

SOUTH AFRICA'S PLATINUM MINING INDUSTRY

WHAT IS BEING DONE TO STIMULATE PLATINUM DEMAND

Johannesburg Indaba – Wednesday 5th October

Chris Griffith

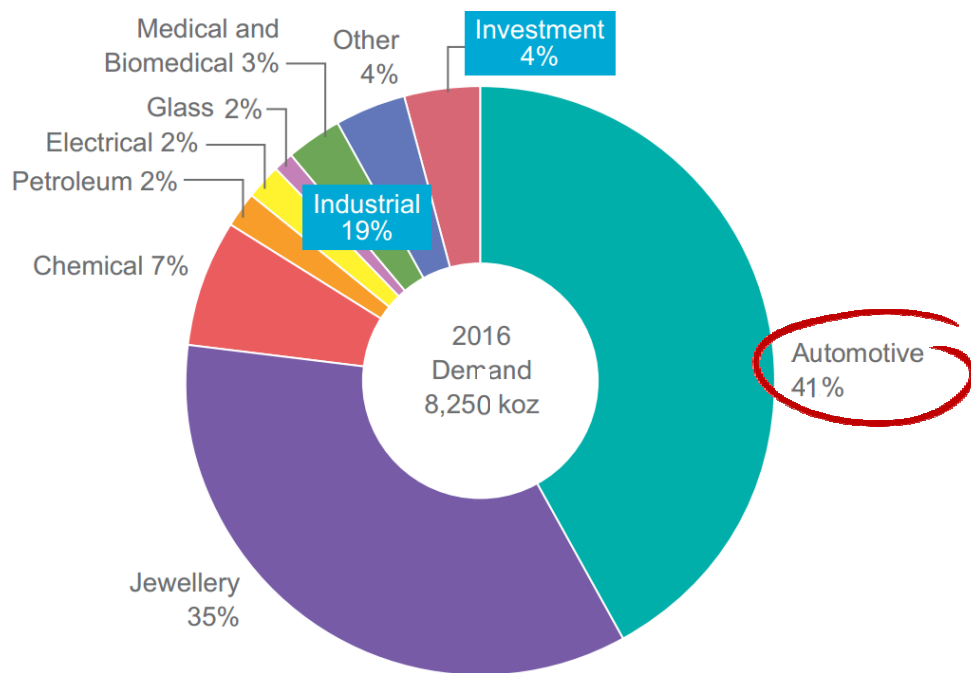


Real Mining. Real People. Real Difference.

RECAP – THE END USE SECTORS FOR PLATINUM

Over 40% of total **platinum**
Demand is from the automotive sector

Demand end use shares, 2016f



Source: WPIC Platinum Quarterly –Q2 2016

The automotive sector
accounts for ~60% of the **PGM** value pool

Price (USD/oz)	1092	684	630	
Gross Demand (2015)	Pt	Pd	Rh	% of Value
Autocat	3 076	7 643	767	59%
jewellery	2 829	225	21	20%
Industrial	1 915	1 618	152	21%
Investment	451	-659	-2	0%
Sum	8 217	8 827	938	100%

Source: Johnson Matthey. Note units in koz

Automotive, jewellery and industrial sectors account for ~96% of the PGM value pool

PLATINUM AUTOMOTIVE MARKET OVERVIEW

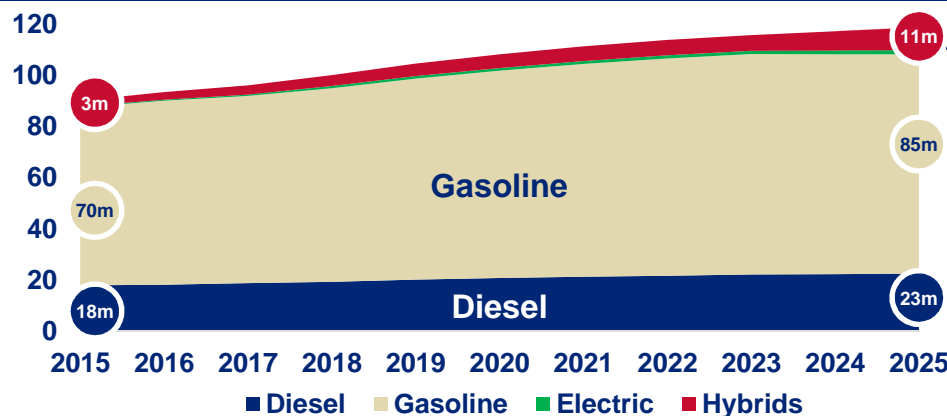
AUTOMOTIVE MARKET EXPECTED TO GROW

- Internal combustion engine market expected to grow despite lower market share in the future
- PGM demand forecast to be robust over this timescale

