4	56.9
Accounts receivable, inventories and other	1 679.2	1 486.2	1 243.9	13.0
Cash and cash equivalents (including preference share investment)	1 864.2	772.9	910.5	141.2
Total assets	23 503.9	20 817.5	20 101.4	12.9
Total equity	18 196.3	15 986.3	15 480.6	13.8
Non-current liabilities	4 574.9	4 331.6	4 175.1	5.6
Deferred tax liability	4 486.7	4 262.0	4 112.6	5.3
Long-term provisions	88.2	69.6	62.5	26.7
Current liabilities	732.7	499.6	445.7	46.7
Total equity and liabilities	23 503.9	20 817.5	20 101.4	12.9

Sales volumes

		Sales volumes			US\$ average price achieved*		
		2014	2013	2012	2014	2013	2012
Platinum	Pt oz	189 710	181 351	174 665	1 346/oz	1 418/oz	1 552/oz
Palladium	Pd oz	78 555	74 009	72 007	832/oz	719/oz	649/oz
Gold	Au oz	8 841	8 771	8 761	1 259/oz	1 309/oz	1 672/oz
Rhodium	Rh oz	16 974	15 431	14 488	1 207/oz	977/oz	1 143/oz
Iridium	Ir oz	5 605	5 062	4 813	556/oz	642/oz	1 037/oz
Ruthenium	Ru oz	28 882	26 232	24 858	61/oz	64/oz	92/oz
Nickel	Ni t	1 854	1 822	1 875	7.65/lb	6.47/lb	7.68/lb
Copper	Cu t	1 180	1 171	1 175	3.11/lb	3.21/lb	3.50/lb

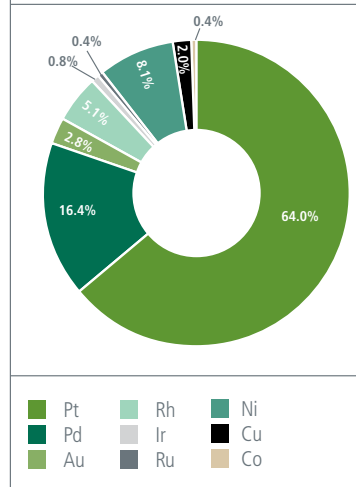
* Grossed up to 100% from amount received in terms of the disposal of concentrate agreement, excludes pipeline revaluation

The base metal content of the Merensky reef makes a valuable contribution to our rand basket price

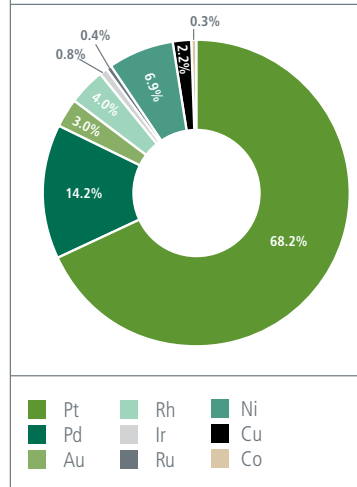
The thickener and conveyor belt at RBPlat’s concentrator, which is currently being upgraded to meet the requirements of the Company’s organic growth



Contribution to revenue per metal in 2014



Contribution to revenue per metal in 2013



Social and labour plan (SLP) expenditure

Total SLP expenditure for 2014 amounted to R133.0 million of which R110.3 million was expensed and R22.7 million was capitalised to the Styldrift I project. This is 26.4% higher than the 2013 SLP spend of R105.2 million.

Other income

Other income decreased by 67.5% from R77.5 million in 2013 to R25.2 million in 2014. The decrease is mainly due to the reduction in the royalty income from Implats as a result of industrial action at Implats during the first five months of 2014.

Administrative costs

Administration costs increased by 30.8% from R105.0 million in 2013 to R137.3 million in 2014. The increase was mainly due to:

- > R14.0 million relating to the RBPlat employee home ownership scheme
- > R1.6 million relating to legal fees in respect of the RBR tax contingency (refer Note 20.5 in the financial statements for further detail)
- > R4.3 million more gross bonuses paid in 2014 compared to 2013 as a result of improved profitability.

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

EBITDA as a percentage of revenue increased from 31% in 2013 to 31.6% in 2014 as a result of increased revenue and our continued focus on cost management performance.

Finance income

Finance income increased by 125.8% from R42.7 million in 2013 to R96.4 million in 2014 due to the increased cash on hand as a result of the bookbuild and rights offer completed in April 2014.

Finance costs

Finance costs increased from R3.7 million in 2013 to R5.1 million in 2014 mainly due to R1.1 million interest paid on the RBPlat housing facility.

Taxation

Current income tax increased by 51.9% from R15.6 million in 2013 to R23.7 million in 2014 mainly due to the increase in taxable income as a result of increased interest income. Deferred tax increased by 48.9% from R149.1 million in 2013 to R222.0 million in 2014 due to increased BRPM JV profits.

In our 2013 integrated report we advised that we had received a revised tax assessment from SARS for Royal Bafokeng Resources (RBR) for the years 2008, 2009 and 2010, amounting to R437.5 million, made up of income tax,

penalties and interest. Senior counsel has been engaged to advise on this issue. We have lodged an objection against these assessments and an application to suspend payment in terms of Section 164(2) of the Tax Administration Act. After SARS disallowed RBR's objection, RBR lodged a Notice of Appeal in November 2014. Based upon independent advice and consultation to date, RBR remains confident that it has a reasonable prospect of successfully defending the matter.

Accounting treatment of housing assets for the RBPlat Group

An aligned and stable workforce is key to achieving business stability. We believe that facilitating long-term wealth creation for our employees is integral to achieving this alignment and stability. The 422 three-bedroomed employee housing development that we completed during 2014 represents a significant step towards our objective of creating long-term wealth for our employees. Because the development of large-scale employee housing brings a new dimension to our business this year we have detailed the accounting treatment of this part of our business in the section that follows.

Employee housing assets

Employee housing assets are recognised at cost which consists of the cost of the land and the cost to construct the houses, and are classified as current assets as these houses are held primarily for purpose of trading. No depreciation is recognised on the employee houses as the intention is to sell the houses within a short period of time after their construction.

When the employee housing assets are sold to employees, the carrying amount of the house is derecognised. The difference between the proceeds received and the carrying amount of the house is recognised in profit and loss as a gain or loss on disposal of employee housing.

Financial asset – receivable from employees for housing assets

Initial recognition

When the employee housing assets are sold to employees, the Group will recognise a financial asset receivable from the employee at fair value. The best evidence of the receivable's fair value on initial recognition is the transaction price. However, due to the

employees paying a preferential interest rate of CPI + 1%, the fair value may differ from the transaction price. The Group therefore determined a market related rate for the financial asset based on an average credit profile per band of employees to determine the effective interest rate for this receivable. The Group recognises the difference between the fair value at initial recognition and the transaction price as a short-term employee benefit.

Subsequent measurement

The financial asset receivable from the employee is accounted for at amortised cost (recognised at fair value on initial recognition and transaction cost) using the appropriate effective interest rate as determined above.

For the financial asset receivable from the employee, the portion to be realised within 12 months from the reporting period is presented as part of current assets. The balance of the amount is presented as a non-current asset in the statement of financial position.

Short-term employee benefit

The recognition of the initial difference is amortised over the shorter of the service period of the employee or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised as a profit or loss in the statement of comprehensive income. The portion of the short term employee benefit to be realised within 12 months from the reporting period is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

Income recognition

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. The effective interest rate for this receivable from employees for housing assets is based on a market related interest rate based on an average credit profile per band of employees.

Levy income is recognised on an accrual basis as it is invoiced every month and is classified as other income for the Group.

Cash position

During the year the Group increased its cash and cash equivalents by

R1 091.3 million. This increase is mainly due to R1 478.5 million (net of costs) raised by the bookbuild and rights offer completed during the first half of 2014. Cash generated by operations increased from R482.7 million in 2013 to R1 358.5 million in 2014. At 31 December 2014 the RBPlat Group had cash and near cash investments of R1 864.2 million (2013: R772.9 million).

Dividend policy

As previously indicated, we are likely to pay our first dividend when Styldrift I achieves steady state production.

Outlook

During 2015 our operational focus will remain on cost management, containment and control. Capital expenditure on Styldrift I will continue to increase as we complete and commission the Main and Services shafts and develop and equip the mine. In this regard, we will be developing a hedging strategy to manage the cost of imported equipment for Styldrift I that we will be purchasing in euros in 2015.

Our average basket price for 2014 was R19 842 with a low of R18 091 and a high of R21 224 compared with an average for 2013 of R17 927. Current spot ranges between R18 300 and R19 000 per platinum ounce. We anticipate that the rand revenue basket for 2015 will be relatively flat.

We expect the rand to remain at similar weak levels to those we experienced in 2014 and we also expect metal prices to remain relatively flat. This combination is likely to result in our average revenue basket for 2015 being fairly similar to what we achieved in 2014.

Once Styldrift I reaches steady state early in 2019 RBPlat will be able to generate very strong cash flows from both BRPM, which has a life span of more than 20 years, and Styldrift I with a life span of around 50 years. We are therefore comfortable that should the Board in future take the decision to go ahead with Styldrift II, we would be in a position to pay dividends and fund a substantial portion of the Styldrift II project from internal cash flow.

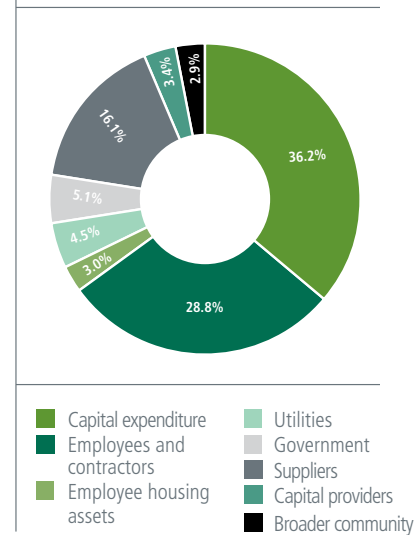
RBPlat is steadily progressing through the normal business life cycle from initial set up, through the formative years to the sustaining, optimising and improvement phase. The challenge for us as a business during this next phase is not to lose our nimbleness, drive towards simplicity and the ability to act decisively and pragmatically.



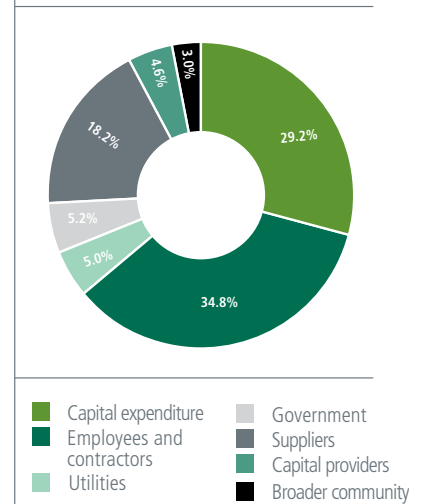
Wealth creation

	2014 R (million)	2013 R (million)	2012 R (million)
Revenue	3 767.5	3 251.1	2 865.3
Value added by operations	3 767.5	3 251.1	2 865.3
Add: Other income	18.5	76.2	64.2
Add: Net finance income	91.3	39.0	56.3
Total value added	3 877.3	3 366.3	2 985.8
Value distributed			
Employees and contractors of BRPM	1 271.4	1 181.7	1 145.7
Contractor payments	541.9	489.0	478.4
Salaries and wages including retirement benefit funds and health-care funds	883.8	773.3	753.1
Share-based payment expense	21.8	35.8	43.6
Retrenchment payments	–	21.2	–
Pay-as-you-earn deducted	(157.2)	(121.9)	(114.6)
UIF	(10.0)	(7.9)	(7.8)
SDL	(8.9)	(7.8)	(7.0)
Corporate office employees and non-executive directors	68.0	60.5	61.9
Salaries and wages including retirement benefit funds and health-care funds	70.4	61.3	55.5
Share-based payment expense	19.5	18.1	24.1
Pay-as-you-earn deducted	(21.3)	(18.2)	(16.9)
UIF	(0.1)	(0.1)	(0.1)
SDL	(0.5)	(0.6)	(0.7)
Water and electricity providers	208.4	179.4	171.1
Magalies Water	16.5	15.1	14.6
Eskom	191.9	164.3	156.5
Government	234.3	183.1	174.1
Mining and non-mining income tax (excludes deferred tax)	23.7	15.6	17.4
STC	–	–	–
Royalties	12.6	10.9	9.6
Pay-as-you-earn deducted from employees	178.5	140.2	131.5
UIF	10.1	8.0	7.9
SDL	9.4	8.4	7.7
Providers of capital	157.9	163.6	105.0
Non-controlling interest	157.9	163.6	105.0
Dividends	–	–	–
Finance cost	–	–	–
Suppliers of materials	450.3	365.2	407.6
Suppliers of services	248.7	254.6	203.7
Suppliers of corporate office services and goods	45.1	24.6	22.1
Employee housing assets	138.2	–	–
Capital expenditure	1 675.6	1 036.6	1 173.9
Employee housing assets	138.2	–	–
Broader community	133.1	105.2	126.9
Social labour plan – HRD expenditure expensed	86.3	76.0	81.6
Social labour plan – CED expenditure expensed	24.0	15.0	45.3
Social labour plan – CED expenditure capitalised	22.8	14.2	–
Other (sponsorships and administration)	–	–	–
Total value distributed	4 631.1	3 554.5	3 592.0
Retained by Group	(753.8)	(188.2)	(606.2)
Depreciation and amortisation	436.2	434.5	327.6
Deferred tax	222.0	149.1	69.1
Profit on remeasurement of previously held interest in BRPM retained by the Group	–	–	–
Utilisation of shareholder funds for capital investment	(1 412.0)	(771.8)	(1 003.0)

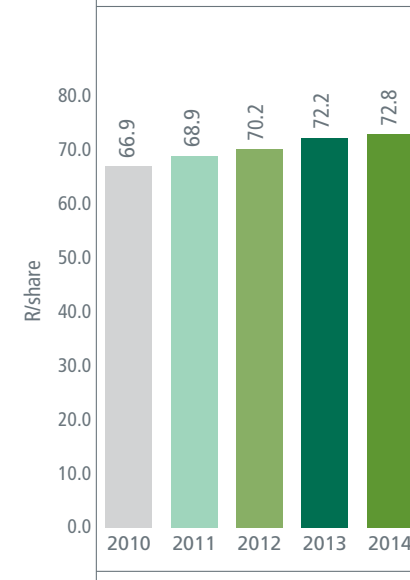
Wealth creation – 2014



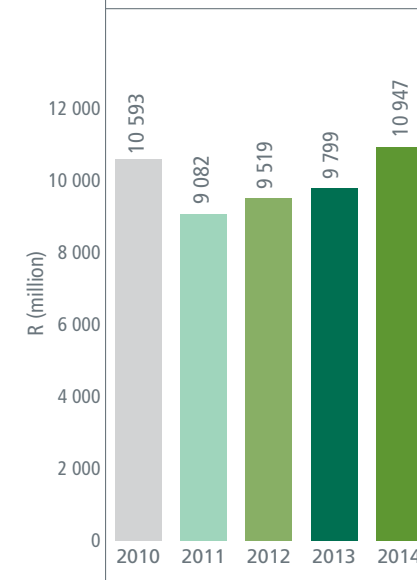
Wealth creation – 2013

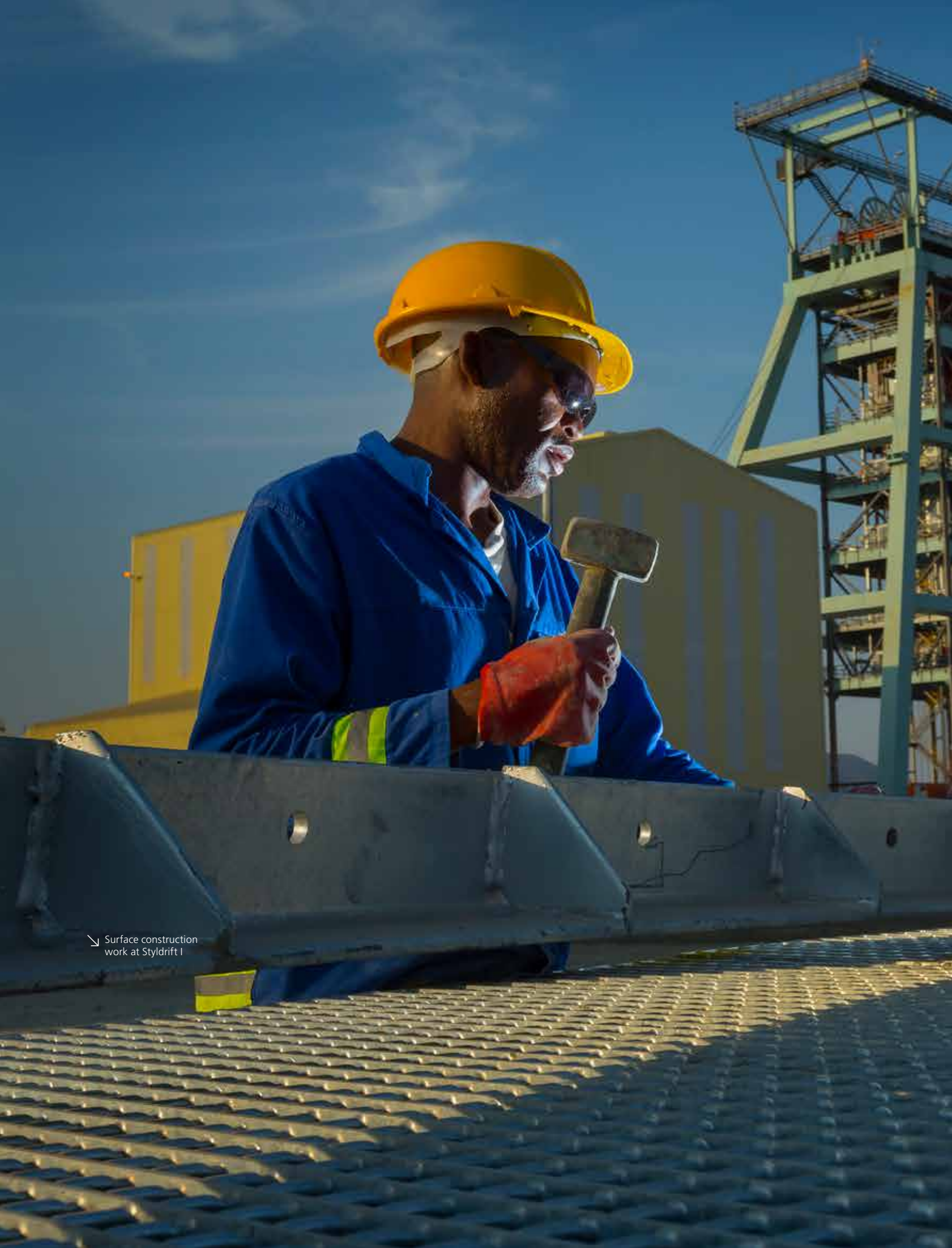


Net asset value per share



Market capitalisation





↙ Surface construction work at Styldrift I

OUR PERFORMANCE AGAINST THE CAPITALS

MANUFACTURED CAPITAL



OUR KEY MANUFACTURED CAPITAL STAKEHOLDERS	80
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PERFORMANCE

Strong operating performance as a result of stable operations



ACHIEVEMENTS

- > 7% increase in tonnes delivered
- > 8% increase in tonnes milled
- > 5% increase in 4E and Pt metals in concentrate produced
- > Unit cost increases kept below mining inflation
 - 4% increase in cost per tonne milled
 - 7% increase in cost per 4E ounce



IMPROVEMENTS

- > 13% improvement in lost time injury frequency rate (LTIFR)
- > Labour efficiencies:
 - 5% increase in stoping crew efficiencies
 - 5% increase in tonnes milled per employee



CHALLENGES

- > 9% increase in serious injury frequency rate (SIFR)



DISAPPOINTMENTS

- > Two fatal accidents at our operations
- > Six-month delay in planned stoping ramp-up at Styldrift



Key manufactured capital material issues

Key material issues in 2014	Key performance indicators that were our focus for 2014	What we achieved in 2014	Focus for 2015
Towards operational excellence			
> Labour and trade union stability	<ul style="list-style-type: none">> No industrial action in 2014> Conclude new wage agreements> Delivery of Phase I of the employee home ownership scheme	<ul style="list-style-type: none">> No production losses due to industrial action> Concluded new wage agreements with both enrolled and contractor employees> Successful completion of construction of the first phase of housing project in September 2014	<ul style="list-style-type: none">> Maintain and enhance relationships between management, labour and union representatives> Work with organised labour to identify additional areas for collaboration> Initiate Phase II of housing project
> Operating costs	<ul style="list-style-type: none">> Keep year-on-year unit operating cost increases to below on-mine mining inflation (10.5%) by offsetting above inflation increases in labour, utilities and mining-related commodities through:<ul style="list-style-type: none">– optimal alignment of labour complement with operational requirements– improving operational efficiencies (rand per tonne milled)– increasing ounce production (4E ounces produced)– further enhancing cost management systems– filling critical vacancies identified through operational needs analysis– square metres mined per stoping crew– tonnes milled per total operating employee (TEC)	<ul style="list-style-type: none">> Additional supervisory labour (miner level)> Sweeping related labour signed on to address areas where shortfalls were identified> Square metres mined per stoping crew improved by 5%> Milled tonnes/TEC improved by 5%> 4E ounce production increased by 5%> Rand per tonne milled increased by 4%> Rand per 4E ounce increased by 7%	<ul style="list-style-type: none">> Continue developing and refining:<ul style="list-style-type: none">– Supply and procurement contracts– Cost responsibility and accountability– Cost management and reporting systems– Incentive reward schemes, which drive both safety as well as productivity improvements
> Optimise long-term business strategy/ profitability Market conditions are likely to remain depressed in the short to medium term negatively impacting on the profitability of companies, especially the UG2-only operations of the Bushveld Igneous Complex. RBPlat believes that the key to maximising its returns in this environment is to leverage its Merensky-biased resource while not compromising on flexibility. This will allow us to increase our UG2 production when market conditions are conducive to us doing so	<ul style="list-style-type: none">> Increase ounce production by maximising available mill capacity at both BRPM and Waterval toll concentrators> Maximise Merensky throughput at BRPM and supplement spare capacity with UG2 by increasing BRPM milled tonnes by 2% and increasing toll treatment milled tonnes by 2%> Increase concentrator 4E ounce production by 2%> Begin work on 250ktpm concentrator upgrade project in accordance with plan> Begin work on Styldrift overland conveyor construction as per plan> Continue with UG2 trial mining at South shaft with the intention of:<ul style="list-style-type: none">– Identifying the most suitable mining method– Proving that a sustainable UG2 delivered grade can be achieved– Conducting trial mining on conventional, up-dip and pre-developed mining layouts– Achieving a sustained UG2 face grade of 4.6g/t (4E)	<ul style="list-style-type: none">> BRPM milled tonnes increased by 5%> Toll concentrating tonnes increased by 26%> Upgrade of BRPM concentrator and construction of Styldrift overland belt commenced on schedule> Conventional breast and up-dip identified as the most suitable layouts> Trial mining face grades have consistently met the target of 4.6g/t 4E> 4E ounce production increased by 5%	<ul style="list-style-type: none">> Continue work related to the revised 350ktpm concentrator strategy:<ul style="list-style-type: none">– Complete 250ktpm upgrade at BRPM– Complete Styldrift overland conveyor– Complete feasibility studies for 100ktpm Merensky module> Continue with South shaft UG2 trial mining, while increasing the number of stoping crews to more closely simulate steady state operating conditions and test sustainability of the delivered grade> Complete 80ktpm UG2 concentrator feasibility study to ensure operational flexibility should market conditions improve



For details of our efforts to improve engagement with our employees see page 103 of the Human capital section.



Key material issues in 2014	Key performance indicators	What we achieved in 2014	Focus for 2015
Build flexibility			
> Reserves available to support planned production rates	<ul style="list-style-type: none">BRPM to have:<ul style="list-style-type: none">immediately available ore reserves (IMA) of 22 monthsimmediately stopable reserves (IMS) of 6 monthsdeveloped ore reserves (DOR) of 16 monthsBRPM current reserves:<ul style="list-style-type: none">Ensure working cost development rates are matched to stoping depletion ratesBRPM future reserves:<ul style="list-style-type: none">North shaft Phase III Merensky replacement project is delivered on scheduleSouth shaft UG2 access and development will support a fast ramp-up should market conditions permit	<ul style="list-style-type: none">IMA = 22.5 monthsIMS = 8.5 monthsDOR = 14 monthsNorth shaft Phase III project ahead of schedule	<ul style="list-style-type: none">BRPM to have:<ul style="list-style-type: none">IMA of 22 monthsIMS of 6 monthsDOR of 16 monthsBRPM current reserves:<ul style="list-style-type: none">Ensure working cost development rates are matched to stoping depletion ratesBRPM future reserves:<ul style="list-style-type: none">North shaft Phase III Merensky replacement project is delivered on scheduleSouth shaft UG2 access and development will support a fast ramp-up should market conditions permit
> IMS panel ratio to mitigate impact of geology and depletion to ensure sustainable production from both the Merensky and UG2 mining platforms	<ul style="list-style-type: none">Maintain a combined IMS to stoping panel ratio of 1.5 or greater for the BRPM JV:<ul style="list-style-type: none">1.5 for Merensky at North and South shafts1.5 for UG2 at North shaft2.0 for UG2 at South shaft	<ul style="list-style-type: none">Combined IMS ratio = 1.70<ul style="list-style-type: none">North shaft Merensky = 1.63South shaft Merensky = 1.48North shaft UG2 = 2.40South shaft UG2 = 2.08	<ul style="list-style-type: none">Maintain Merensky IMS ≥ 1.50Maintain UG2 IMS:<ul style="list-style-type: none">South shaft ≥ 2.0North shaft ≥ 1.5
Organic growth			
> Styldrift I project execution	<ul style="list-style-type: none">Maintain capital discipline through regular review of all capital expenditure:<ul style="list-style-type: none">Capital spend in line with budgetPositive earned valueExecution of Styldrift I project to schedule and cost with particular focus on shaft sinking, equipping, lateral development and underground bulk infrastructure. Project schedule performance (revised baseline):<ul style="list-style-type: none">Meet key milestone targetsNo slippage on critical pathContinue developing Styldrift operational readiness. Capacitate site management with appropriate resources, systems and strategic partnerships:<ul style="list-style-type: none">Engage ramp-up contractor to commence with technical scope alignmentCustomisation of human resources, supply chain, mineral resource management, IT, engineering and security systemsPermanent office and warehousing facilities to be establishedReduce risk of sinking contractors business distress impacting on project progress by securing key:<ul style="list-style-type: none">construction and equipping assetssupply chain related contracts	<ul style="list-style-type: none">Capital discipline:<ul style="list-style-type: none">Capital expenditure project to date (PTD) at R3.8 billion in line with budgetEarned value project to date = +R283 millionProject schedule performance (revised baseline):<ul style="list-style-type: none">Key milestones remain on targetCritical path = 0 day slippageOperational readiness:<ul style="list-style-type: none">Ramp-up contractor technical alignment well advancedCustomisation in progress – all SAP-related systems fully integrated and functionalPermanent offices and warehousing facilities constructed and operationalRisk reduction:<ul style="list-style-type: none">All key construction and equipping assets purchased June 2014RBPlat has taken control of all related supply chain contractors (197 in total)	<ul style="list-style-type: none">Maintain capital discipline through review of all related capital projectsExecute as per revised Styldrift I project baseline schedule with particular focus on Main and Service shaft commissioning, lateral development and underground bulk infrastructure construction to support ramp-up and 250ktpm concentrator upgradeContinue developing Styldrift operational readiness. Capacitate site with required resources (men, material and equipment), operational infrastructure (training centre, change houses, etc) and optimise systemsConclude agreements for contract mining
> Styldrift II	<ul style="list-style-type: none">Continue with the pre-feasibility phase of this project with the aim of completing the pre-feasibility study by the end of the first quarter of 2015	<ul style="list-style-type: none">Current study programme on track	<ul style="list-style-type: none">Complete pre-feasibility study by end first quarter 2015



DEPARTMENT:
MINERAL
RESOURCES

EMPLOYEES
AND CONTRACT
WORKERS

INVESTMENT
COMMUNITY

JOINT VENTURE
PARTNERS

PROVIDERS
OF DEBT

TRADE
UNIONS

Our key Manufactured capital stakeholders

- > Employees
- > Contractors
- > Communities
- > Unions
- > Department: Mineral Resources
- > Joint Venture partners
- > Investor community

□ We continually strive to improve our stakeholder engagement. Most material to our operations are our enrolled employees and volume contractors. Our engagement with them takes place daily through both formal and informal channels. Our engagement, and endeavours to improve the effectiveness of our engagements, are further described in the sections of this report covering Human and Social and relationship capital.

Management uses a number of structures to engage with employees and the unions on operational issues. The Chief Executive Officer, Company executives and mine management regularly brief the workforce and union leaders on RBPlat, its business plan, safety initiatives, the platinum industry, the global economy, company performance and operational excellence. This is also complemented by regular briefing sessions by the Head of

operations to the workforce and union leaders. The communities in which we operate are also key stakeholders in terms of the positive or negative impact our operations may have on their prosperity, health, living conditions and general wellbeing.

The performance of RBPlat depends on the ability of the operations to optimally extract its PGM reserves to maximise financial returns through the effective utilisation of its manufactured capital. Performance in this regard impacts directly on our shareholders, the views potential investors have on RBPlat as an investment opportunity, our joint venture partners and providers of debt. The Department: Mineral Resources (DMR) is a key stakeholder of RBPlat. Our engagement with the DMR is mainly in connection with its application of the Mine Health and Safety Act. The inspectorate regularly inspects our operations and if poor health and safety issues are encountered may stop or advise remedial action to rectify the situation. The management teams of our operations and union representatives work closely with the DMR to conduct these investigations and find acceptable solutions.

↘ Pre-shift construction crew briefing session at Styldrift I

Overview

Key to the strong production performance at BRPM during 2014 was our labour stability and the commitment of our workforce to meeting production targets, underpinned by the existing flexibility in our operating platform. Combined with our ongoing cost management initiatives, this performance made it possible for us to keep our year-on-year unit cost increases below mining inflation. This was a particularly rewarding achievement in light of the devastating five-month strike that affected so many of our peers in the platinum industry and the challenging start we experienced during the first quarter, due to an unusually high number of safety incidents.

We believe that the operational stability, continuity and flexibility which have been a hallmark of our business are a consequence of the commitment to driving business performance and strategy demonstrated by our leadership, employees and organised labour.

- Our efforts during 2014 were aimed at consolidating these key aspects by:
- > further developing our relationships with our key internal stakeholders
 - > ensuring that all operational functions are optimally resourced
 - > maintaining operating flexibility.

One of the key focus areas at RBPlat's operations during 2014 was the further strengthening of its existing team-orientated operating environment. This was achieved by ensuring that our people have a clear understanding of RBPlat's business and its requirements.

The health and safety of our employees is a key material issue for RBPlat. The long-term health and safety strategy we introduced in 2012 will assist to achieve the goal of our safety vision, which is that every person working at RBPlat goes home unharmed every day.

□ For more information on our engagement with our employees and the union see page 103 of the Human capital section of this report and for information on remuneration and reward in RBPlat see our Remuneration section on pages 182 to 186 of this report.



From a project perspective we are pleased with the continued progress we have achieved on our BRPM Phase III Merensky replacement project, which remains ahead of schedule.

The implementation of the Styldrift I project has, however, proved to be more challenging, especially in view of the Services shaft hoisting constraint, which became apparent once the Main shaft was decommissioned for equipping during the third quarter of this year. This has resulted in the planned stoping ramp-up being delayed by six months. The project baseline schedule has subsequently been revised to incorporate this delay. Performance against this revised schedule remains on track.

Operating results

Our ongoing focus to safeguard our operational flexibility by ensuring that immediately stopable reserves are maintained at optimal levels, with the extraction of the UG2 reef horizon as a supplemental source of ore to our Merensky production, continues to pay dividends. It resulted in year-on-year improvements in most key production matrices with increases in tonnes delivered, tonnes milled, metals in concentrate and operating efficiencies. This, combined with effective cost management initiatives, has yielded year-on-year unit operating cost increases below mining inflation.

Mining

The year-on-year increase in total BRPM JV development in 2014 of 8% from 36.5km to 39.4km is mainly attributable to an increase in the working cost development required to maintain our

ore reserve and IMS targets and ensure sustainable production. Our IMS face length improved by 10% to 6.6km.

BRPM's overall IMS panel ratio per stoping crew ended at 1.7 for the financial year, which is 13% higher than our target of 1.5 and a 12% improvement year-on-year. This increase was a direct result of optimisation related to improving the distribution of IMS on a level-by-level basis and ensuring development rates and equipping requirements remain aligned with depletion rates.

Stoping output increased by 4%, with a total of 527 000m² being mined, compared to 505 000m² in 2013.

Our delivered tonnes increased by 7% year-on-year to 2 471kt, with Merensky delivered tonnes increasing by 1% to 1 908kt and UG2 delivered tonnes by 36% to 563kt.

UG2

UG2 production accounted for 23% of total tonnes delivered, with mining of the central high facies UG2 at North shaft, which continues to make a significant financial contribution to the business, contributing 65% of the total UG2 production.

Trial mining of the general facies UG2 at South shaft, which as communicated previously is characterised by a narrower reef horizon and more complex geology than at North shaft, continued as planned.

We are encouraged by the improvements the trial mining campaign has yielded

with respect to stope width and consequent face grade, with stope widths of below 95cm being sustained and face grades consistently meeting the target of 4.6g/t (4E) during the course of the year. A commensurate improvement in the delivered grade was however not realised. We attribute this to the high levels of dilution from lower grade on-reef development required to establish the face lengths to sustain UG2 production in the longer term. Furthermore, trial mining has established that the mining layouts best suited for dealing with the undulating nature of the South shaft ore body are conventional breast (max 20m panel length) and up-dip mining.

Trial mining at South shaft will continue during 2015, with the key focus being to evaluate if the improvement achieved in face grade can be extended to the delivered grade, in an environment more representative of steady state conditions. As such, the number of stoping crews will be increased while the number of development crews will be reduced.

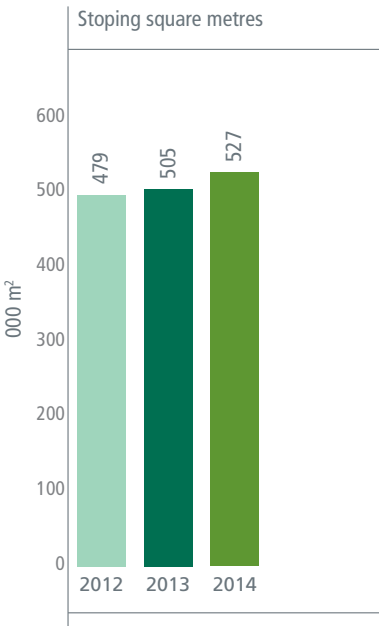
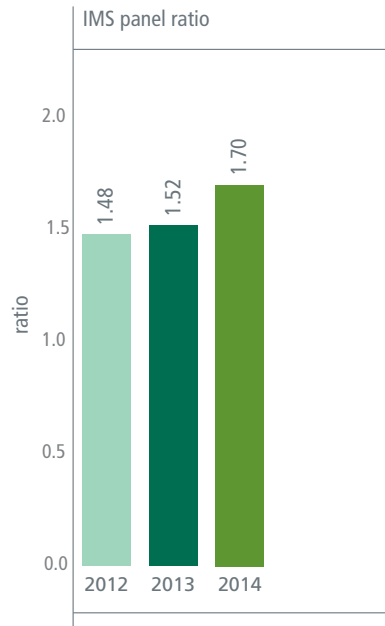
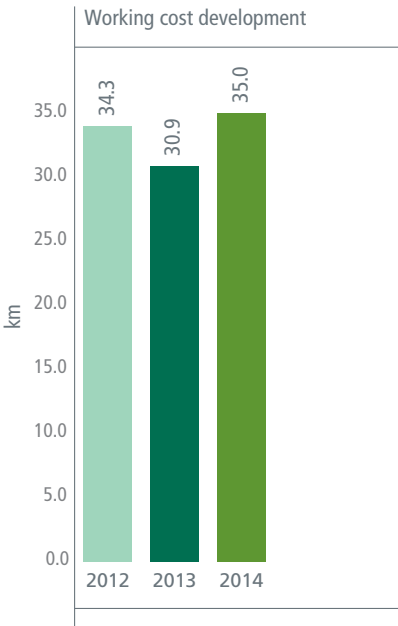
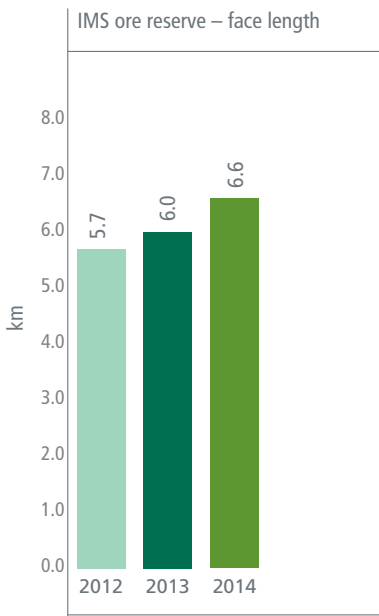
Grades achieved

The overall built-up head grade decreased marginally year-on-year by 2%, from 4.38g/t (4E) to 4.29g/t (4E). This reduction, which was due to the increased contribution of on-reef development from the Phase III project and UG2 trial mining to our overall run of mine (ROM) volumes, was in line with expectations.

Mining production

Description	Unit	Var %	2014	2013	2012
Total development	km	8	39.4	36.5	39.4
Working cost development	km	13	35.0	30.9	34.3
Capital development	km	(20)	4.4	5.5	5.1
Development replacement ratio	m ² /m	11	28.7	32.4	27.1
Total stoping square metres	000 m ²	4	527	505	479
Merensky	000 m ²	(2)	427	434	415
UG2	000 m ²	41	100	71	64
IMS panel ratio	ratio	12	1.70	1.52	1.48
Total tonnes delivered	kt	7	2 471	2 310	2 384
Merensky	kt	1	1 908	1 895	1 959
UG2	kt	36	563	415	425
Built-up head grade (4E)	g/t	(2)	4.29	4.38	4.07
Merensky (4E)	g/t	(1)	4.45	4.51	4.22
UG2 (4E)	g/t	(1)	3.74	3.76	3.36

Please note that any differences between the variance percentages in this table and those in the text of this section are due to rounding



A view of the concentrator flotation and cleaner circuits





Processing

Since 2010, the concentrator team has embarked on several projects focused on improving overall concentrator availability and operational efficiency as part of its journey to become a world class concentrator. These included:

- > upskilling of personnel
- > developing a revised site-specific asset care strategy
- > improved operational and cost management systems
- > revised operating methodologies to reduce water and power consumption.

Our total milled tonnes increased by 8% to 2 479kt from 2 301kt in 2013, with 2 112kt and 367kt being milled at the BRPM and Anglo American Platinum (Amplats) Waterval concentrators, respectively. The improved milling throughput was as a result of increased mining volumes. Merensky and UG2 mill volumes increased by 27kt and 151kt to 1 914kt and 565kt, respectively,

Concentrator production

Description	Unit	Var %	2014	2013	2012
Total tonnes milled	kt	8	2 479	2 301	2 375
Merensky	kt	1	1 914	1 887	1 958
UG2	kt	36	565	414	417
UG2% milled	%	28	23	18	18
Total BRPM concentrator tonnes milled	kt	5	2 112	2 010	2 214
Merensky	kt	1	1 914	1 887	1 958
UG2	kt	61	198	123	257
UG2% milled	%	50	9	6	12
Tonnes milled – UG2 toll	kt	26	367	291	160
Total built-up head grade (4E)	g/t	(2)	4.29	4.38	4.07
Merensky	g/t	(1)	4.45	4.51	4.22
UG2	g/t	(1)	3.74	3.76	3.36
Recovery – 4E (Total concentrating)	%	(0)	86.05	86.37	86.71
Recovery – 4E BRPM concentrator	%	(0)	86.77	87.05	87.21
4E metals in concentrate	koz	5	294	280	269
Pt metal in concentrate	koz	5	190	181	174

Please note that any differences between the variance percentages in this table and those in the text of this section are due to rounding

Labour costs

Total labour increased by 12% or 993 people to 8 873 compared to 7 907 in 2013.