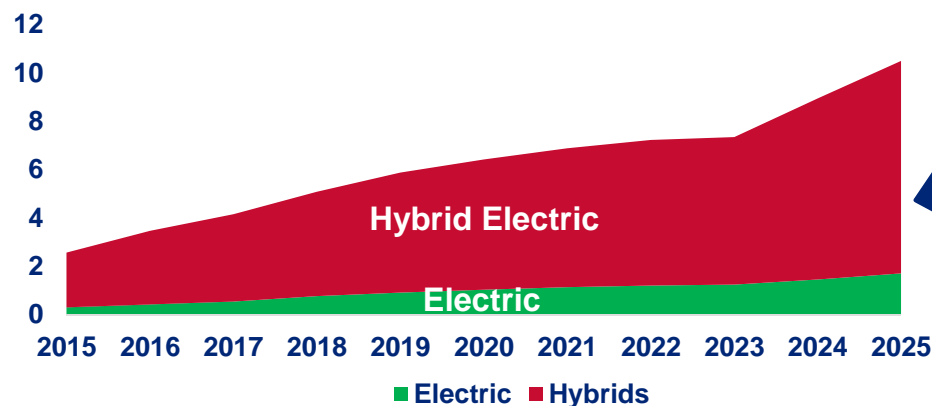
ELECTRIFICATION WILL INCREASE

- Alternative powertrain penetration forecast to be 10% by 2025
- Hybrid electric vehicles account for the majority of these vehicles
- Hybrid electric vehicles contain similar amounts of platinum group metals to conventional vehicles

Forecast annual light duty vehicle production (millions) ⁽¹⁷⁾



Forecast electric vehicle penetration rates (millions) ⁽¹⁷⁾



Electrification of the drive will continue but PGM autocatalyst market expected to grow

HOW IS THE INDUSTRY STIMULATING DEMAND FOR PLATINUM JEWELLERY

THE ROLE OF THE PLATINUM GUILD INTERNATIONAL (PGI)

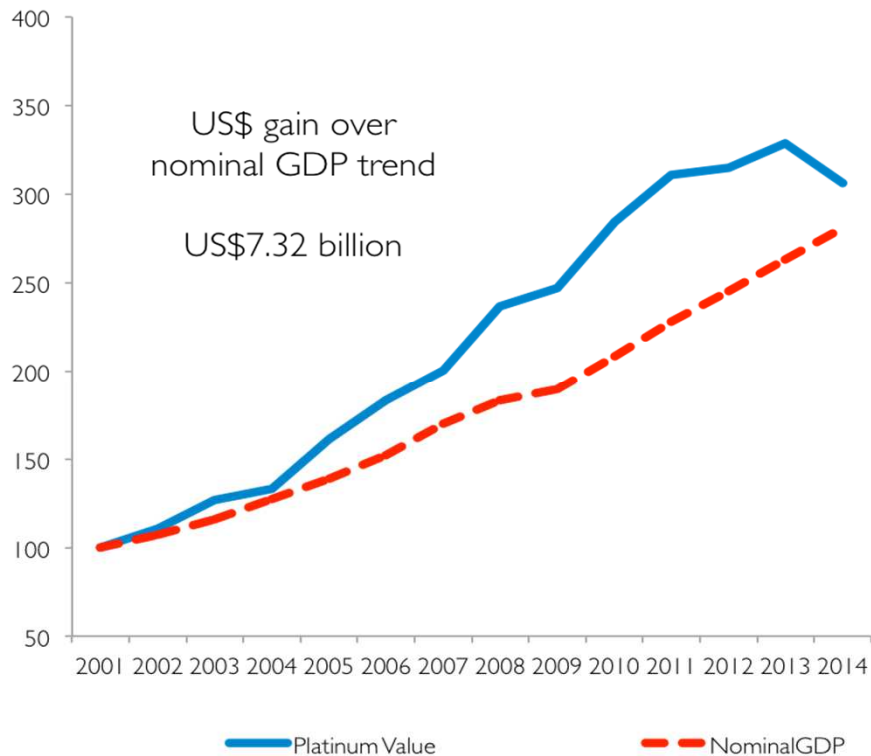
- The PGI is an organisation funded by leading South African platinum producers and refiners
- Founded in 1975, PGI has been providing information, sales support and training to all levels of the jewellery trade for almost 40 years
- PGI has offices in each of the world's major jewellery markets - China, India, Japan and the USA
- The PGI's mission is to develop and build an enduring commitment to platinum in jewellery
- It's vision is to be the driving force for growth of platinum jewellery and will inspire a belief for platinum that ensures it is the precious jewellery of choice