By year-end our working cost labour complement at BRPM had increased by 1% or 92 employees to 6 272 compared with 6 180 in 2013. The increase in working cost labour is mainly due to the introduction of additional mining supervisory and vamping employees.

compared to the same period in 2013. UG2 contributed 23% of the total tonnes milled.

The overall and BRPM concentrator recoveries, which ended marginally lower at 86.05% and 86.77%, respectively, are in line with expectations. Toll concentrating recoveries were within expected contractual limits. This, combined with the 2% lower built-up head grade and 8% increase in mill volumes, yielded a 5% increase in both 4E and Pt metals in concentrate year-on-year, with 294koz and 190koz being produced, respectively.

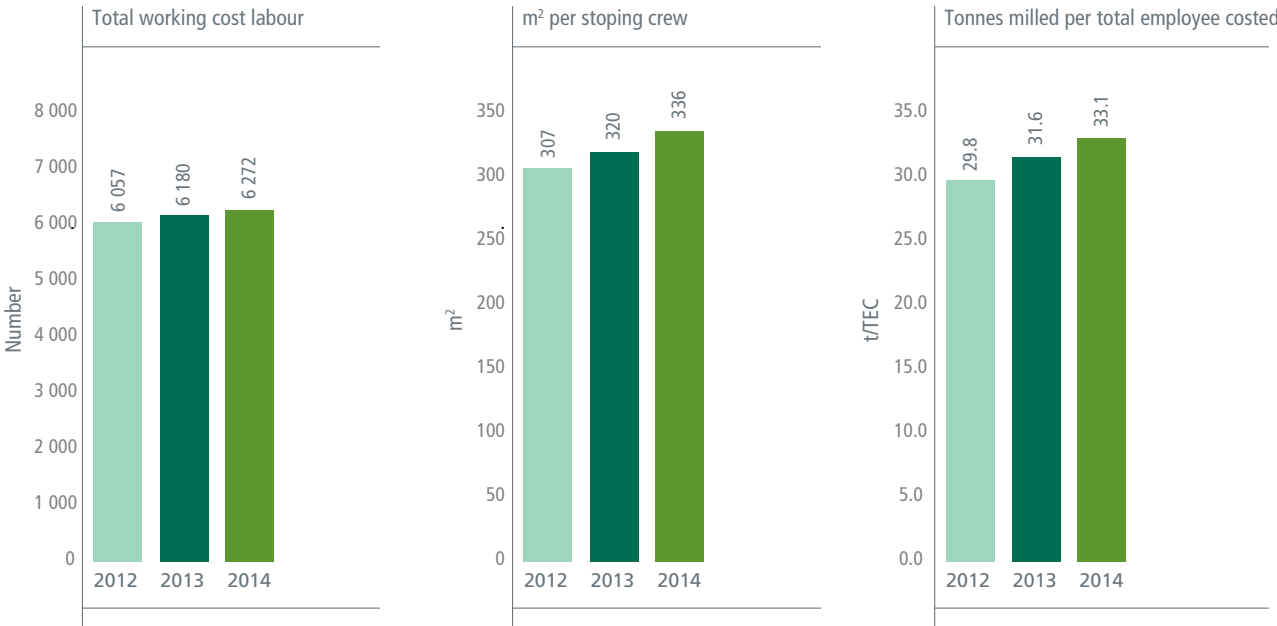
Work on the first phase of our concentrator upgrade to 250kt began in August 2014 as planned and is ongoing. The upgrade has had no impact on the overall plant performance. This is being achieved by scheduling project work during normal planned maintenance downtime. This project is currently on schedule and within budget.



Labour

Description	Unit	Var %	2014	2013	2012
Total labour	number	(12)	8 873*	7 907*	7 743*
Working cost labour	number	(1)	6 272	6 180	6 057
Capital labour	number	(51)	2 601	1 727	1 686
Stoping efficiency – total	m ² /crew	5	336	320	307
Milled tonnes/TEC	t/TEC	5	33.1	31.6	29.8

* Excludes corporate staff





Cash operating costs

Our cash operating costs at BRPM increased by 13% year-on-year to R2 361 million. Increased production volumes and our continued focus on costs management contained cash unit cost increases to below mining inflation, with the unit cost increases per tonne milled and per 4E ounce amounting to 4% and 7%, respectively.

Operating expenditure

Description	Unit	Var %	2014	2013	2012
Cash operating cost	R'm	(13)	2 361	2 093	2 051
Cash operating cost/t	R/t	(4)	957	920	864
Cash operating cost/4E oz	R/oz	(7)	8 040	7 519	7 616
Cash operating cost/Pt oz	R/oz	(8)	12 463	11 592	11 775

Capital expenditure

Stay-in-business (SIB) capital costs ended the year at R154 million which was R16 million or 12% up from 2013. This increased expenditure can mainly be attributed to the construction of a new water treatment facility at BRPM and the upgrading of locomotive controllers. SIB capital during 2014 at 7% of operating costs, remained well within our target range of between 6% and 8%.

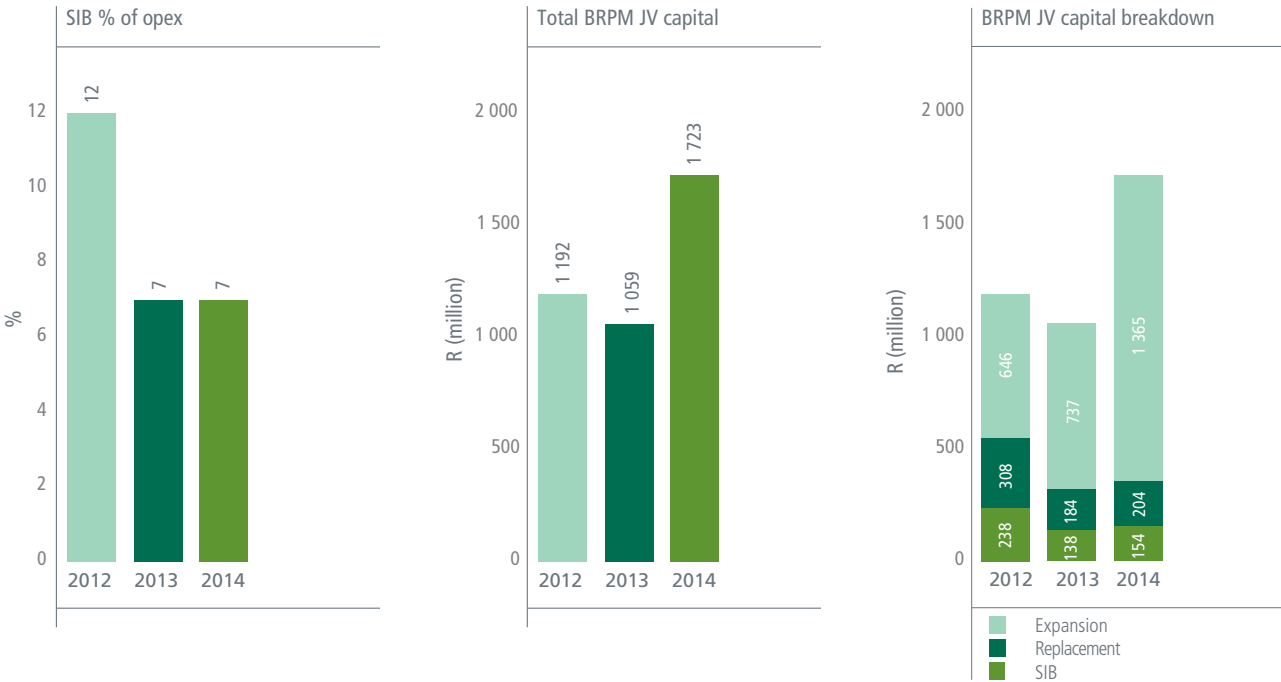
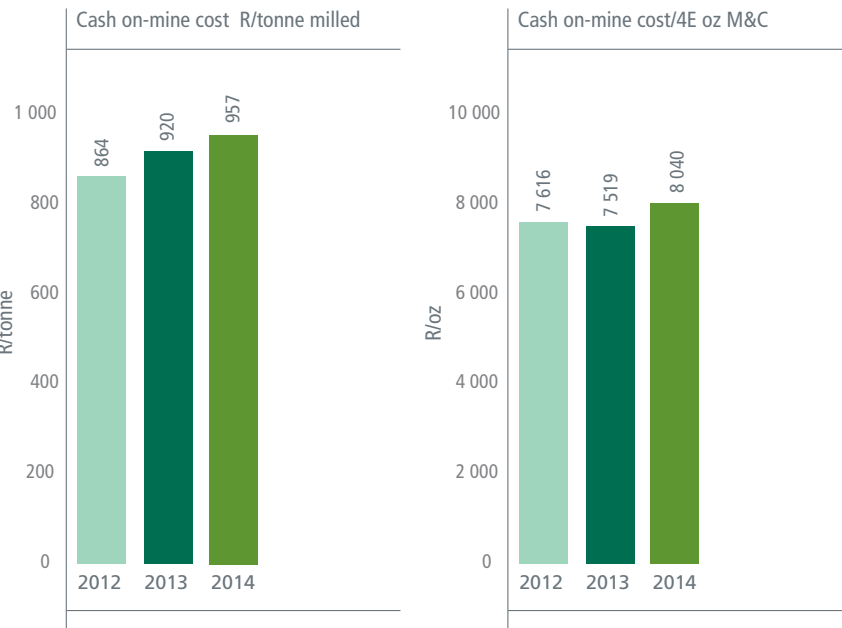
During 2014 the replacement capital expenditure on the BRPM Phase III project was, as forecast, R204 million. We expect the annual cost of this project to be between R180 million and R200 million per annum until it is completed in 2017.

Our expansion capital expenditure increased by 85% from R628 million to R1 365 million. This increased expenditure is mainly related to the increase in construction activities at our Styldrift I project.

Breakdown of total capital expenditure of BRPM JV

Description	Unit	Var %	2014	2013	2012
Stay-in-business (SIB) capital	R'm	(12)	154	138	238
SIB % of operating cost	%	1	7	7	12
Replacement capital	R'm	(11)	204	184	308
Phase II	R'm	100	–	9	116
Phase III	R'm	(17)	204	175	192
Expansion capital	R'm	(85)	1 365	737	646
Styldrift I	R'm	(82)	1 307	691	628
Styldrift exploration drilling	R'm	(13)	31	27	9
Styldrift II	R'm	(43)	27	19	9
Total capital expenditure	R'm	(63)	1 724	1 059	1 201

Please note that any difference between the variance percentages in this table and those in the text of this section is due to rounding



Projects

BRPM capital projects

The two key capital projects at BRPM in 2014 were the North shaft chairlift project and the Phase III North shaft Merensky replacement project.

North shaft chairlift project

The North shaft chairlift project, which will provide employees with a safer method of transportation into the mine than the previous belt riding option, included the development and installation of a chairlift from surface to level 5. Work on the project, which

began in June 2011, was completed in October 2014 and the chairlift was commissioned in November 2014. Capital expenditure on the project ended within the approved project budget at completion.

Phase III North shaft replacement project

This project, which extends the life of Merensky at BRPM's North shaft by extending the North shaft Merensky decline system and associated infrastructure from 10 level to the mine boundary at 15 level, is scheduled to be completed in 2017. As previously

mentioned, the project is already making an on-reef development contribution to BRPM's production.

The overall project is ahead of schedule and is 73% complete against a planned completion of 67% with 8 301 metres of development having been completed to date. The project remains below budget, with cumulative expenditure for the project to date amounting to R789.4 million.

The project is expected to be completed with an estimated saving of R114 million against an approved project budget of R1 409 billion.

Styldrift I surface silos and feed conveyor



Styl drift I project

As we advised in August 2014, when we announced our interim results and again in October when we released our third quarter results, the hoisting capacity of the Services shaft at Styl drift I has been identified as a key constraint. The Services shaft provides all logistical support for underground development and construction work on 600, 642 and 708 levels, including rock hoisting, transportation of men and material and all services during the period the Main shaft is being equipped.

Technical analysis highlighted that this constraint will effectively limit the rate at which key infrastructure required for the commissioning of the Main shaft and the start of production ramp-up can be developed, constructed and equipped. A detailed technical review of the overall underground mining and construction schedule and key constraints was subsequently conducted in order to identify ways of mitigating the impact of the constraint on the schedule. It resulted in the following revisions:

- > All construction activities were placed on full calendar operations
- > A double kibble was introduced to reduce shift change delays

- > Services shaft schedule was revised
- > Additional "slick-lines" were installed in the Services shaft to improve concrete and shot-crete delivery to underground construction sections
- > Construction of water settlers 1 and 2 was deferred
- > Construction of the UG2 and spare reef silos (3 and 4) was deferred
- > Lateral development on 642 and 600 levels was rescheduled and rates revised.

The net result of this review is a three-month delay in the Main shaft commissioning, a six-month delay in the start of production ramp-up with a commensurate delay in reaching steady state. The Main shaft commissioning, previously scheduled for the first quarter of 2015, will now take place in the second quarter of 2015. The start of ramp-up, previously scheduled for the third quarter of 2015, is now scheduled for the first quarter of 2016, with steady state being achieved in the first quarter of 2019.

The project baseline schedule has subsequently been revised to incorporate the constraints we identified and reflect the changes in execution methodology. The project remains on schedule against

the revised baseline, and no slippage on the critical path by year-end.

The impact of the delay in production ramp-up on the overall BRPM JV output will be partially mitigated by securing additional production from BRPM's South shaft during 2018.

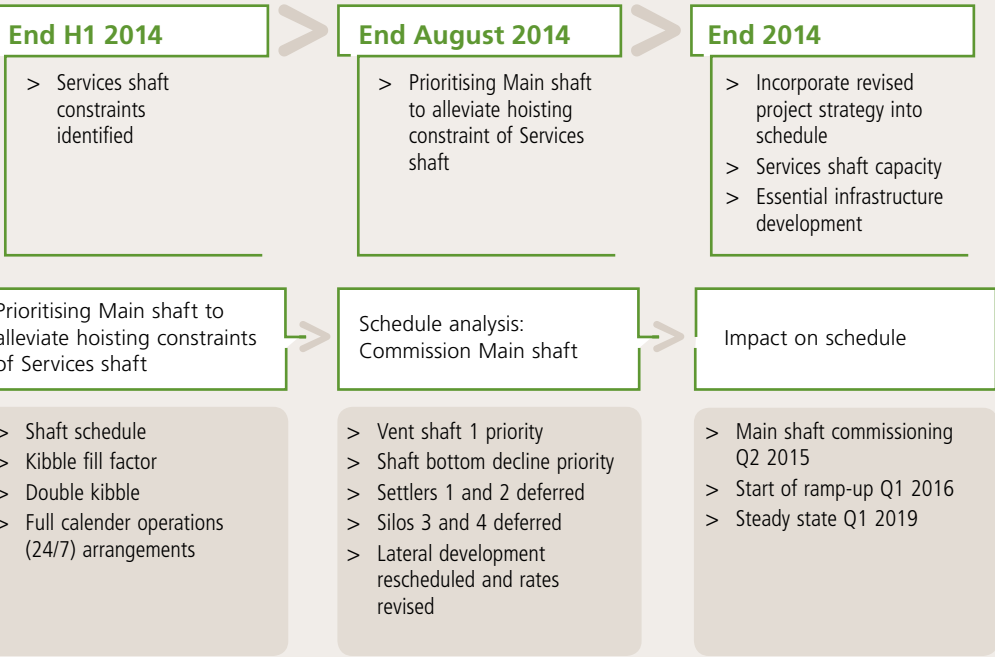
Total capital expenditure on the project for the 2014 financial year was R1.307 billion (including the concentrator project, contingency and escalation).

By year-end R3.818 billion of the total capital commitment of R4.552 billion for the project to date had been expended. The capital cost of the project remains R11.014 billion, as the impact of the delayed Main shaft commissioning and start of ramp-up will be absorbed by savings and contingencies. The capital cash flow has been aligned to the revised baseline project schedule, resulting in lower expenditure in 2015 and higher expenditure in 2016 and 2017, mainly due to the fact that concentrator related construction activities have been delayed to align with the revised ramp-up requirements.

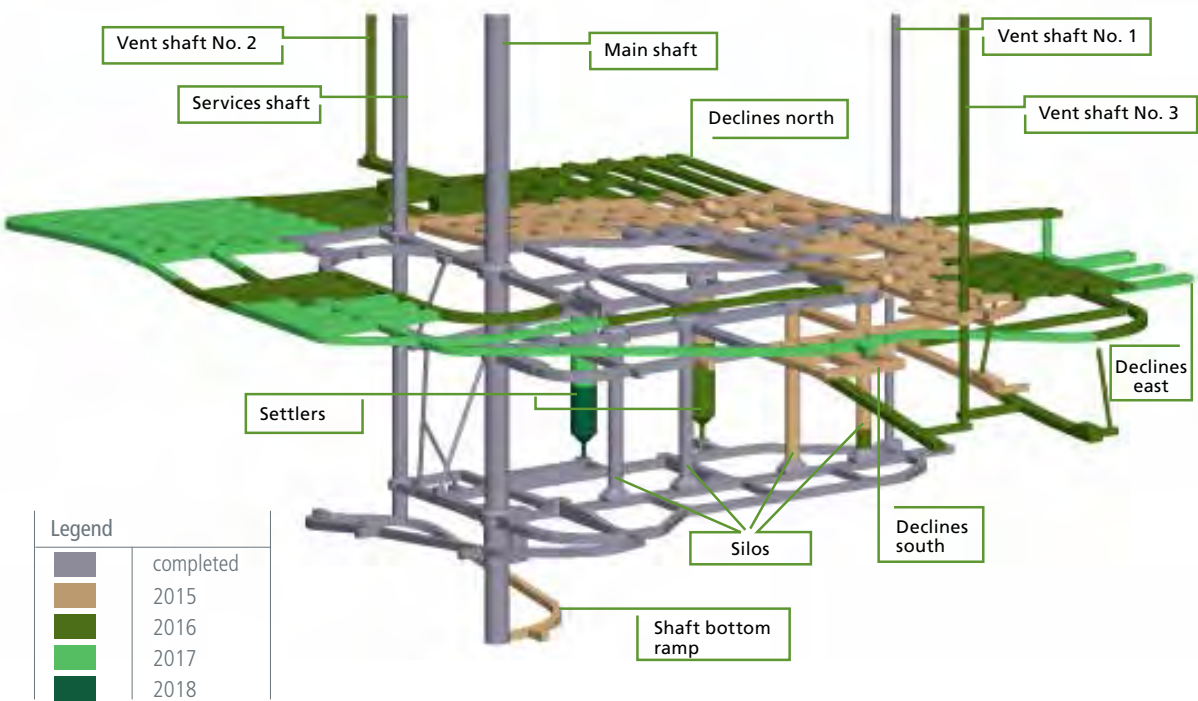
Styl drift I project high level schedule

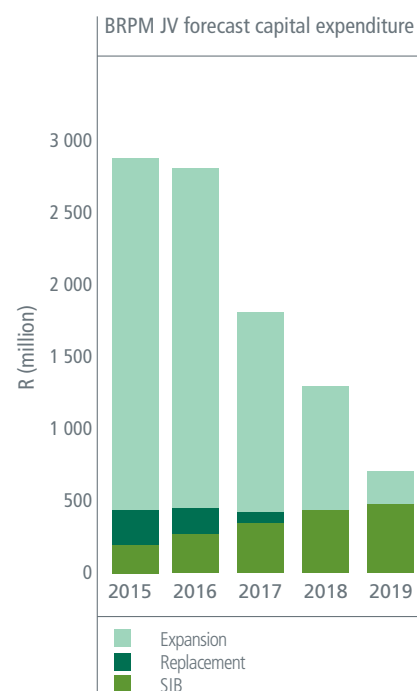
	2015				2016				2017				2018				2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Main shaft hoisting system equipping and commissioning																	
Ventilation shaft No. 1																	
Services shaft equipping and commissioning																	
Access development to start of ramp-up																	
Shaft infrastructure development, construction and equipping																	
Ramp-up																	
Steady state																	▲
250ktpm upgrade																	
Overland conveyor belt to concentrator complex																	
100ktpm upgrade																	

Mitigating the days lost at Styl drift I project



Styl drift I project key infrastructure





Styl drift II

Styl drift II, which lies within the BRPM JV resource boundary and to the east of the current Styl drift I expansion project, makes up approximately 36% (129Mt) of the total BRPM JV resource. The resource currently comprises 58Mt Merensky at an average grade of 7.81g/t 4E over a resource width of 104cm and 71Mt UG2 at an average grade of 5.39g/t 4E over a resource width of 120cm. The resource depth varies between 820m and 1 500m with a consistent north-west strike and dipping at an average of 9°.

Unique to the Styl drift II resource area is that it is almost exclusively underlain by the Swartklip facies, resulting in less variability in mineralised envelope width, improved lateral continuity and a lower incidence of potholing and faulting when compared to the predominant Rustenburg facies found on Styl drift I and BRPM.

The size, grade, relative shallow depth and unique resource characteristics of the Styl drift II ore body therefore represent a significant investment opportunity for RBPlat and its shareholders.

To date we have completed a total of 98 primary exploration holes equating to 125 000m of drilling (including deflections), yielding 350 Merensky intersections and 307 UG2 intersections. A good correlation between actual intersections and geological modelling has been observed. Resource optimisation during 2015 will include the updating of the 3D seismic model as well as additional surface drill holes to improve the resolution on certain key geological features within the Styl drift II mining area.

To this end RBPlat embarked on a detailed study and exploration drilling programme in 2010. This was followed by concept and pre-feasibility studies. The results of the pre-feasibility study indicated a positive business case and was presented to the RBPlat Board in February 2015. The Board approved the pre-feasibility study, and to proceed with a feasibility study.

Outlook

The safety, health and wellness of our employees plays an important role in achieving sustained operational continuity and as such will continue to be a major focus during 2015. We remain confident that our road to resilience safety programme supported by our strategy of strengthening the barriers that prevent injuries and focussing on the health and wellness of our employees will enable us to achieve our safety, health and wellness targets and objectives.

- Using new technology and approaches to keep our people safe is an important part of our efforts to improve on safety performance.

Maintaining the sound labour and community relations we have developed over the past few years will be paramount in ensuring ongoing operational and project continuity. As such, our key focus during 2015 will be to:

- expand communication and feedback forums used to engage with labour and union representatives to further enhance the mutual trust and understanding of the business that has been established to date
- meet our social and labour plan commitments through the ongoing development of skills and infrastructure as part of our contribution to local economic development in the communities in which we operate.

Our key operational challenges will be to maximise BRPM volumes and grades with a strong emphasis on operating cost control in order to minimise the impact of the delay in the Styl drift I ramp-up on the overall business between 2015 and 2018. A detailed review of the overall BRPM operational and extraction strategies has been conducted in order to optimally leverage its Merensky and UG2 resources during this period. The net outcome of this exercise resulted in the impact of the Styl drift I delay on the BRPM JV production being reduced from approximately 250koz to 120koz over the period by extending the life of South shaft into 2018. We will continue exploring various options to further reduce the impact.

In addition, protecting the Styl drift I revised baseline schedule will be of paramount importance to ensure that the revised ramp-up and steady state milestones are met. To this end we have

equipped the project with additional technical resources to assist with the construction, equipping, planning, management and control activities related to the Main and Services shaft construction programmes.

We are confident that production from BRPM will be between 2.4 to 2.5mt for 2015, given our good stakeholder relations and strong operating platform, with the head grade being maintained at between 4.15g/t (4E) and 4.20g/t (4E). Our Merensky ore will be preferentially treated at the BRPM concentrator facility and excess UG2 will be toll treated at Waterval. UG2 production is set to contribute approximately 20% of BRPM's total production in 2015.

RBPlat production is now forecast to increase in line with the revised Styl drift I ramp-up schedule, with the 250ktpm processing capacity coming on line in the third quarter of 2015 and increasing to 350ktpm in the first half of 2017 as opposed to the third quarter of 2016, which is what was previously communicated in the 2013 integrated report. The Joint Venture head grade is forecast to increase to between 4.25g/t (4E) and 4.30 g/t (4E) from the first quarter of 2017 as the head grade benefits from the Merensky stoping ramp-up at Styl drift I. UG2 production contribution reduces commensurate with the Styl drift ramp-up, decreasing to 10% by the first quarter of 2019.

Total capital expenditure (including escalation and contingencies) is forecast to increase and peak at around R2.9 billion in 2015, the key driver being the Styl drift capital construction programme. Capital expenditure will decrease marginally to R2.8 billion in 2016, reducing to R1.8 billion in 2017 as construction activities on the Styl drift I project wind down. Replacement capital attributable to the North shaft Merensky Phase III replacement project will account for approximately R200 million per annum over the next two years, reducing to R100 million on completion of the project in 2017. SIB capital expenditure is forecast at around 8% of total operating expenditure.

We will continue to stay abreast of industry developments regarding innovation and new technologies; this will allow us to extract incremental benefits throughout our value chain and contribute to upskilling of our employees.

Styl drift I Main shaft loading box construction



In memory of our colleagues who lost their lives in 2014

Mr Xadrique Chihungo, who died on 4 October 2014 in a work-related accident at Styldrift I and Mr Refumane Petrose Kanono, who died in a work-related accident at BRPM South shaft on 10 October 2014

Our deepest sympathies go to their families, friends and colleagues



OUR PERFORMANCE AGAINST THE CAPITALS

HUMAN CAPITAL



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SAFETY, HEALTH AND WELLNESS	110

PERFORMANCE

ACHIEVEMENTS



422
employee houses completed and 295 sales agreements signed by 31 December 2014

IN SUPPORT OF UNITED NATIONS (UN) GLOBAL COMPACT PRINCIPLES 1, 2, 3, 4, and 5

As a signatory of the UN Global Compact (UNGC), RBPlat is committed to:

Human rights

Principle 1: Support and respect the protection of internationally proclaimed human rights within their sphere of influence

Principle 2: Make sure that they are not complicit in human rights abuses

Labour

Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Uphold the elimination of all forms of forced and compulsory labour

Principle 5: Uphold the effective abolition of child labour

IMPROVEMENTS



- > 13% reduction in lost time injury frequency rate (LTIFR) year-on-year
- > 97.17% of our enrolled employees and contractors are historically disadvantaged South Africans
- > Women now make up 12.3% of our enrolled employees (1.4% increase year-on-year)

DISAPPOINTMENTS



- > Two fatal accidents in our operations and a further fatal accident on 12 January 2015
- > 9% increase in serious injury frequency rate (SIFR)

CHALLENGES



- > The safety maturity level of our employees remains a challenge on our road to resilience programme

Employees' families enjoy their new homes in RBPlat's employee home ownership development

HUMAN RESOURCES

Key human resources material issues

Key material issues in 2014	Key performance indicators that were our focus in 2014	What we achieved in 2014	Focus for 2015
Towards operational excellence			
> Employee engagement and responsiveness	> Wage negotiations > No strike action, production and safety targets met > Increase efforts to improve our employee engagement and responsiveness > Improving communication skills of operational leaders	> Successfully concluded a new long-term wage agreement with our enrolled employees, which continues to include incentives for productivity > See page 103 for details on our engagement and response to our employees > See page 107 of Training and development section for training undertaken in this regard	> Continuous engagement with labour and employees to maintain a culture of sharing business information and innovation > Improve employees' access to information through the development of an employee portal > Continue with leadership communication skills training programme
> Labour and trade union stability	> Number of production days lost to labour action > Concluding a new long-term wage agreement with our enrolled employees by 30 June 2014 > Closing the wage gap between contractors and enrolled employees > Enrol the majority of volume contractors on a medical aid	> Wage agreement signed without any labour instability > Agreed the process for bringing contractor wage negotiations and wages in line with those of our enrolled employees > Majority of volume contractors on a medical aid	> Implementing new wage agreement > Reviewing our remuneration policy for levels D1 and below > Benchmarking our remuneration structures > Monitoring other wage negotiations in our industry > Facilitating the enrolment of the remaining volume contractors on a medical aid
> Suitable remuneration and reward structures linked to performance that are acceptable to our employees and investors	> Establishing suitable remuneration and reward structures linked to performance that are acceptable to our employees and our investors and drive performance	> See page 186 of the Remuneration section of this report for details of the new incentive programme we have implemented	> Development of new employee share ownership programme (ESOP)
> Employee home ownership scheme	> Completing Phase I of employee home ownership scheme (422 three-bedroom houses) > Number of employee sales agreements signed > Securing funding for Phase II of the scheme > Signing home ownership sales agreements with employees	> First phase of employee home ownership scheme delivered > 295 sales agreements* signed and 289 families resident in their homes by year-end	> Finalising an independent structure for the management of the housing estate > Planning and starting work on Phase II of home ownership scheme and preparation for Styldrift I employee housing
> Talent management and succession planning	> Put scorecard in place to predict talent supply and relevant interventions required > Performance management to become part of daily life > Defining roles at Styldrift I	> A scorecard is in place to predict talent supply and relevant intervention required (See page 101 of this report for details of the effectiveness of our succession planning) > Psychometric testing was conducted and a self-mastery management process was undertaken (See page 102 for details of the work carried out to date) > Key Styldrift I roles reviewed and defined	> Use of scorecard ongoing > Career conversations in place > Defining of new roles ongoing

* These indicators have been assured (See page 187 for the assurance statement)

See page 100 for detail of our skilled employee turnover by category.
 There is more information on the percentage of HDSA managers in core and support functions on page 101 of this report.
 Refer to page 101 for number of woman at mining.

HUMAN RESOURCES continued



COMMUNITIES

DEPARTMENT: LABOUR

DEPARTMENT: MINERAL RESOURCES

EMPLOYEES AND CONTRACT WORKERS

GOVERNMENT

INVESTOR COMMUNITY

RBPLAT LEADERSHIP

UNIONS

Our key human resources and training and development stakeholders

The impact of escalating wages on RBPlat's operating costs is of major concern to investors as is our ability to maintain labour and union stability. We were able to negotiate a long-term wage agreement without any industrial disruption.

Our employees are key stakeholders of RBPlat. We are responsible for ensuring their human rights are respected and protected in the workplace and that our workers enjoy freedom of association and the right to collective bargaining. We must ensure that we comply with the South African Basic Conditions of Employment Act No 75 of 1997 and the Labour Relations Act No 66 of 1995. Talent management and succession planning is also part of our responsibility to management, as is employment equity within RBPlat. We are also responsible for ensuring our employees are paid and receive the benefits they are entitled to.

- Engaging with our employees, obtaining feedback from them and, where necessary, acting on this feedback is key to a successful productive working relationship. We would refer you to page 103 for information on our engagement with and response to our employees.
 - It is our responsibility to provide our communities with skills development and education in terms of our SLP commitments.
 - We engage with specialist service providers who assist us with the provision of training and various other specialist skills.
- Both the Department: Mineral Resources and the Department: Labour are key stakeholders with whom we engage and to whom we are required to report. During 2014 we established an Employment Equity Forum facilitated and supported by the Department: Labour.

See pages 101 and 102 for information on our talent management and succession planning, HDSAs in skilled positions and remuneration and benefits. See pages 106 to 108 of this report for details of our delivery against our skills development commitments and page 131 for information on our SLP education achievements.

The conveyor belt, which forms part of the BRPM Phase III project, under construction



HUMAN RESOURCES continued

Our approach to human resources management

Our approach to human resources management is based on international best practice, upholding the UN's Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, which form part of our commitments as a signatory to the UNGC. The development of our human resources strategy and its alignment with our corporate strategy and our employment policies and procedures are the responsibility of the Executive: Human Resources, who reports to our Chief Executive Officer.

Human resources strategy, policies and procedures

The human resources teams at our operations are responsible for implementing our human resources strategy and policies. They are also responsible for strategic workforce planning and employee training and development.

In 2014 we reviewed and implemented all key human resources policies.

Our employment policies and procedures ensure that we:

- > have a sound employee relations recognition agreement (ERRA)
- > uphold the right of our employees to freedom of association and collective bargaining

- > provide equal opportunities to all our potential and existing employees
- > achieve a diversified workforce that reflects the demographics of our country
- > provide a workplace based on:
 - mutual respect
 - fairness
 - integrity
 - non-discrimination
 - equal opportunity at all levels
 - open and two-way engagement with our employees and their representatives
- > consult extensively with all the affected parties including management, employees and the trade unions if and when it becomes necessary to reduce our workforce.

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

- > developing the miners of tomorrow through youth development, graduate and bursary programmes and learnerships
- > upgrading the skills of the people currently mining our operations
- > developing the historically disadvantaged South African (HDSA) leaders of tomorrow through leadership development programmes,

The primary and secondary mills at the BRPM concentrator

- internal promotion and succession planning
- > increasing the number of women working at mining in our workplace through retention, external recruitment and diversity training
- > facilitating the home ownership we are committed to in terms of the Mining Charter and our long-term wage agreement.

In 2015 we will be reviewing and optimising our human resource systems.

Investing in our people

We believe in making an appropriate investment in the development of our people. If our business is to be sustainable and we are to achieve our strategic goal of operational excellence we need employees with the appropriate skills and experience.

It is our aim to provide our permanent employees and contractors with opportunities to acquire competencies that will allow them to develop and progress. We also offer our employees well-structured employment contracts that offer fair and competitive remuneration.

Evaluating the effectiveness of our approach

Our total workforce as at 31 December 2014

We need to have the optimal workforce to achieve our production targets. This requires the right number of people with the right skills. The increase in our employee and contractor numbers is due to increased activity in connection with the Styldrift I project, which includes Shared services and Corporate office.

	2014	2013	2012	% change year-on-year
BRPM mine				
Contractors	3 586	3 688	4 167	(2.8)
Enrolled employees	2 666	2 573	3 072	3.6
BRPM concentrator				
Contractors	74	80	89	(7.5)
Enrolled employees	186	176	166	5.7
Styldrift I project				
Contractors	2 098	1 221	666	71.8
Enrolled employees	84	30	21	180.0
Shared services				
Contractors	15	8	–	87.5
Enrolled employees	164	131	–	25.2
Corporate office				
Contractors	27	22	24	22.7
Enrolled employees	–	–	–	–
Total number of employees*	8 900	7 929	8 205	12.3

* These numbers exclude trainees who were part of our social and labour plan commitment

Workforce changes

- > Our total workforce increased by 12.3% year-on-year
- > Enrolled employees (Corporate office included in this number) increased by 6.7% year-on-year
- > Contractors increased by 15.5% year-on-year

Please refer to pages 76 to 79 of Manufactured material issues to see our achievements against our production targets.



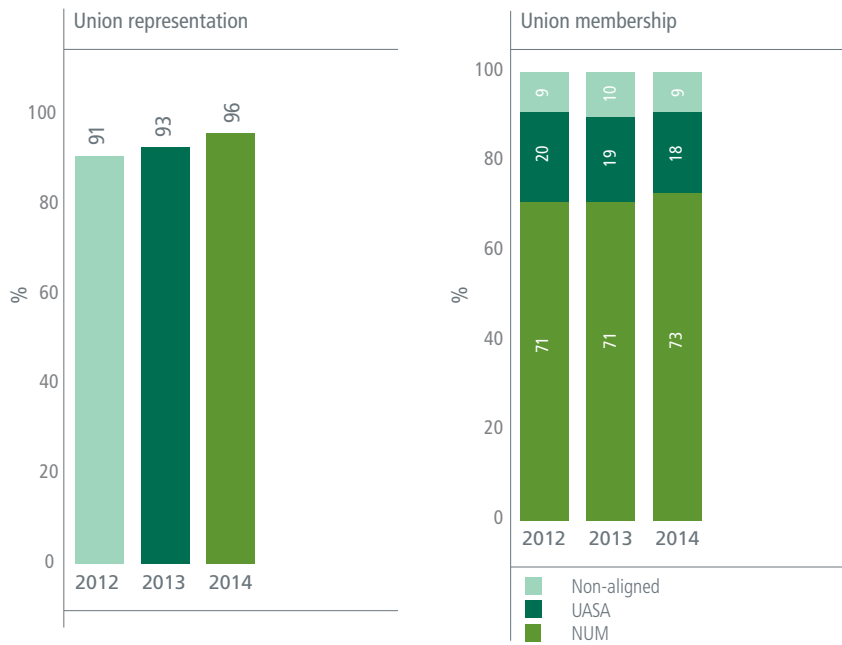
HUMAN RESOURCES

continued

Voluntary turnover of enrolled employees

Level	Number of employees			Percentage of total enrolled employees			
	2014	2013	2012	2014	2013	2012	% change year-on-year
Senior management	1	–	–	0.03	–	–	0.01
Middle management	7	6	14	0.21	0.19	0.42	0.27
Junior management	30	22	40	0.92	0.68	1.20	0.93
Core skills	57	42	65	1.74	1.30	1.96	1.67
Total voluntary turnover	95	70	119	2.90	2.17	3.58	2.88

While we have had an increase in our core skills turnover, which is where we consistently have the highest voluntary turnover, at 1.74% this turnover is still very low. Total voluntary turnover of enrolled employees increased by 2.88% year-on-year.



Labour relations

- > 96% of our employees were unionised in 2014 (this excludes approximately 127 (4%) middle and senior managers).

In terms of our employee relations recognition agreement (ERRA) the threshold for a union to exercise organisational rights is 40% on any bargaining unit. We currently recognise two unions, NUM and UASA. Although UASA is below the 40% stipulated it remains recognised.

At year-end NUM remained the majority union with:

- > 72% representation in the operators unit
- > 75% representation in the supervisory unit.

- In accordance with our ERRA we signed a long-term wage agreement with NUM, the majority union, for implementation on 1 July 2014.

Industrial action

2014	No days lost to industrial action
2013	No days lost to industrial action
2012	A three-day strike (21 – 23 August) and 10-day strike from 12 – 21 September, both related to rock drill operator demands*

* RBPlat's negotiations with the unions following these strikes resulted in agreement on the introduction of a performance-based incentive bonus, which has proved most effective in achieving our production targets

Employment equity (enrolled and contractors)

We recruit from our local communities whenever possible. At Styldrift I the recruitment of employees with key operational skills is ongoing. Members of the local community who were trained as mechanised machine operators are already working underground at Styldrift I, gaining practical exposure to a production environment.

Providing equal opportunities

- > 381 women were working at mining in RBPlat at 31 December 2014 (this figure excludes contractor employees and women recruited for our development programme)

- > In 2014 women made up 12.3% (10.9% in 2013) of our enrolled employees
- > At 31 December 2014, of the people employed by RBPlat 97.17% were HDSAs.

Our employment of HDSAs in skilled positions

- > Since its inception RBPlat has considerably exceeded the Mining Charter scorecard targets for HDSAs at every level in our organisation
- > This year we exceeded the targets for skilled employees by an average of 57.17%.

Level of skill	2014 No of HDSAs	Actual % for 2014	Charter target (%)	% by which we exceeded the target
Board level	6	54.55	40	14.55
Senior management	5	62.50	40	22.50
Middle management	107	68.59	40	28.59
Junior management	841	88.99	40	48.99
Core skills	5 291	99.59	40	59.59
Total	6 250	97.17	40	57.17

Talent management and succession planning

- The depth of our talent at RBPlat proved itself this year. When the General Manager of Styldrift I and our Chief Operating Officer resigned we had the talent and experience available in our operational team to allow us to immediately make appointments to take on these responsibilities from within RBPlat and to promote members of our operational team up one position to fill the gap left by these appointments.