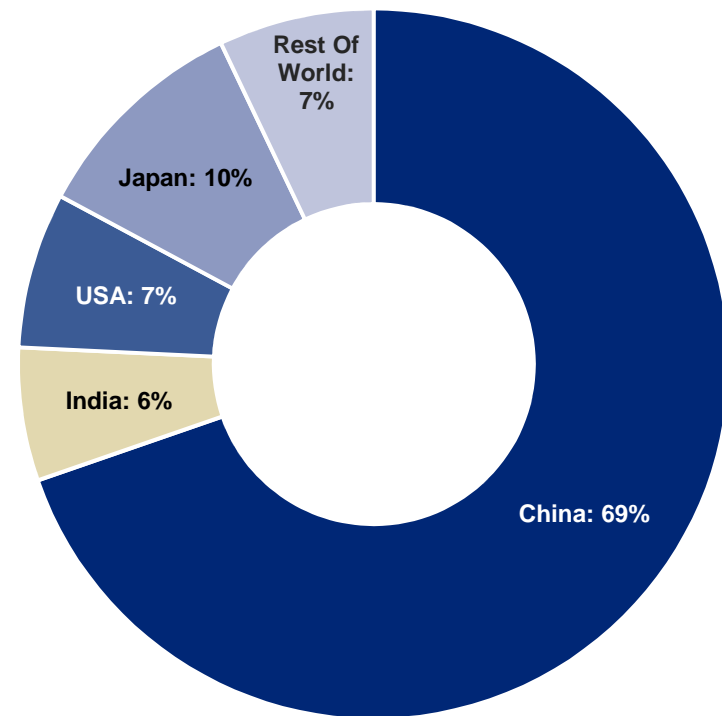


HISTORICAL TRACK RECORD IN GROWING DEMAND FOR PLATINUM JEWELLERY

US\$ gain in China over nominal GDP



China and India being the markets with the highest growth potential

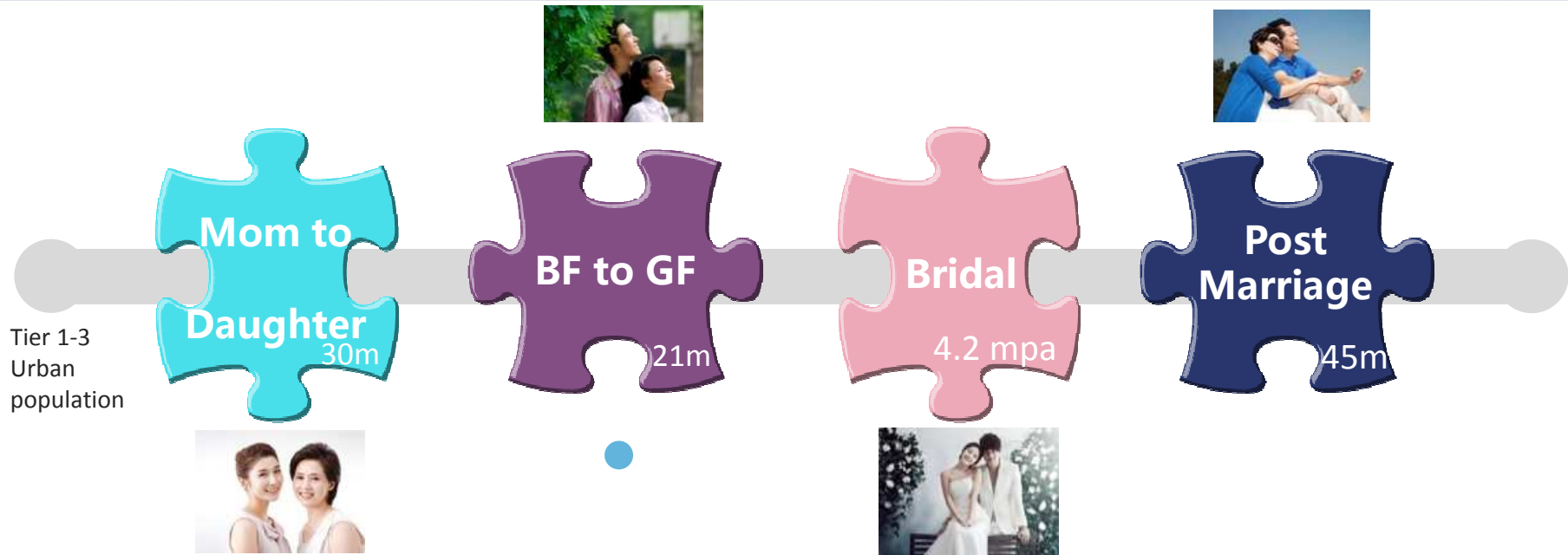


Platinum jewellery market share by region

Jewellery development contributed 35.5 million incremental ounces to global platinum demand since 2011



CHINA: MARKET DEVELOPMENT STRATEGY LEVERAGING PLATINUM'S STRENGTH IN BRIDAL TO EXPAND ACQUISITION ACROSS A LIFETIME OF LOVE GIFTING OCCASIONS



Giver	Parent	Boyfriend	Husband	Husband
Occasion	Key birthdays	Valentines day, birthdays	Wedding	Wedding anniversary
Motivation	Personal milestones e.g. coming of age, graduation	Express sincerity/love	Make commitment	Celebrate marriage milestone /gratitude

Opportunity to grow penetration across adjacent love gifting categories.....



WHAT THE RESEARCH INTO THE JEWELLERY MARKET SHOWS US

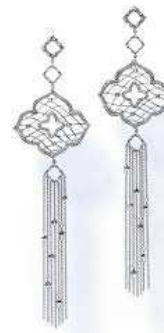
PLENTY OF ROOM TO GROW PLATINUM DEMAND WITHIN CORE JEWELLERY DEMOGRAPHIC BY LEVERAGING PLATINUM'S STATUS AS A SYMBOL OF LOVE

2m ounces per year @ average 4g per piece of platinum jewellery



~16m pieces of platinum jewellery sold a year