In order to maintain this depth of talent it is critical that we invest in talent management and succession planning.

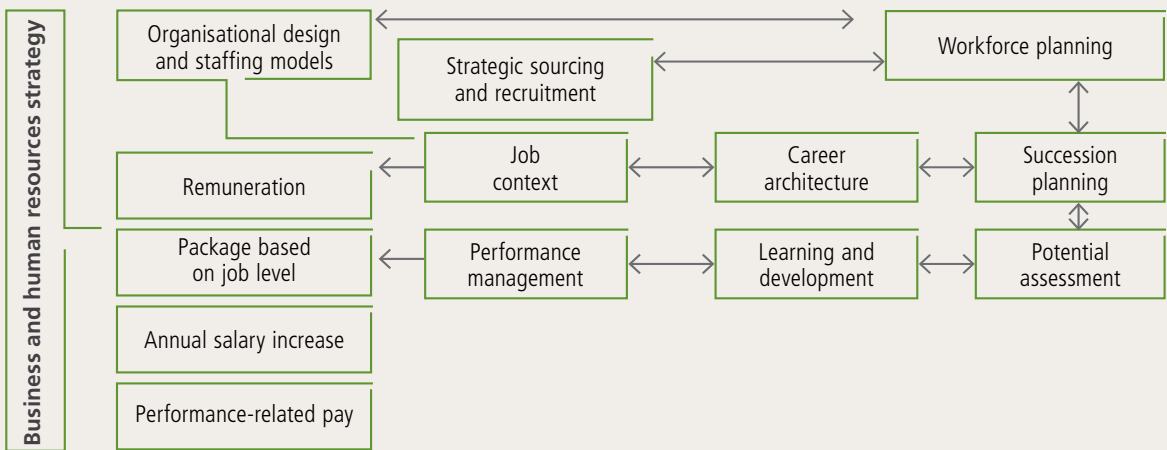
We achieved our focus for 2014, which was to have a talent management framework in place that will allow us to predict talent supply and the interventions necessary to ensure we have the talent available when it is required. In 2015 we plan to have talent conversations embedded as a practice and have conducted a full talent bench strength and supply review.

See the Employee benefits and remuneration section on page 102 for information on the steps we are taking to improve the remuneration and benefits of our volume contractors.

For information on how we build talent please see the diagram on page 107 of Training and development.

HUMAN RESOURCES continued

Talent management framework



Our progress

During 2014 we:

- > provided ongoing line manager coaching and support
- > conducted talent management workshops in all business areas
- > completed 80% of line management assessments (360° feedback, psychometric and performance data)
- > completed 60% of leadership competence training
- > continually provided competence training.

In 2015 we will:

- > complete assessments by end March 2015
- > continue with the talent management process.

One of our talent management challenges is the retention of artisans. To address this challenge we ensure we pay market-related salaries.

Performance management

Performance management plays a key role in the development of talent. Our senior and middle managers and our mining teams at our operations have performance reviews twice a year and are measured against key performance management indicators, which include career development discussions.

Team performance reviews are done monthly with an emphasis on safety, productivity and cost. These performance reviews have a direct impact on a team's monthly incentives.

Employee benefits and remuneration

Our enrolled employees are provided with a retirement fund and medical scheme benefits, as well as group life assurance cover with a benefit of up to seven times their annual salary in the event of their death. These benefits are provided over and above the legally mandated benefits.

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

As previously mentioned we are currently engaging with the union regarding contract worker wages, with the aim of closing the wage gap between our enrolled employees and contractors over time. Our negotiation of medical aid membership for contractors has improved the employment benefits of most of our volume contractors and given them access to treatment for chronic diseases. We aim to have all volume contractors on the Platinum Health medical aid by the end of 2015.

Our annual people calendar

January Salary increases D2 and above	February Salary increases D2 and above	March Bonus payments to all employees	April Career conversations
May Manager once removed conversations	June Mid-year performance conversations	July Salary increases bargaining unit	August Salary increases bargaining unit
September Operational/functional talent review	October Business talent review	November Implement talent actions	December Setting next year's KPIs and year-end performance conversations

Our employee home ownership scheme

We are pleased that we have been able to offer 422 homes to our enrolled employees in the Waterkloof Hills Estate near the Waterfall Mall in Rustenburg. These homes were built as the first phase of the scheme. By year-end 295 employees had signed sales agreements for their three-bedroomed homes, which have a mortgage repayment period of about 18 years. The estate is near Rustenburg, which is in accordance with the Mining Charter stipulation that mining companies will provide decent housing close to a functional town. Enrolled employees are allocated houses according to the qualifying criteria agreed by the Housing Committee, whose membership consisted of NUM members and RBPlat management.

These homes provide our enrolled employees with the opportunity to own an asset that is expected to appreciate over time.

The home or living out allowance employees previously received from RBPlat will be replaced with a housing allowance which will be used to pay off their home loans. Construction of Phase II, which will consist of a further 3 100 houses, is planned to start in 2015.

The first homes to be built are 80m² three-bedroomed homes. These will be

followed by homes that will vary from 140m² to 360m² in size for the next level of employees.

Engaging with and responding to our employees

While we recognise that engaging with and responding to our employees will always be a challenge, we believe that the labour and trade union stability we have achieved can be attributed to the relationships we have managed to establish with our enrolled employees, contractors and their union representatives.

We keep our employees updated on business issues through a range of communication tools, including our *Lebone* newsletter, the Chief Executive Officer's monthly email message, our annual report to employees, partnership forums, the monthly feedback sessions held by the Head of Operations and the mine managers, and cellphone text messages. We also plan to establish an employee portal in 2015. To improve work group communication the leadership training we provide includes training in communication skills.

Our most significant human resources engagement in 2014 was the successful renegotiation of our wage agreement with NUM, which represents the majority of our employees, and the allocation of houses to enrolled employees.

Chief Executive Officer employee engagement

Our Chief Executive Officer continues to have regular meetings with employees and each year he meets with the trade union leadership. He responds to any issues raised during these meetings and shares his vision for the business. He thanked the trade union leaders for the maturity they demonstrate in their relationship with RBPlat. He also addressed the mining supervisory team this year and engaged with miners and team leaders. The value of these interactions is shown by the outcome of his engagement with a mining team that had not been performing well. His discussions with them revealed that there was a very good reason for their unsatisfactory performance. The situation that was preventing them from achieving their production targets was quickly resolved and the team's performance immediately improved.


For details of the home ownership scheme see pages 219 to 220.

TRAINING AND DEVELOPMENT

Key training and development material issues

Key material issues in 2014	Key performance indicators that were our focus in 2014	What we achieved in 2014	Focus for 2015
<ul style="list-style-type: none"> > Availability of adequate and appropriate skills 	<ul style="list-style-type: none"> > Number of our employees receiving development training > Continuing with the upskilling of our workforce and community members through skills development training > Improve our artisan retention > Assess the potential of BRPM employees for upskilling to mechanised mining 	<ul style="list-style-type: none"> > Employee development training implemented (see pages 106 to 109 of this section for details) > Apprentice training was improved as part of overcoming artisan retention issue. First quarter of 2015 will see 10 of the 15 learners go up for final board examination > See page 108 of the Training and development section for information on the upskilling we achieved during 2014 	<ul style="list-style-type: none"> > Increase proactive training initiatives using team behaviour analysis to anticipate where training is required > Continue with the upskilling of our workforce and community members
<ul style="list-style-type: none"> > Leadership training interventions to reduce repeat safety incidents 	<ul style="list-style-type: none"> > Rock strata training for team leaders, miners and shift supervisors with the aim of improving our FIFR > Implement hazard identification training to reduce LTIFR 	<ul style="list-style-type: none"> > Rock strata training for team leaders, miners and shift supervisors implemented and ongoing: <ul style="list-style-type: none"> – with the aim of improving our FIFR* – to reduce our LTIFR* > Hazard identification training also implemented and ongoing > Coaching process ongoing 	<ul style="list-style-type: none"> > Monitoring and evaluation of the impact of training on performance
<ul style="list-style-type: none"> > Styldrift I operational readiness in terms of training and development 	<ul style="list-style-type: none"> > Continue to train and develop community members to work in a mechanised mine (load haul dump (LHD) operators, drill rig operators, etc) 	<ul style="list-style-type: none"> > 98 learners have been equipped with 168 skills that equip them to work in a mechanised mine. Seventeen of these learners are now working at Styldrift I gaining practical exposure in a production environment 	<ul style="list-style-type: none"> > Continuing to draw on our doorstep communities for additional trainees
<ul style="list-style-type: none"> > Achieve our Mining Charter targets in terms of our SLP skills development and education commitments 	<ul style="list-style-type: none"> > Complete our SLP commitments in terms of the 2010 – 2014 Mining Charter requirements on time within budget > Total number of employees, contractors and community members that received part time ABET and percentage of workforce trained in terms of SLP commitments 	<ul style="list-style-type: none"> > SLP commitments for 2010 – 2014 completed > SLP human resource development targets were achieved and exceeded over the past five years in terms of part-time ABET* and SLP commitments* (See page 106 of this section of the report for our total employees training spend as a percentage of payroll*) 	<ul style="list-style-type: none"> > Implement the new SLP commitments and set a tone for the next five years. This will be achieved by building on the momentum established during 2010 and 2014

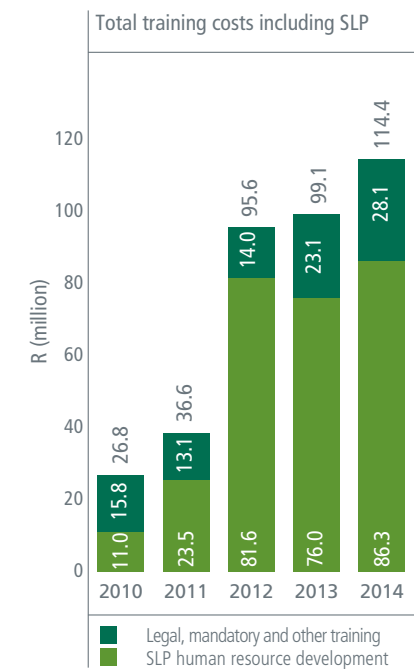
* These indicators have been assured (See page 187 for the assurance statement)

 See page 107 for our achievements against our SLP human resources development targets.

TRAINING AND DEVELOPMENT continued

> A total of 286 people participated in our ABET programme in 2014 of which 169 were employees and contractors, and 117 community members

> A total of 76 employees and contractors have been trained in terms of our SLP human resource development for 2014



For more information on the achievement of our education support see pages 130 to 131.

Our approach

RBPlat is committed to providing the members of its workforce with the training they require to do their jobs and to work safely. In addition to the mandatory and legal training we provide we are researching the role human error plays in safety incidents and how best we can provide coaching and training to reduce safety incidents.



RBPlat's commitment to education and development extends from the first years at school through to tertiary education and continuous development for those employed at RBPlat and the communities in which we operate. We want to:

- > provide our employees with the opportunity to continually grow and develop during their employment at RBPlat

- > offer adults from our communities adult basic education and training (ABET) that will help them also reach their full potential and equip them to find suitable employment
- > provide the children from our communities with the education they need to reach their full potential.

Our investment in training and development over the period of our current social and labour plan (SLP)

RBPlat spent 15% (in addition to the mandatory skills development levy) of its total annual payroll (enrolled, full time contractors and labour hire employees) on human resources development, which exceeded the mandatory 5% of payroll required in terms of the Mining Charter scorecard by 10% in 2014.

SLP area	2010 – 2014 target enrolled employees to be trained	2010 – 2014 actual enrolled employees trained	% by which we exceeded the target 2010 – 2014
Employees			
ABET	1 703	1 510	(11.3)
Portable skills	812	604	(25.6)
Management and leadership training	34	134	294.1
Basic supervision	46	103	123.9
Supervisory programme	72	65	(9.7)
Total	2 667	2 416	(9.4)
Technical skills training			
Engineering	313	336	7.3
Mining	953	4 364	357.9
Engineering learnerships	224	185	(17.4)
Mining learnerships	94	73	(22.3)
Total technical skills training	1 584	4 958	213.0
Total SLP training for employees	4 251	7 374	73.5

While we did not manage to achieve our targets in all of the SLP training areas, overall we exceeded our SLP training commitments for our employees by 73.5% over the past five years. In 2012 and 2013 we focused on management and leadership training, which resulted in us exceeding our SLP commitments in this area by 294.1%. When the Engineering Training Centre changed its training programme from three terms to two terms there was a period of six months when we were unable to register learners and this resulted in RBPlat not achieving its engineering learnership target. We also did not achieve our mining learnership target. The intake on this programme depends on the amount of attrition in our operations and the need for learner

miners based on our life of mine plan. Because our employee turnover was low during this period our requirement for mining learnerships was reduced.

After an analysis revealed that many incidents and accidents result from poor supervisory skills, we invested in this area of training with the aim of improving our safety performance. Our basic supervisory training focuses on discipline in the workplace and the basic principles of planning, organising, leadership and control (POLC). Since mining is our core business and the Competent A and B qualifications were classified as legal requirements after the originally approved SLP, we have exceeded our commitments in this area of the SLP by 357.9%.

Our community skills development achieved in terms of our SLP commitments

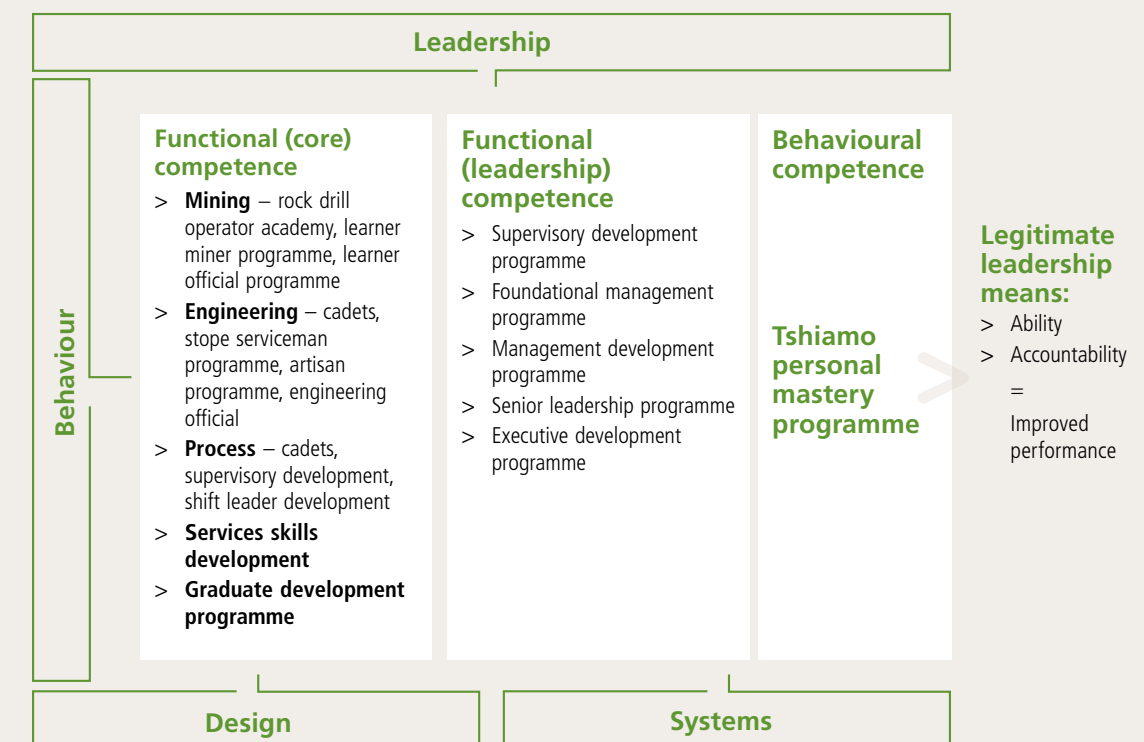
SLP area	2010 – 2014 target community members to be trained	2010 – 2014 actual community members trained	% by which we exceeded the target 2010 – 2014
Community			
ABET	1 007	663	(34.2)
Portable skills	253	515	103.6
Internships	45	88	95.6
Graduates	68	82	20.6
Bursaries	68	73	7.4
Internal bursaries and short courses	487	978	100.8
Total	1 928	2 399	24.4
Technical skills training			
Engineering academy	30	30	–
Mining academy	110	168	52.7
Process academy	30	30	–
Total technical skills training	170	228	34.1
Total training for community members	2 098	2 627	25.2

A significant number of community members are building careers out of our portable skills training programme. Basic plumbing and electrical have attracted great interest from the community and this resulted in more uptake to the programme. These alternative skills reduce unemployment and improve lives in our doorstep communities.

Our bursary scheme continues to attract great interest from the community and gives us an opportunity to select talented individuals to participate in the bursary scheme. Most of our bursars move on to participate in RBPlat's talent pipeline. We currently employ senior managers in the Company that originally came through our bursary scheme.

The Mining Academy continues to serve as a gateway to formal employment in our operations for community members. Community members are taken through rigorous and stimulating on-the-job training. Once they are qualified, candidates are absorbed into different roles on the mine from where they have the opportunity to progress their careers.

How we build talent through training and development



TRAINING AND DEVELOPMENT continued

Evaluating the effectiveness of our approach

The impact of our skills development programmes

Over the period of our SLP, 663 community members decided to enrol for the ABET training we offered. Community members who attended ABET or portable skills training are recorded on a database with the aim of providing unemployed youth with an opportunity to find work in the mining industry. From this group we were able to train 168 as rock drill and winch operators. We were able to track the progress of four of the women we trained as they obtained employment as rock drill operators and winch operators with our volume contractor. (See the Cadet programme below for more information).

We also offered ABET training to our enrolled employees and contractors. In all, 1 373 studied in their own time after work and 137 employees received full time ABET training. ABET training opens the door to further career opportunities for previously disadvantaged employees.

Our portable skills training is also available to enrolled employees, contractors and community members. These basic courses included: bricklaying, business, electrical, plumbing, painting, computer, boiler making, tiling, plastering, carpentry and bead manufacturing. The enrolment for these courses over the period of our SLP was 604 employees and 515 community members.

We have been able to track the progress of a young man who attended the bead manufacturing course we offered the community. He initially managed to make a living selling his products at a flea market. Today he has a full time job with the company that presents the bead making training, working as a senior facilitator.

Our cadet programme

The purpose of this programme is to create a pool of skilled community members from which we can recruit.

The programme extends over 18 months during which the cadet programme includes work exposure, an individual development programme and work readiness preparation. The rationale behind an 18-month programme is that after this period of time the cadets

would be competent and capable of being absorbed into the Company. In addition they would have been exposed to the culture and discipline we expect from our employees. The fact that JIC, our volume contractor, employed all 65 of the rock drill operators from our first group of cadets to work at BRPM is an indication of the success of the programme. The retention rate of these cadets was approximately 90%. We also trained 71 community members as pipe, track and ventilation (PTV) assistants and they were also employed by JIC. The group of 49 cadets who completed their training in July 2014 were employed by BRPM and our volume contractors.

Developing the skills of our employees

This year we focused on developing leadership skills. During DMR safety performance discussions the importance of instilling a leadership culture that contributes positively towards achieving improved safety performance was highlighted.

Team leaders, miners and shift supervisors completed rock strata training and hazards identification training and we continued to coach and use the information gained from data collected from observing teams at work to further train teams. Team leaders were trained to have the correct conversations regarding performance. While our safety performance overall was disappointing, safety performance in the core mining areas, where we had focused our training, improved (see the Safety section on page 114 for more information).

The skills development training we provided for employees at BRPM included supplementary skills development training and training people for a change in occupation:

- > 2 384 RBPlat employees received skills development training during 2014
- > RBPlat employees received an average of 84 hours training each in 2014.

During the period of our current SLP we have provided mentorship programmes to 936 people. These included:

- > 256 mining and engineering learnerships
- > 213 professional specialists (mineral resource management, human resources, finance and safety)
- > 206 women in development programmes

- > 82 candidates participated in RBPlat's graduate development programme between 2010 and 2014 of which 40 candidates were still on the programme in 2014, 27 completed their programmes in 2014 and 13 candidates joined the programme in 2014.

The impact of the Bokamoso youth development programme

RBPlat launched a gap year programme aimed at assisting post matriculants with low pass marks to achieve university entrance maths and science marks. We enrolled 18 students from the MACHARORA village in the programme in 2012. Seven of the gap year learners successfully passed grade 12 in 2012 and earned themselves bursaries from RBPlat for their tertiary education.

Our bursary programme

RBPlat has awarded 85 bursaries over the past three years. Sixteen of our bursars achieved an average of 75% and above in 2012 and 24 students achieved a 75% and above average in 2013. These bursaries are for the bursars to study mining engineering, metallurgy, geology, electrical and mechanical engineering, mine surveying, chemical engineering, finance and accounting.

Stars of the RBPlat gap year programme

Lefina Tebang lost her parents early on and has taken care of her siblings ever since. When she enrolled on the gap year programme her neighbours took care of the children she is raising and she used the stipend she received to improve the lives of her three siblings. She improved her maths mark from 52% to 63% and her science mark from 59% to 68% during the year she was on the programme. She was accepted by the Vaal University of Technology to study metallurgical engineering and RBPlat provided her with a bursary for her tertiary education. In her first year (2013) she achieved two distinctions and just missed obtaining distinctions in three subjects. She has continued to do well this year.

Piet Molati, who was also enrolled on the gap year programme in 2012, improved his maths mark from 69% to an outstanding 90% and his science mark from 60% to 83%, gaining distinctions in both subjects. He was accepted at the University of Johannesburg to study metallurgical extraction and was also provided with a bursary by RBPlat. In his first year he obtained 10 distinctions, having achieved 90% and above in seven subjects and 80% and above for the remaining three. He received a R5 000 prize from the university for achieving an 80% average in his first year. In 2014 he received awards for being the eighth best student overall at the university and number one in the field of metallurgy.

A training session in progress at BRPM's North shaft training centre



SAFETY

Key safety material issues

Key material issues in 2014	Key performance indicators that were our focus in 2014	What we achieved in 2014	Focus for 2015
Towards operational excellence			
> Continue to focus on our journey to zero harm	Application of safety strategy: > Road to resilience > Four barriers to injury (leadership, design, systems, behaviour) > High risk areas (FOG machinery, equipment, achieve a reduction in machine-related injuries) > Regulatory compliance > Fatal injury frequency rate > Number of days without injury > Lost time injury frequency rate > Improve our safety maturity level of 10% to move from compliant level to proactive level > Continue to grow our understanding of the role of human error in safety incidents	> Despite two fatal accidents, fewer Section 54 notices were issued to us in 2014 and as a result fewer 4E ounces were lost due to stoppages > 9% reduction in Section 54 notices > 19% reduction in 4E ounces lost > LTI-free month at RBPlat in March 2014 > RBPlat had 233 injury-free days* > Pre-start warning devices installed on all centre line winches and gully winches where the driver cannot see the return snatch block > Supervisors and safety representatives trained in root cause analysis technique (RCAT) > Over 8% of workforce completed the MQA skill training programme for safety representatives > RBPlat LTIFR* improved by 13% year-on-year	In order to improve our safety maturity level we will focus on: > Achieving zero harm > 20% improvement in LTIFR and SIFR > Strengthen our road to resilience strategy through the inclusion of continuous application of the rule (CAR) programme going forward > Implement new loco driver to loco guard communication system > All trackless underground machines equipped with proximity detection systems > Address new safety challenges presented by mechanised mining at North shaft Phase III, Styldrift I and the subsequent mining of hybrid areas > No production lost due to external safety stoppages > Focus on continuous application of the rule > Employees' duties for health and safety and their right to leave a dangerous workplace in accordance with the Mine Health and Safety Act (MHSA)
	> Safe execution and completion of the underground and surface infrastructure at Styldrift I > Serious injury frequency rate	> One serious injury at Styldrift I in 2014 compared with seven reported in 2013	> Continue to safely mine and equip the underground areas of Styldrift I on time without any serious injuries or loss of life by aligning safety plans with RBPlat's safety strategy and road to resilience programme
	> Comply with key legislation and certify management systems in terms of international standards including achieving OHSAS 18001:2007 certification at Styldrift I Mine > Integrated auditing process for certification for BRPM's environmental management system (ISO 14001), quality management system (ISO 9001) for our training centre and occupational health and safety management system (OHSAS 18001)	> Styldrift I 18001:2007 certification achieved in March 2014 > BRPM recertification achieved in October 2014	> Maintain OHSAS 18001, ISO 14001 and ISO 9001 certification at BRPM > Maintain OHSAS 18001 certification at Styldrift
> Effective communication	> Continually interact with relevant stakeholders, including supervisor safety representatives and organised labour, to reduce safety incidents > Improve communication to minimise tramming-related incidents	> Various safety communication methods were established including mobile phone SMS lines, mass meetings, safety campaigns, safety suggestion boxes and safety newsletters > Investigated and tested different types of communication systems between locomotive and guard vans at BRPM	> Continuous interaction with the relevant stakeholders to ensure effective safety communication reaches everyone working at RBPlat > Adoption of the preferred communication system between locomotive and guard vans and its systematic implementation
> Effective leadership at all levels	> Improve leadership understanding of the role human error plays in safety incidents in order to reduce these incidents	> Conducted leadership training to improve knowledge of hazard identification and supervisory skills > Plan, organise, lead and control (POLC) training for supervisors aimed at increasing safety awareness	> Improved supervisory training provided by human resource development centre > Place additional focus on supervisory teams in sections that do not perform as expected > Monthly safe production review sessions with mine overseers and engineers

* These indicators have been assured. (See page 187 for the assurance statement)

SAFETY continued

Key health and wellness material issues

Key material issues in 2014	Key performance indicators that were our focus in 2014	What we achieved in 2014	Focus for 2015
> The health and wellness of our employees	> All contract workers employed by our major contractors on RBPlat's preferred medical aid (Platinum Health)	> Majority of volume contractors on Platinum Health	> All major contractors who are on site for more than three months to be on a preferred medical aid scheme
	> Training of peer educators	> 185 wellness peer educators trained. Previously they were only trained as HIV/Aids peer educators	> More awareness campaigns to assist our enrolled employees and contractors with understanding how to improve their wellness
	> No new cases of noise-induced hearing loss (NIHL) in line with the 2013 Safety and Health Milestone requirements	> 24 new cases of NIHL*	> No new cases of occupational illness or diseases
	> No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure to RBPlat operations		> No deterioration in hearing greater than 10% among occupationally exposed employees as a result of exposure to noise at RBPlat operations
	> 95% exposure measurement for respirable crystalline silica (RCS) to be less than an occupational exposure limit of 0.1mg/m ³ as per the requirements in the 2012 Safety Milestone document. RCS is known to cause silicosis, a deadly lung disease	> No cases of silicosis	> No new cases of NIHL in line with the 2025 industry Safety and Health Milestone requirements
	> No new cases of occupational illness or disease	> Improved the quality of our sampling and analysis techniques to detect even lower levels of crystalline silica	> No cases of silicosis
	> Measure the number of employees and contractors counselled and tested for HIV and the number on antiretroviral treatment (ART). We also record the number of ART default cases	> Not achieved: two cases of skin dermatitis	> Continue to improve the quality of our dust sampling to detect even minute levels of dust
	> Conduct intensive education, motivation and support of our workforce to decrease the HIV incident rate (new infections)	> Ongoing intensive awareness programme	> Intensive education, motivation and support to decrease the HIV incident rate (new infections)
		> Because our testing percentage increased we have lowered the percentage of "not known" cases	> All employees and contractors on Platinum Health medical aid which allows those who require ART to receive it
		> 11 518 employees and contractors were counselled and tested for HIV*	
		> 42 ART cases defaulted from their treatment in 2014*	
		> 452 employees on ART in 2014*	
	> Achieve early detection using innovative TB detection methods	> 67 of the 464 employees who were tested for TB* in 2014 were found to be infected with TB*. This is an increase of 20% year-on-year	> Achieve early detection using innovative TB detection methods
	> Measure the number of enrolled employees and contractors who tested positive for TB and were treated for TB	> The TB incidence rate* for RBPlat in 2014 was 805/100 000 compared with an incidence rate of 713/100 000 for RBPlat in 2013	
	> Measure TB incidence rate	> Introduced immediate gene expert TB test	

* These indicators have been assured. (See page 187 for the assurance statement)

On page 106 of the Training and development section of the report you will find more information on the training intended to increase leaders' understanding of the role human error plays in injuries, accidents and incidents and how this training can help leaders prevent injuries, accidents and incidents.

There is more information on how we have improved the quality of our inspections, investigations and our understanding of why even if people are trained and correctly equipped they are still injured on page 114 of this report.

Find out more about how Styldrift achieved its goal of improving its safety record, despite the build-up of personnel and activities on site in 2014 on page 115.

For information on what RBPlat is doing to improve the safety, health and wellness of our doorstep communities see the Social and relationship capital section on pages 114.

For more information on our efforts to improve the healthcare available in our doorstep communities refer to pages 128 to 132 of the Social and relationship capital section of this report.

SAFETY
 continued



RBPlat’s safety, health and wellness key stakeholders

There are two key issues that our workforce and our doorstep communities have indicated as material to them. These are that their family members working in our operations are provided with a safe and healthy work environment and that our operations do not adversely affect the health of the communities in which we operate and our workforce lives.

We rely on our health and wellness service providers, Platmed, for occupational-related medical surveillance and emergency care and Platinum Health for wellness and non work-related medical conditions for our employees and contract workers. The clinics in our doorstep communities also provide our employees and doorstep

communities with medical services and wellness education. We are very pleased that we were able to arrange for most of our volume contract workers to become members of a medical aid.

The Department: Mineral Resources (DMR), which administers the Mine Health and Safety Act, 1996 (Act No. 29 of 1996) as amended, is responsible for measuring compliance with the Act. The department’s inspectors, who regularly visit our operations, have the power to stop work in our operations until such time as they are satisfied with the working conditions. As a result they can have a major impact on our production if they observe any non-compliance with the Act. At the regular meetings we have with the inspectorate we share information on our efforts to reduce injuries in our operations and to better understand the inspectorate’s objectives and concerns.

The Department: Health is responsible for the public healthcare delivery system upon which the communities in which we operate depend for their healthcare. We assist the department in this regard, where required.

Our internal and external trainers provide training that helps our

supervisors, managers and employees develop an understanding of how to keep themselves and their fellow workers safe and healthy.

Safety

Our safety vision: zero harm

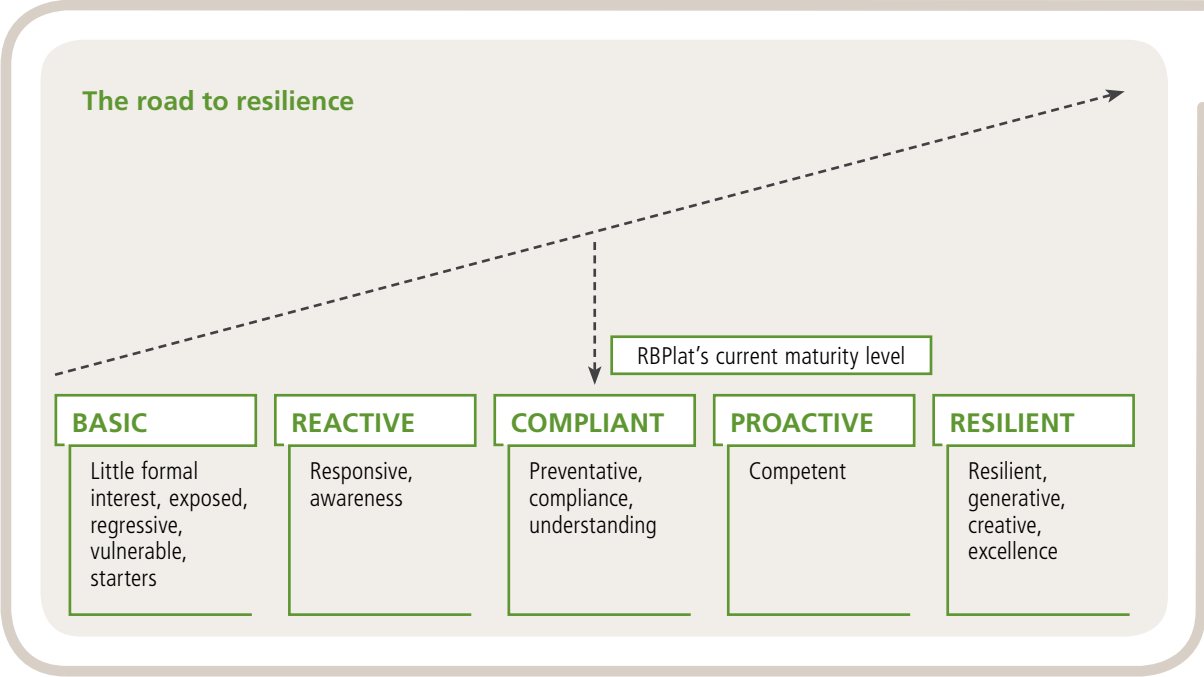
- > Every person working at RBPlat must return home unharmed every day
- > No rock will fall uncontrolled
- > No sub-standard winch will be operated
- > All loads will be properly supported
- > Kibble movement will be controlled and announced
- > No machinery is operated without authorisation
- > All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

Our approach to managing safety in our operations

Mining and its related activities expose our employees to hazards. Keeping them safe is therefore a key material issue for RBPlat.

Key aspects of the management of safety in our operations include:

- > A safety strategy model, which we continue to improve and monitor, guides how we approach safety and health and how we investigate the causes of unwanted events in our operations. It also guides how we design and develop new projects. It helps us design our mines and operate them in a manner that makes them as safe as possible. The foundation of this strategy model is our: Safety code of conduct, Safety discipline and Safe teamwork. Its application also helps us build the resilience we need to enhance our ability to respond, monitor, anticipate and learn on our journey to zero harm
- > Codes of practice, standards and procedures that ensure operational safety are the direct responsibility of senior management. They are also responsible for providing visible felt leadership, appropriate



operational designs, workable systems and corrective behaviour with the aim of preventing unwanted events and eliminating fatalities. Our structure also clearly indicates the ultimate responsibility for safety of our Board and its sub-committees, and each individual enrolled employee and contractor working at our operations

- > Risk assessments in accordance with the MHSA. We use this process to reduce the risks
- > Ongoing research into what causes unsafe behaviour
- > Ongoing safety coaching, training and development for both supervisors and their teams
- > Our Senior Safety, Health, Environment and Risk (SHER) Manager is a member of the Chamber of Mines’ Occupational Health and Safety Policy Committee, chairs the Tripartite meeting for the North West province Rustenburg region and also represents employers on the Mine Health and Safety Council Board.

Evaluating the effectiveness of our approach

When it comes to safety in our operations we measure the effectiveness of our management approach against the safety results we have achieved and we continue to focus on improving the safety maturity level of our operations.

This year we had successes and disappointments. The successes include RBPlat’s one million fatality-free shifts in June 2014, BRPM’s one million fatality-free shifts by August 2014 and the fact that Styldrift I, during a difficult period when there were a number of contractors on site, was fatality-free for three and a half years before the fatal accident in October 2014.

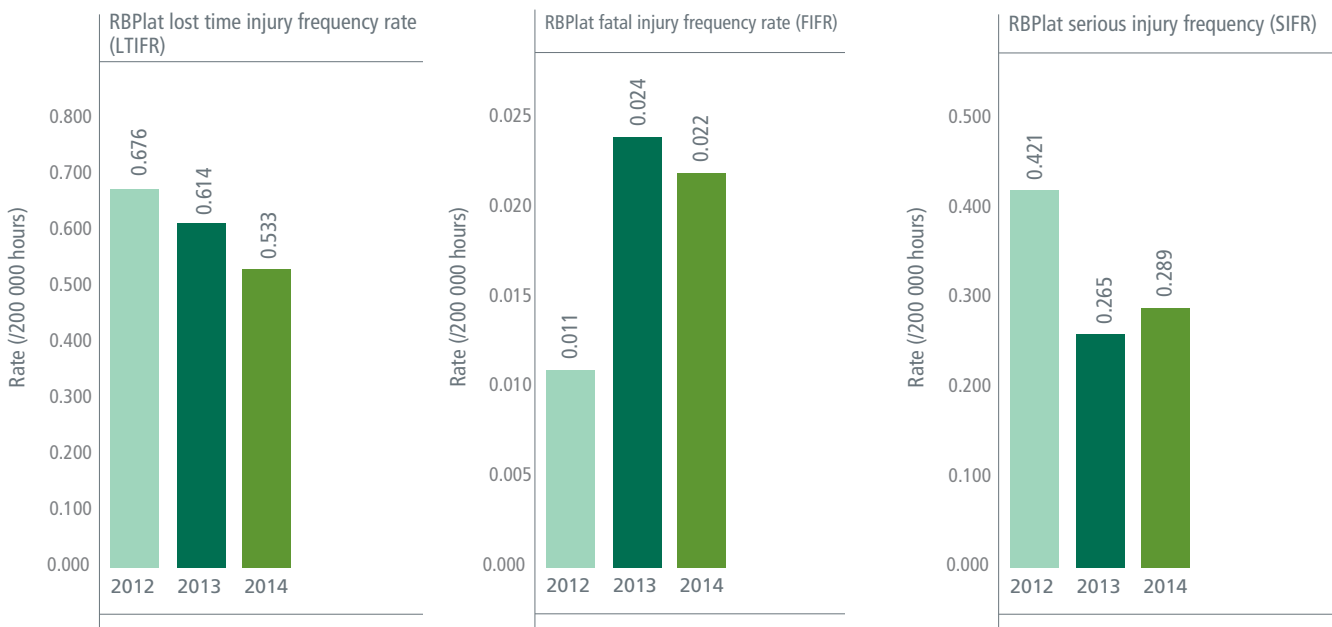
A further success has been that we have drastically reduced the number of fall of ground-related incidents at both BRPM shafts. We have also introduced advance strike gulley (ASG) netting to prevent fall of ground incidents in this area.

Our disappointments have been the tragic loss of two lives, one at Styldrift I and the other at BRPM in October 2014, six days apart.

See page 128 of the Social and relationship capital section for information on our contribution to community health.

See our governance structure on page 172 of this report.
 See the safety, health and environment policy on our website at www.bafokengplatinum.co.za.

SAFETY
 continued



Taking action to improve our safety performance against our road to resilience programme

The inclusion of a counselling psychologist in the investigative process allows us to gather more information on what other factors contributed to the basic cause of an incident/accident.

An unusually high frequency of accidents at BRPM in January 2014 resulted in the mine inspectorate issuing four Section 54s and 19 production shifts being affected. Using our investigative process and our continuous evaluation teams to coach and retrain the teams involved in these safety incidents we achieved a significant improvement in BRPM's safety performance in March, April and May of 2014. RBPlat had 3% fewer injury-free days.

Steps we take to keep our people safe include ensuring footwear is in good condition, keeping travelling ways dry and minimising tripping hazards to avoid slipping and falling. Our minor treatment injuries increased by 23%. We completed the installation of the pre-start warning system on all advance strike gully (ASG) and centre gully winches at BRPM, to avoid start-up winch related injuries. Our highest number of injuries is as a result of handling of materials followed by slip, trip and fall injuries.

The role of training in safety

Having previously identified a need to develop the leadership skills of our supervisors, team leaders and miners, we have focused on training in this area during 2014. This training included root cause analysis to help them understand the role human error plays in accidents and incidents.

This training has been focused in our core mining areas where we have seen an improvement in our safety performance. Our focus in 2015 will be on addressing our service areas, as our injury rates have increased in these areas.

In 2015 management of change will be addressed, as past experience has shown us that all fatal accidents are connected to some type of people change.