16m pieces of jewellery @ average 1.4 purchase per person per annum



~11m consumers who purchased platinum jewellery in the year

11m consumers represents

only 5%

of the urban female population age 18-54 (~220m)



WHAT THE RESEARCH INTO THE JEWELLERY MARKET SHOWS US

INDIA: A MARKET WITH EXTRAORDINARY POTENTIAL

The oldest civilization is home to the youngest population

- 70% of the population < 45 years

Bringing a change in attitude & behaviour in society that creates unmet needs in jewellery

USD 40 – 44 Billion jewellery market

10,000 top designer jewellery retailers

**Market dominated by gold at 662 tonnes
(Pt. 5.4 tonnes)**

**Indian platinum jewellery
market has grown 10 times in 7 years**

Year	Troy Ounces
2008	16000
2016	~225000



Success needs to be built on matching platinum to unmet Indian society needs.....



UNLOCKING THE INDIAN WEDDING MARKET WITH PLATINUM EVARA – ENGAGING INDIA'S MODERN BRIDE

*70% OF THE POPULATION < 45YEARS

Consumer

Wedding occasion accounts for
60% of the market
USD 24 – 26 bn (2014)

“My daughter is as precious as
a son, her wedding is not about
giving her away but welcoming
a new son and expanding our
family”

A lack of emotional jewellery fit
for today's modern wedding.