Our occupational health vision

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

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

Our approach to the health and wellness of our workforce

A healthy workforce is an advantage to our business because it means that our employees are fit to work at their full potential and absences due to sickness are reduced. If members of our workforce suffer from poor health it affects their families and the communities in which they live.

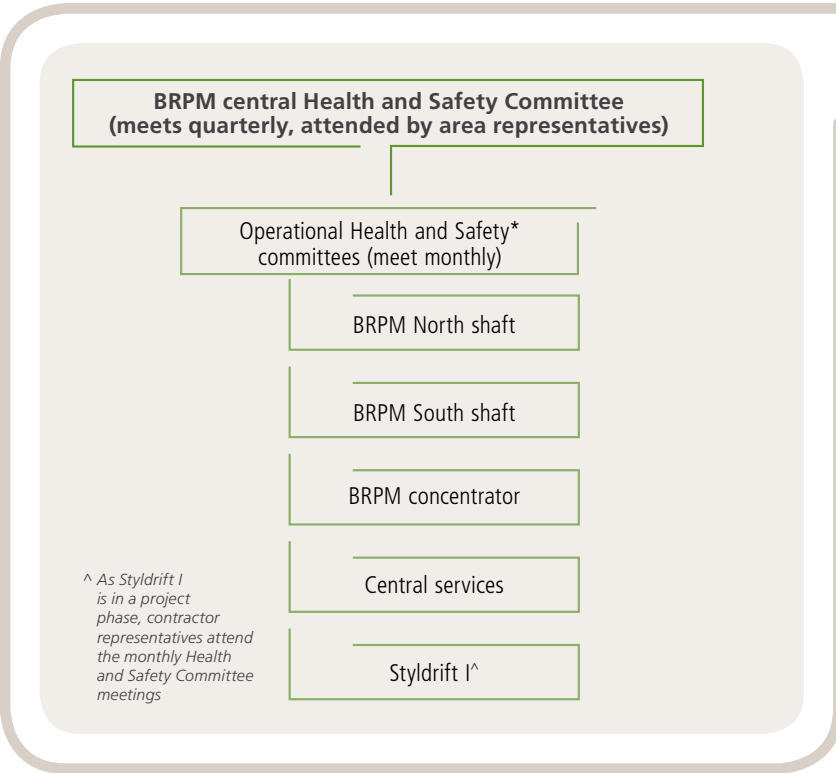
We aim to eliminate occupational diseases by providing a workplace free from health hazards. By providing an effective health care programme to keep our workforce healthy, not only do we avoid the cost of expensive treatment, we also prevent human suffering.

Platinum Health operates the main BRPM clinic and satellite clinics at BRPM's North and South shafts as well as Styldrift I.

All the clinics are equipped with the required medical staff and infrastructure. They deliver quality, first response treatment and cost-effective healthcare services across the healthcare spectrum to our employees.

RBPlat complies with the requirements of the Mine Health and Safety Act in terms of medical surveillance reporting as well as injuries and occupational diseases. We also have a health and wellness strategy in place, together with the relevant policies, processes and procedures. Occupational health and hygiene policies, standards, monitoring and auditing are the responsibility of our Safety, Health, Environment and Risk (SHER) department. Line management is responsible for the implementation of occupational health and hygiene standards in the workplace.

The chairlift at BRPM's North shaft was installed to provide employees with safer and faster transportation into the mine.



* The membership of each operational health and safety committee consists of:

- > A minimum of four employee representatives
- > Management representatives equal in number to or fewer than the number of employee representatives

HEALTH AND
WELLNESS

Central services health and safety committee members are elected from members of operational committees by fellow members. Styldrift I currently has a separate health and safety committee.

We have identified the main health issues affecting our workforce and we address these specific health needs. We also establish if there are any activities taking place at our mines that could affect the health of neighbouring communities. Should such a situation arise we would immediately take action to address any possible impact on the communities.

To support Platinum Health’s wellness programme we have trained 185 workforce members who volunteered as peer educators. They received in-depth training during February and March 2014 on healthy living, chronic illnesses, lifestyle diseases, managing stress and personal finances, substance abuse (particularly alcohol and dagga), HIV/Aids and TB. Not only are the peer educators able to inform their fellow workers on a wide variety of health issues, their training also equips them to encourage changes in behaviour, attitudes and perceptions. They are an important first line of defence in our wellness communication with our workforce. The health risk assessment we conducted following the introduction of the peer educator programme indicated that our workforce are well informed about life style diseases and HIV/Aids.

Evaluating the effectiveness of our approach to occupational hygiene

Noise-induced hearing loss (NIHL) – the most common occupational health issue at RBPlat

According to the World Health Organisation noise-induced hearing loss

(NIHL) is the most common permanent and preventable occupational illness in the world. It is one of the four non-fatal conditions listed among the leading causes of the global burden of diseases. It is certainly the most common occupational health issue in our operations. One of the challenges in identifying hearing loss is that it has a long latency period. The burden of HIV/ Aids, how the disease manifests and the impact of the treatment of the disease, also causes hearing loss.

Our industry has committed itself that no shift in hearing loss caused by exposure to noise at work will exceed 10%. We are also committed to ensuring that the noise in our workplace does not exceed 110dBa (A-weighted decibels). The Mine Health and Safety Act accepts 85 decibels as the acceptable safe noise level for exposure during an eight-hour work day without hearing protection. All rock drills used at RBPlat do not exceed noise levels of 105 decibels. It is essential that we have a very good hearing conservation programme in place to ensure our employees are not affected by the noise they are exposed to in their working environment.

Our induction training emphasises to our employees the importance of wearing suitable hearing protection devices. Advances in methods of reducing the noise made by equipment, plus the hearing protection devices we provide employees, are all helping us to achieve this goal.

RBPlat already addresses hearing loss at a 2.5% move in hearing from the base line established when the employee first started work at RBPlat. It is, however, difficult to identify all causes of hearing loss, which can also be caused by activities outside the workplace.

Our NIHL statistics

	2014	2013	2012*
Employees with NIHL of more than 10% that qualify for compensation	12	13	11
Employees with NIHL of more than 10% that do not qualify for compensation	7	14	20

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

This year we submitted 24 cases to Rand Mutual, of which two are pending. One did not qualify for compensation and two will be resubmitted at the request of Rand Mutual.

If employees’ NIHL is due to exposure to noise at work they qualify for compensation. Those whose hearing loss is due to a medical condition, medication or age do not qualify for compensation for NIHL.

Other occupation-related illnesses

The only other occupation-related illness we experienced at RBPlat in 2014 was skin sensitivity to anti-bacterial powder. The skin of two employees reacted to the anti-bacterial powder used in PVC gloves.

We then provided them with gloves without anti-bacterial powder. A follow up showed no re-occurrence.

Silicosis

Miners working in platinum mines in the North West province of South Africa are at low risk of contracting silicosis. We do, however, identify people who have previously worked in other sectors of the mining industry and that have contracted silicosis. This happens during X-rays taken during routine medical surveillance examinations at our medical centre. The results of people who are identified as being affected by silicosis are submitted to the Medical Bureau of Occupational Diseases (MBOD). Following an investigation by the MBOD they receive compensation, which varies

depending on the level of their silicosis. Fifteen cases were submitted to the MBOD in 2014. We still await the Bureau numbers and follow ups from them.

Wellness programmes

TB, which remains one of the highest killer diseases in South Africa, is a concern, both among our workforce and in the communities. Working in a mining environment where ventilation air is reused can increase a person’s susceptibility to TB as it is an air-transmittable disease.

Employees wearing the type of noise prevention equipment required in an environment where the noise level is above 85 decibels





HEALTH AND WELLNESS continued

TB education and awareness campaign

Thirteen of our peer educators represented RBPlat at the commemoration of World TB Day in March 2014. They returned better equipped for their role as peer educators, having increased their knowledge and understanding of the burden that TB imposes on South Africa and its neighbours, and the role the mines can play in minimising the burden through proper management of those diagnosed with TB. We can also prevent new cases through health education and early identification of employees at risk of contracting the disease.

Community outreach

As part of our wellness programme initiatives and our community outreach commitment, we embarked on a TB door to door campaign in the communities living in our four doorstep villages: Mafenya, Chaneng, Robega and Rasimone (collectively known as MACHARORA). This type of programme helps alleviate the workload of the local clinic, which because of a shortage of staff is unable to visit every household to screen people for TB. We partnered with staff members from the Rustenburg branch of the Aurum Institute, which focuses on HIV and TB prevention, treatment and care. We also worked with the community health care workers from the Tapologo Hospice in Robega.

Through this initiative we were able to identify four people who were not aware that they had TB. We immediately enrolled them on a TB treatment programme and all the other members of their households were screened for TB.

The outreach team educated members of the community on the signs and symptoms of TB and also gave them information on HIV and Aids. They were also given information on preventative measures, such as holding hands over the mouth while coughing and reporting to the clinic immediately on noticing any of the signs and symptoms of TB.

TB remains a major public health problem in South Africa. Attempts to control, contain and eliminate TB within the confines of the mining operations have proved to be a failure. The idea of integrating the mine TB services with national and NGO initiatives, coupled with innovative technology and health information systems, is under serious consideration and may prove to be the most successful of all endeavours to achieve the WHO target of zero TB.

Results of testing for TB among our employees

- > 464 employees were tested for TB in 2014. The X-rays taken at the routine medicals indicated the possibility of TB (391 were tested in 2013 and 424 in 2012)
- > 67 of those tested were found to be infected with TB in 2014 (56 in 2013 and 27 in 2012) and are on treatment. This shows a 20% change year-on-year in the number of our employees found to be infected with TB.

TB incidence rate at RBPlat

The TB incidence rate at RBPlat in 2014 was 805/100 000 (2013: 713/100 000). (The TB incidence number is expressed per 100 000 and not as a percentage.) These numbers reflect the employees diagnosed and treated at the BRPM clinic. They do not include employees diagnosed and treated at an external clinic.

HIV counselling and testing and antiretroviral treatment (ART)

- > This year 11 518 employees and contractors were counselled and tested for HIV as part of the initial and periodic medical fitness examinations compared to 9 998 in 2013
- > 489 new employees and contractors tested positive for HIV in 2014. The known HIV positive employees and contractors were 2 279, bringing the total number of employees known to have HIV to 2 768. This shows an increase on previous years (2 349 in 2013 and 2 458 in 2012)
- > The HIV incidence rate in our employees was 4.6% in 2014 and in 2013 it was 3.4%
- > This shows a 1.2% increase in the new HIV incidence rate which requires that we intensify our HIV awareness campaigns and interventions
- > As part of alternative campaigns and interventions, circumcision will be promoted and rolled out
- > 452 employees were on ART in 2014 as at 31 December 2014, of which 312 are using our clinic service on site and 140 are using external service providers (412 in 2013, 430 in 2012)
- > 42 ART cases defaulted from their treatment in 2014. These numbers only reflect the employees registered at the BRPM and Platinum Health clinics.

ART defaulters remain a challenge for a number of reasons, which include stigma and denial. However, the number of people defaulting on ART is not significantly greater than defaulters being treated for other chronic medical conditions.

HIV education and awareness campaign

To intensify our HIV awareness campaign, and continue to educate our workforce on HIV and Aids we held a candlelight memorial service to remember those who have lost their battle with Aids and to encourage and support all those living with HIV to continue taking their ART. One of the purposes of the service was to encourage people not to judge, discriminate against or stigmatise people living with HIV/Aids.

A woman who has been living with HIV for nine years encouraged and advised those who are HIV positive to follow the treatment prescribed for them and to eat healthily. Heads of departments from various sections of BRPM and Styldrift I also addressed the gathering and encouraged people to take care of themselves, and avoid spreading HIV.

Safety briefing at Styldrift I



↘ The Grade R class at Chaneng Primary School enjoys playing on the equipment provided by RBPlat before school starts. Their play area is fenced off to keep them safe



OUR PERFORMANCE AGAINST THE CAPITALS

SOCIAL AND RELATIONSHIP CAPITAL



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PERFORMANCE



ACHIEVEMENTS

- > RBPlat met its SLP commitments for 2010 – 2014
- > R413.4 million invested in our SLPs over the past five years
- > Mining Charter HDSA preferential procurement targets exceeded
- > Our investment in community skills development exceeded our target by 25%



IMPROVEMENTS

- > Major improvement in maths and physical science performance at Charora High School following our education support initiative at the school (see page 130 for details)
- > 30 families in our doorstep communities have new replacement homes that we built for them
- > The commercial community garden we helped establish in Chaneng village is doing well and is providing a sustainable source of income for the community members involved in this project
- > Five schools now have world class low maintenance sports facilities (see page 130 for details)



CHALLENGES

- > Obtaining external authorisation to proceed with projects
- > Sustainability of projects
- > Projects delayed by legislative processes



DISAPPOINTMENTS

- > Leadership issues in the community made engagement with communities very challenging in 2014
- > Some of the vegetable tunnels and accompanying infrastructure, which we provided to homes in Chaneng village, are not being used to provide these families with food and a source of income



Key social and relationship material issues

Key material issues in 2014	Key performance indicators that were our focus in 2014	What we achieved in 2014	Focus for 2015
Towards operational excellence			
Social capital			
> Meeting our social and labour plan (SLP) commitments in terms of infrastructure development, health support, poverty alleviation and job creation, education support and community skills development	> Completing our social and labour plan (SLP) commitments in terms of the Mining Charter by the end of 2014 in time within budget	> All SLP commitments completed (See page 129 of this section of the report for our total social and labour plan expenditure)	> Develop close out report on 2010 – 2014 SLP projects > Develop 2015 – 2019 databook > Delivering on our 2015 – 2019 SLP commitments
> Meeting our Mining Charter historically disadvantaged South Africans (HDSAs) procurement targets while containing costs	> Meeting and exceeding SLP discretionary procurement spend with HDSA suppliers (See page 134 of this section of the report for details)	> Achieved (See page 134 of this section of the report for details) > 68.13% of our discretionary procurement was from HDSA* businesses	> Continuing to meet our discretionary procurement HDSA targets > Continue with our enterprise development efforts in the local communities
> Impact on families of injuries in the workplace	> Achieve zero harm. We did not achieve this focus (See the Safety, health and wellness section on pages 110 to 112 for detailed information)	> Not achieved (See the Safety, health and wellness section on pages 110 to 112 for detailed information)	> Zero harm
> Impact on profitability of increased operating costs resulting in reduced ability to fund socio-economic projects	> Continue with CEO and Head of Operations engagements with production teams	> See page 103 of the Human capital section of this report for details of our performance in this regard	> Enhance operational efficiency and manage costs in all areas over which we have control and continue to fund socio-economic projects
Relationship capital			
> Support good relations with unions and line management > Ongoing improvement of stakeholder engagement processes	> Stakeholder engagement framework > Head of Operations' newsletters > Employee newsletters > Improve employee accessibility to information through development of employee portal	> Ongoing implementation of stakeholder engagement framework > 36 issues of Head of Operations' newsletter published > Two issues of <i>Lebone</i> , our employees' newsletter, published > Introduced monthly CEO email newsletter > Site map for employee portal developed through workshop sessions, design and development work in progress	> Ongoing implementation of stakeholder engagement framework > Extend CEO communication engagements to include those not involved in production > Effective recording of engagement and feedback > Completion of employee portal
> Lack of progress with community engagement meetings due to breakdown of community leadership structures > Ongoing communication with communities	> Ongoing engagement with communities regarding key issues they have raised as material to them > Community newsletters > Resolving status of community liaison officers (CLO)	> Despite lack of progress with community leadership, the efforts we put into engaging, establishing relationships and delivering on our commitments to the community have allowed us to maintain our relationships with the MACHARORA communities through scheduled monthly consultative forums. At the first meeting terms of reference and a governance policy were circulated for input and consideration > Improved communication through community newsletters > CLOs met separately with Kgosana from RBN and a Rustenburg Local Municipality councillor and it was decided that the CLO contracts should be terminated	> Adoption of terms of reference for MACHARORA consultative forum > Offer leadership training to community leaders as a lack of training in this area has been identified as contributing to collapse of leadership structures > Assist with resolution of community leadership difficulties > Strengthen relationships with media and neighbouring mines
> Ongoing improvements of stakeholder engagement processes	> Engaging with new Department: Mineral Resources (DMR) > Continue to engage and cooperate with local authorities > Engaging with government at national and provincial level and municipalities and community structures	> Contact made with Minister and other DMR officials > Local relationships working well in terms of SLPs, safety, the environment and working in partnership to support delivery of integrated development plans and RBN Master plan	> Policy development to better guide our stakeholder engagement > Continue to engage and cooperate with local authorities > Develop and implement a more structured relationship-building exercise at national government level and with the DMR, in particular

* These key performance indicators have been assured (See page 187 for the assurance statement)

SOCIAL AND RELATIONSHIP CAPITAL

CONTINUED



COMMUNITIES

DEPARTMENT: MINERAL
RESOURCES

INVESTOR
COMMUNITY

JOINT VENTURE
PARTNERS

ROYAL BAFOKENG
NATION AND
STRUCTURES

RUSTENBURG LOCAL
MUNICIPALITY

Our key stakeholders of Social capital

Key stakeholders in terms of social capital are the communities in which we operate, the Department: Mineral Resources (DMR), and the Rustenburg Local Municipality. The key material issue for these stakeholders is RBPlat's delivery against its SLP commitments, which is described in this section of our integrated report.

Engagement plays a key role in the successful implementation of our SLP and the establishment of successful relationships with these stakeholders. Issues within the community leadership structures have made engagement challenging this year and we have not been able to hold our monthly community meetings. Fortunately, the regular engagement we established over the past four years has stood us in good stead and relationships with our doorstep communities remained stable this year. We also continued to have regular contact with the community on an informal basis. These communities live in four villages: Mafenya, Chaneng, Robega and Rasimone. Together they are informally known as MACHARORA. The Robega village is on state owned land and the other three villages are on RBN land.

Our community engagement team identified that the community leaders would benefit from development of their leadership skills and we plan to offer leadership skills training to community leaders in 2015.

Our socioeconomic impact

Our SLPs, which are an important part of our Mining Charter Scorecard commitments and a pre-requisite for retaining our mining rights, drive the major part of our community investment.

The Mining Charter requires that we conduct a needs analysis by means of a community consultative and collaborative process. Our needs analysis not only included consulting with our local communities but also included consultation with the Royal Bafokeng Nation (RBN), the local government and the Rustenburg Municipality to ensure our projects either complemented or integrated with their plans. The RBN has a 30-year Master Plan aimed at creating an environment in which people can live with

dignity and have access to health, education and recreation facilities and employment opportunities that will allow them to maximise their abilities and talents. Local governments and municipalities have integrated development plans, which provide an overall framework for development aimed at improving the quality of life for all the people living in an area. Following this process we drew up our SLPs for the five-year period 2010 – 2014, which focus on the MACHARORA communities.

In terms of the Mineral and Petroleum Resource Development Act and the Mining Charter requirements, our SLP projects need to focus on five key areas:

- > Basic infrastructure
- > Health support
- > Education
- > Poverty alleviation and job creation
- > Community skills development

During the period covered by this SLP changes were made to the RBN Master plan which meant it was not possible to carry out some of our projects. We consulted with the communities and the RBN on suitable replacement projects and submitted Section 102 applications to obtain DMR approval for these changes.

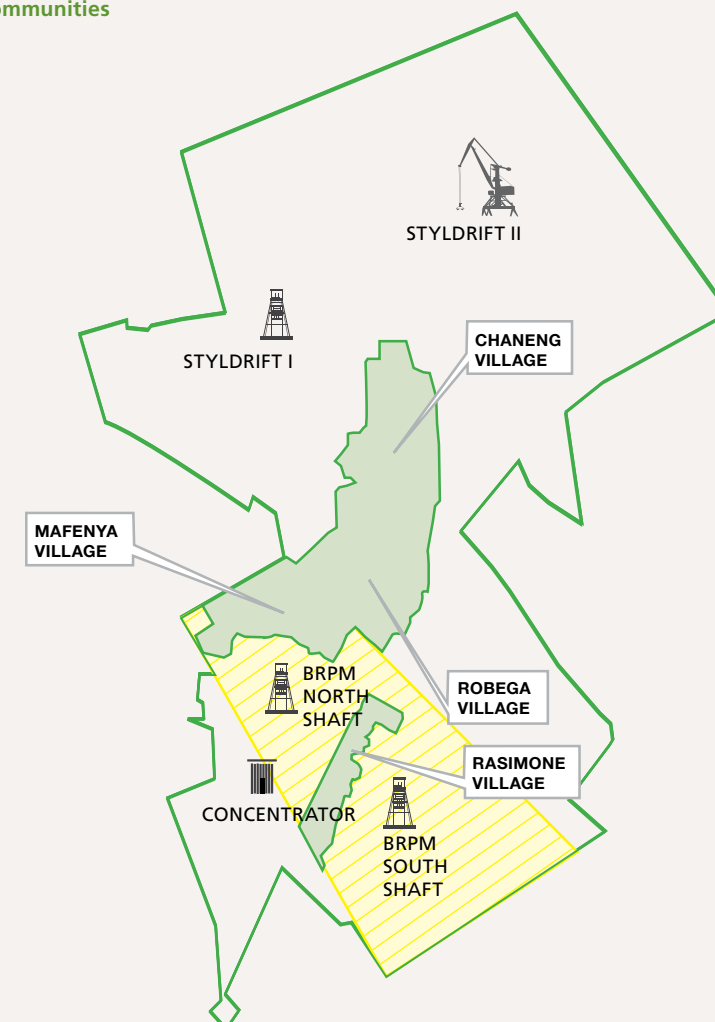
We completed all the projects we committed to in our 2010 – 2014 SLP ahead of time and, in consultation with the communities, included some additional projects over and above our original commitments.

Approximately 350 local community members were employed on our projects during this period. Collectively, they were employed for over 35 000 days.

In addition, 172 RBPlat employees contributed another 13 349 working days to the construction of these projects, the cost for which has not been included in our SLP budgets.

For more information on the RBN Master plan see <http://www.bafokeng.com/future/masterplan>.

RBPlat's doorstep communities



A maths class in progress at Charora High School in the new maths classroom provided by RBPlat





Six percent of our SLP investment is in community skills development. Details of what we have invested in and what we have achieved with this programme can be found on page 129 and in the Training and development section of this report on pages 106 to 108. The programme includes:

- > ABET training for both community members and our own employees
- > gap year learners needing to improve their maths and science marks in order to earn a place at a tertiary institution
- > providing bursaries for tertiary education
- > learnerships
- > skills training, which includes training women rock drill operators.

Infrastructure development

Our investment in infrastructure includes establishing temporary Kgotla offices in the Rasimone and Chaneng villages, while we await approval of the plans by the RBN for more permanent structures. These offices play an important role in village communication and communication between the mine and the communities.

We upgraded the police stations in Phokeng and Robega and also provided community centre facilities at the Robega police station.

In 2010 BRPM was approached by members of the community who claimed that some of their houses were cracking due to mine activity. We established that the houses were not cracking because of mining activity, but because they had poor foundations and had been badly constructed. In keeping with our *More than mining* philosophy, we decided to provide the affected community members with safe homes. The MACHARORA Kgotla submitted a list of the affected houses and every year we build some houses to replace these unsafe homes. So far we have

built 25 new houses in Rasimone village and five in Chaneng.

We have built roads in both the Chaneng and Robega villages, including an access road to the Association for the Blind's vegetable garden in Chaneng. We also built a walkway so that the children in Mafenya village could walk home safely.

The Pathology centre in Phokeng had originally been designed as a mortuary facility to store fewer than 20 bodies, which is now totally inadequate for the area's needs. RBPlat was asked to assist with upgrading and extending the building so that it would meet requirements for some time in the future. We upgraded the technical facilities, renovated the existing building and extended it.

Health support

The population growth in MACHARORA has meant that the clinic in Chaneng which provides primary healthcare to the villages was not coping with the number of people visiting it. To assist, we are paying the salaries of two additional professional nurses. We also donated a fully equipped ambulance, medical equipment, wheelchairs and furniture to the clinic in 2012.

In addition, as part of RBPlat's community outreach commitment, on 25 to 28 March 2014 we embarked on a TB door-to-door campaign in the MACHARORA communities. We partnered with staff members from the Aurum Institute from Rustenburg for this campaign. The Aurum Institute is an organisation which focuses on HIV and TB prevention, treatment and care. We also worked with the Community Health Care Workers from Tapologo Hospice in Robega on this programme.

A review of our delivery against our 2010 – 2014 SLP

We invested

R413.4 million*
between 2010 and 2014 on basic infrastructure, health, education, poverty alleviation, job creation and community skills development

R133.0 million
total SLP expenditure for 2014 (R105.2 million in 2013)

We spent

R25.8 million
on infrastructure development

R22.8 million
on health support

R32.3 million
on education support

R31.3 million
on job creation and poverty alleviation

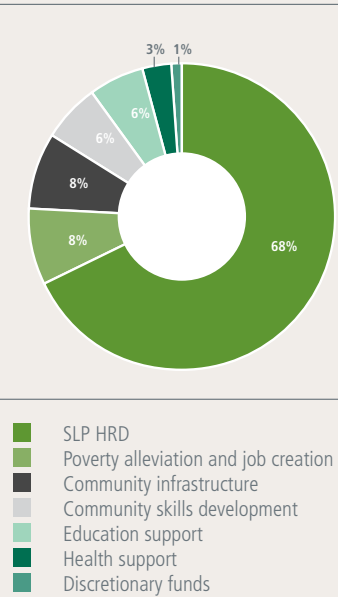
R2.5 million
on community enterprise development

R280.2 million
on SLP human resource development

R12.8 million
on community skills development

* Including discretionary spend

SLP delivery 2010 – 2014



↘ The walkway we built in Mafenya village means the children are safer because they don't have to walk in the road on their way to and from school





Education support and community skills development

RBPlat is particularly committed to its education projects and skills development of community members and its own employees. This is because by providing them with education and development opportunities we are giving them better opportunities in life. We particularly want to help local children receive the maths and science education they need to be able to have a career in the fields of engineering, science or finance.

It is important that children receive the best possible teaching from the outset. The Chaneng Primary School had no classroom space for a Grade R class, so we constructed a classroom for them and also provided playground equipment. The children can now start their schooling in an environment conducive to learning.

At Charora High School the facilities in the maths and science classrooms urgently needed attention. Both were upgraded and the school now has a state-of-the-art science laboratory. To go with the upgraded classrooms RBPlat, working with the Royal Bafokeng Institute, which is responsible for education in RBN schools, sought out the best maths and science teachers they could find.

We are delighted that since the upgrading of their classrooms and the introduction of two very skilled teachers there have been improvements in maths and science results. The Grade 11 learners, who have been taught by the new teachers for two years, have shown the greatest improvement in both maths and science.

We have upgraded the Rasimone Intermediate School. We also support Thuto Thebe (Education is a shield), the education fund established by the Queen Mother of the RBN. Its purpose is to assist learners in and beyond the borders of the Bafokeng Nation and ensure that young South Africans are well armed with education, so they may go forward to spearhead a self-sufficient South African nation in the future.

In support of the value of physical exercise and sporting skills

The RBN, through Royal Bafokeng Sports (RBS), focuses on using the positive influence of sport on society. We received an appeal from the Principal of Chaneng Primary School for assistance with the upgrading of their sports facilities. We consulted with the schools in our communities regarding their requirements and provided the five schools in MACHARORA with world class sports facilities. Each school has a FIFA approved artificial turf football field, a FIBA approved netball/basketball court, male and female change rooms, two pavilions, two boreholes and, where appropriate, we fenced them. We also provided transport for their sports teams and RBS undertook to support a school football league.

Artificial surfaces were used for both the football fields and the netball courts to reduce upkeep.

Job creation and poverty alleviation

Our job creation and poverty alleviation has focused on agriculture. Research has shown that the agricultural sector is able to create long-term jobs in small, medium and micro enterprises (SMMEs). The Rustenburg Municipality has prioritised SMME support in this sector.

Promoting food security and poverty alleviation

We have helped community members grow vegetables that they can use to feed their families and sell to earn an income, turned a start-up vegetable growing project into a commercial enterprise and are helping subsistence farmers become commercial farmers.

We identified 75 households in the villages to participate in a project that supplied each household with a tunnel for growing vegetables, a roof tank with gutters to collect rain water, two 5 000 litre buried storage tanks with a silt trap to filter the rain water, and channels to collect surface water run-off and a hand pump. Each villager was provided with training on how to use all the equipment.

Agricultural enterprise development

In 2011 BRPM, supported by an agricultural company, helped start a commercial vegetable garden using vegetable tunnels for the Association of the Blind. Today the garden, which is in Chaneng village, has a permanent workforce of eight community members who plant seedlings and monitor the irrigation and condition of the vegetables. When the vegetables are ready for harvesting the garden hires an additional four workers from the local community to assist. The garden supplies beetroot, spring onions, spinach, chillies, red, green and yellow peppers to a restaurant at Sun City, Fruit and Veg City in Rustenburg, Rasimone Primary School and the Johannesburg Market.

RBPlat was asked by the communities to help the local livestock farmers to find sustainable solutions to the challenges they face, which include not having sufficient grazing available for the number of animals they own. We assisted by developing a database of the livestock, installing a spray race system and spraying, tagging and treating the animals. We also repaired the existing dam, built a new dam and installed a windmill and a borehole. The biggest challenge is that there are far too many cattle for the available grazing. In 2014 we introduced a livestock feeding programme in line with commercial farming methodologies.

We were also asked by the Department: Agriculture and Rural Development to assist with an agricultural project in Taung in the North West province. We cleared 40 hectares of land and prepared it for planting, installed a pump and a pipeline and fenced the area.

In support of the Rustenburg Local Municipality's prioritisation of SMME support, we have developed a light industry centre with the aim of providing an incubation facility for SMMEs. The centre will provide infrastructure and offer support and training to agriculturally active households in the MACHARORA communities.



For more information on our community skills development programmes see pages 106 to 108 of the Training and development section of this report.

Mathematics

27.15% improvement
in the overall pass rate
in Grade 10

34.85% increase
in the overall pass rate
in Grade 11

Physical Science

17% improvement
in Grade 10 marks

67% improvement
in the overall pass rate in
Grade 11

15% improvement
in the average pass rate

14% improvement
in Grade 12 overall pass
rate

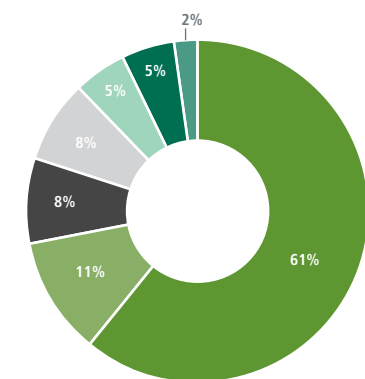
The school told us that the foundation laid by the new teachers in 2013 is beginning to achieve a notable shift in the learners' performance and hopefully, if this trend continues, they can expect some good results at the end of 2015 when the Grade 11 learners write matric exams

The start of the day in the Grade R classroom at Chaneng Primary School constructed and equipped by RBPlat





SLP commitments 2015 – 2019



Our plans for the next five years

We planned and received approval of our SLPs for 2015 – 2019 through consultative engagement with community leadership, the Royal Bafokeng Administrators (RBA) in terms of supporting and integrating with the Nation's Master plan and the Rustenburg Local Municipality regarding supporting and integrating with its integrated development plan.

We await approval of these plans from the DMR.

Basic infrastructure

We will:

- > continue replacing the unsafe homes of villagers in MACHARORA with safe homes and repairing homes
- > build paved roads and a pedestrian walkway
- > upgrade the Rasimone/Mafenya cemetery.

Health

We will:

- > complete the forensic pathology facility in Phokeng
- > continue to support the Chaneng clinic with additional nursing staff
- > conduct a feasibility study into the construction of a health centre for the communities, which will be followed by the construction of the centre for which we will also provide support. We will be partnering with the Department: Health and neighbouring mines for the health centre project.

Education

We will:

- > continue with our school support programme to help local children receive the maths and science education they need to be able to have a career in the fields of engineering and science and to encourage more children to take maths and science for matric
- > invest in upgrading school infrastructure in our communities
- > continue to support Thuto Thebe
- > upgrade various schools by providing infrastructure and converting classrooms.

Poverty alleviation and job creation

We will:

- > complete and open the facilities of the light industry hub described previously

- > continue with the MACHARORA livestock support programme
- > complete the Taung farming project.

RBPlat has also budgeted for poverty alleviation and job creation projects in our labour sending areas. These are still to be finalised.

Community skills development

Our aim is to:

- > provide leadership development training to community leaders
- > continue with our training of community members as operators of the mechanised equipment used in Styldrift I
- > invest further in our apprenticeship programme.

Procuring from local community businesses

Procuring from local black-empowered businesses helps alleviate poverty and can create employment in the region in which we operate. Over the past five years we have been able to meet, and where possible exceed, our preferential procurement targets in terms of the Mining Charter Scorecard and procure as much as possible from black-empowered businesses, but in particular local black-owned businesses. Procuring from local suppliers does, however, often come at a price premium because as small businesses they do not have the purchasing power or resources that would make them more competitively priced.

To assist local enterprises RBPlat works with Royal Bafokeng Enterprise Development (RBED), which acts as a liaison between RBPlat and local small businesses. We appointed a Black Empowerment and Enterprise Development Manager in 2014, whose role is to assist these enterprises with their development and help local black-empowered businesses manage tender processes, contract negotiations and pricing.

- ↘ The football field we installed at Charora High School is also used during lifestyle lessons

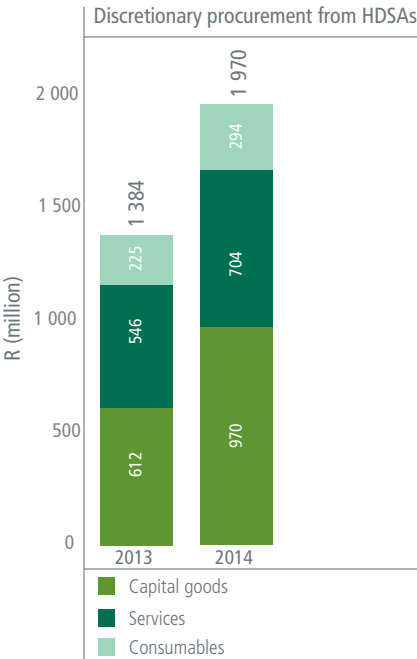


- ↘ Charora High School Grade 11 pupils enjoy a game of football during the break



- ↘ Teacher Maggy Motshegoa, whose salary is funded by RBPlat, teaching the Grade 10 physical science class at Charora High School in the new science lab provided by RBPlat. Despite the size of the class (around 50 children) Maggy has achieved a 67% improvement in the overall pass rate of this class since she started teaching at Charora High School





Discretionary procurement from HDSAs

We spent

R5.9 billion

on discretionary procurement from HDSA businesses over the past four years

2011	2013
R1.3 billion	R1.4 billion
2012	2014
R1.3 billion	R1.9 billion

- > RBPlat has exceeded Mining Charter targets for discretionary procurement from HDSAs since 2011
- > 64.67% of discretionary procurement was from HDSA businesses in 2013
- > 68.13% of our discretionary procurement was from HDSA businesses (R1.9 billion) in 2014

The purpose of our enterprise development programme is to identify opportunities to assist emerging and established local entrepreneurs with making their business more sustainable by increasing their capabilities and competitiveness.

RBPlat's supply chain management hosted an open day for suppliers in 2014. Its purpose was to update suppliers on our procedures and the process they need to follow in order to access HDSA procurement opportunities. RBED also attended the open day.

Capital goods

In 2014 RBPlat acquired 63.36% of its capital goods from HDSA suppliers, which amounted to R970 million. (The Mining Charter targets for capital goods

started out at 5% of discretionary procurement in 2010, increasing to 40% by 2014.)

Services

In 2014 we acquired 71.22% of our services from HDSA suppliers, which exceeded the Mining Charter target by 1.22%. (The Mining Charter targets for services started out at 30% of discretionary procurement in 2010, increasing to 70% by 2014.)

Consumables

In 2014 we acquired 79.68% of our consumables from HDSA suppliers, which exceeded the Mining Charter target by 29.68%. (The Mining Charter targets for consumables started out at 10% of discretionary procurement in 2010, increasing to 50% by 2014.)

Our relationships

All our stakeholder relationships impact directly and indirectly on our business and its reputation. Because of the importance of stakeholder engagement and responsiveness to RBPlat it has the highest risk ranking.

Every aspect of our business interacts with stakeholders who are relevant to that particular part of our business, on issues that apply specifically to it.

We have identified and discussed these relationships in the relevant sections of this report. To assist you we have directed you to the specific sections of the report where you can find more information on our relationships with specific stakeholders in terms of the capitals, our Chief Executive Officer's review, Transparency and accountability and the Group material issues.










The girls at Charora High School enjoy a game of netball



A detailed table of our discretionary procurement spend can be found in our website at www.bafokengplatinum.co.za.



Our stakeholder relationships

	Investor community	Providers of debt	Employees and unions	Government and regulators		Communities	Suppliers	Customers	Associated stakeholders	Business and joint venture partners
Stakeholders	> Royal Bafokeng Holdings (RBH), Anglo American Platinum, institutional investors, retail investors and sell-side analysts	> South African banks	Employees: > BRPM and Styldrift I enrolled employees, BRPM contractors and Styldrift contractors Unions: > National Union of Mineworkers (NUM)	> Departments: Environmental Affairs, Human Settlements, Labour, Mineral Resources, Water and Sanitation > Royal Bafokeng Administration (RBA) > Rustenburg Local Municipality > JSE Limited		> Royal Bafokeng Nation (RBN), the Robega, Chaneng, Rasimone and Mafenya villages	> Major suppliers, such as Eskom and Magalies Water and mining and plant-related suppliers, SMME suppliers and sub-contractors	> Anglo American Platinum Limited	International and industry bodies: > International Platinum Group Metals Association (IPA) Local industry bodies: > Chamber of Mines of South Africa, South African Institute of Mining and Metallurgy > CEO's Forum > The media > NGOs	> Anglo American Platinum, including Rustenburg Platinum Mine, Impala Platinum Limited and neighbouring mines
Most material issues in 2014	> The most material issues this year were the capital raising programme and progress on the Styldrift I project	> Business profitability > Risk management > Progress of Styldrift I	> New wage agreement for enrolled employees > Employee home ownership scheme > Aligning contractor wage agreement with enrolled employees and all volume contractors on medical aids	> Employee home ownership scheme > Amendments to the Minerals and Petroleum Resources Development Act (MPRDA) > Safety issues – fatalities and Section 54s > Water use licences > Labour relations > Compliance with SLPs – completion and handover of projects > Royal Bafokeng Institute's (RBI) relationship with Department: Education regarding upgrading maths and science teaching in community schools > RBA's relationships with Department: Traditional Affairs and Cooperative Governance > RBA's impact on our ability to deliver our SLP projects > Alignment with Integrated Development Programme (IDP), employee home ownership scheme, rates, taxes and municipal services exemption > Compliance with JSE Listings Requirements		> Delivery of social and labour plan projects > Breakdown of formal community engagement as a result of leadership issues in the community	> Continuity of supply of water and electricity > Meeting and exceeding Mining Charter HDSA preferential procurement targets > Enterprise development in local communities > Contract terms and pricing	> Meeting terms of agreement	> Keeping abreast of market and industry developments > Reputation management > Input into submissions regarding amendments to the MPRDA > Input into platinum industry labour relations stability	> Success of capital raising programme > Implants royalty agreements > Partnering with neighbours on community projects
For information	 See pages 64 and 88	 See pages 40 and 80	 See pages 94 and 95	 See pages 94 to 95, 110 to 111, 124 to 125 and 144 to 145		 See pages 124 to 125	 See pages 62 to 64, 134 and 151 to 152		 CEO's review See pages 57 and 58	 CEO's review, See pages 56 to 57