The platinum promise: Blessings of eternal love



Evara will be one of the
most important drivers
of market growth to
500,000 oz.

Brand

Platinum:
Symbol of love | Modernity |
Status | Exclusive | Choice of the
new generation

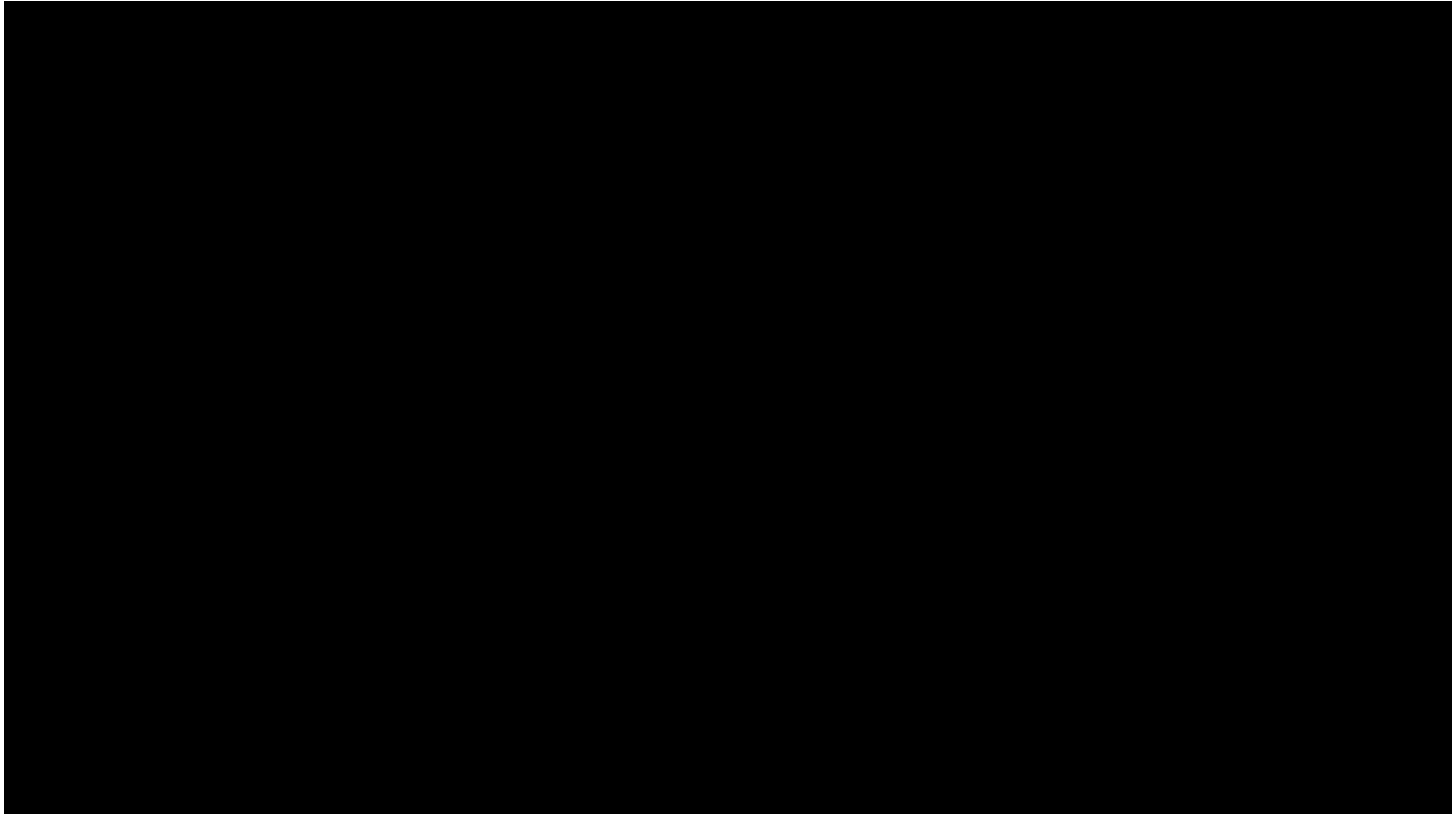
Name rooted in Sanskrit:
everlasting blessings, letters
depict blessings and coming
together to form new bonds.

The colour of royalty signals
abundance and aura of grandeur.
Platinum symbol brand builds
credibility.



UNLOCKING THE INDIAN WEDDING MARKET WITH PLATINUM EVARA – VIDEO

“MY DAUGHTER IS AS PRECIOUS AS A SON, HER WEDDING IS NOT ABOUT GIVING HER AWAY BUT WELCOMING A NEW SON AND EXPANDING OUR FAMILY”



Evara programme tapping unmet needs in bridal journey

LEVERAGED MARKETING BY THE PGI

Campaign examples from around the world



China: Bridal Group Program

Program	Results
Trade platform to expand Platinum Pair Ring business	>45,000 ounces of new bridal platinum inventory

India: Platinum Day of Love



Program	Results
Digital-led integrated campaign.	36% growth in 2014, selling of 100,000 ounces



Japan: Thanks Days Platinum

Program	Results
Turning the number of married days into unique jewellery.	>50,000 incremental ounces

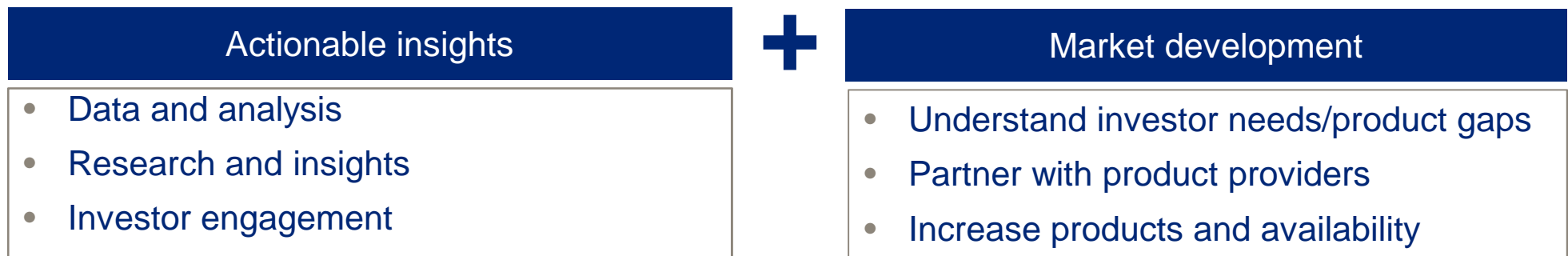


US: Key Manufacturer

Program	Results
Platinum Business Development Program	Increase in Platinum Sales 2013: +6% 2014: +9% 2015: +13%

WPIC FOCUSES ON DEVELOPING THE PLATINUM INVESTMENT MARKET

- Provide investors with objective and reliable platinum market data and insights
- Stimulate investor demand for physical platinum through targeted market development
- Members: Anglo Platinum, Aquarius*, Impala, Lonmin, Northam, RB Plats



In 2016 the WPIC increased direct contact with investors

- One-on-one and group meetings - build relationships with fund managers and advisors
- Test effectiveness of WPIC data, research and insights
- Identify investor appetite, preferences and product needs

* On 12th April 2016 Sibanye Gold acquired all of the shares in Aquarius

WPIC SUPPORT MARKET DEVELOPMENT THROUGH INVESTMENT PRODUCT-DRIVEN DEMAND GROWTH

WPIC mandate allows

- Global access to investors, regulators and partners
- Impartial addressing of investor concerns
- Active engagement to achieve improved market commentary

Focus

- Targeted product and market development with financial institutions and partners to develop products and channels that increase investor access to platinum
- For many new products, partner selection in progress
- Many geographies under-served with regard to platinum investment choices
- SBMA membership and Southeast Asia region opportunity

Achievements

- Market credibility as a source of data and insights
- Repositioned market commentary to include some positive drivers
- Contact with and distribution to wider (growing) global investor audience
- Partnership with Valcambi
- BullionVault
- Vienna Philharmonic platinum coins
- Platinum ETF in Japan

WPIC- VALCAMBI PARTNERSHIP FOR PLATINUM BAR HOLDINGS

valcambi
suisse



- Valcambi – leading global precious metals refiner
- Global funding, stocking and marketing partnership with WPIC commenced
- Partnership enhances the Valcambi distribution network's ability to offer platinum and effectively present the investment case for platinum
- The products are minted by Valcambi in sizes from 1g - 1000g and sold through their extensive network of online and high street dealers worldwide
- The programme is intended to stimulate demand for platinum investment bars, focusing initially on the US retail market



WPIC & BULLIONVAULT CREATE AN ON-LINE MARKET PLACE

- BullionVault is the world's biggest online marketplace for buying, selling and storing physical gold and silver bullion
- More than 60,000 private investors from around the world have invested in gold or silver through BullionVault, with current holdings in excess of 35 tonnes of gold and 600 tonnes of silver through pooled allocated client accounts
- WPIC and BullionVault have an agreement to offer physical investment platinum on BullionVault's online marketplace alongside its existing gold and silver offerings
- Move will ensure improved access to platinum for retail investors
- Innovative collaboration supports WPIC's mission to stimulate investor demand for physical platinum worldwide



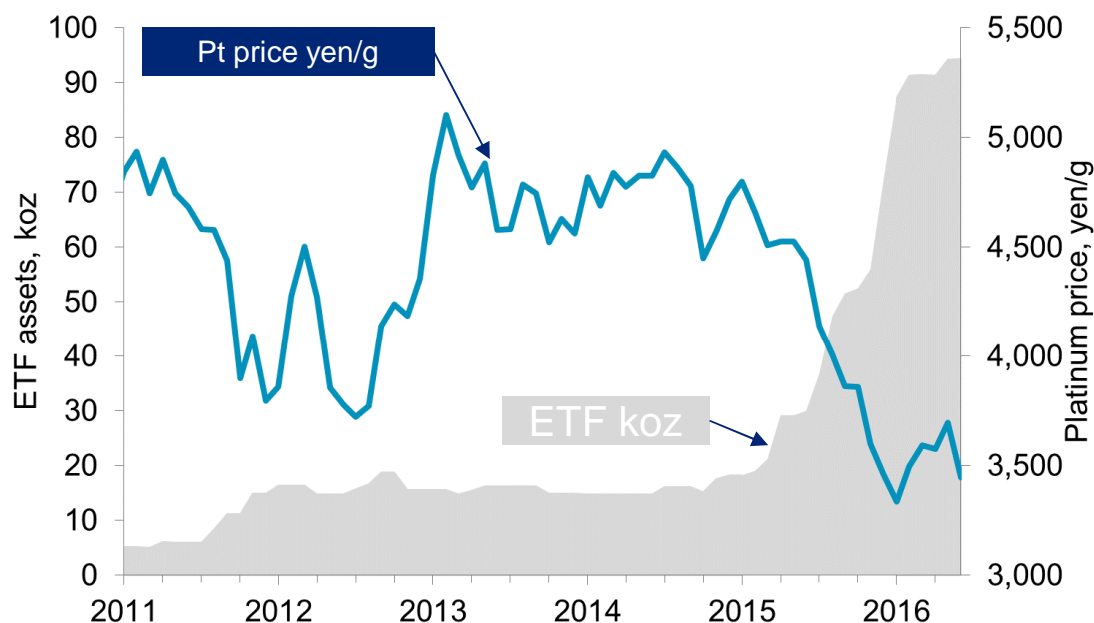
PLATINUM COINS – FILLING THE GAP BETWEEN LISTED AND PHYSICAL METAL HOLDINGS

- Bullion coin custodial certificates licensing agreement with Rand Merchant Bank
- The Vienna Philharmonic is a range of coins produced by the Austrian Mint
- Through the WPIC's activities, a platinum coin range was launched in 2016
- This platinum coin is a one ounce, legal tender platinum coin with a 'face value' of €100
- The coins are named after for the Vienna Philharmonic orchestra, which inspires the design of both sides of the coins.
- Like any bullion coin, the value is based primarily on the metal content and the spot price of that metal on the commodities markets
- The coins are minted according to demand and production varies from year to year



WPIC AND MITSUBISHI LIFT PROMOTION OF PLATINUM ETF IN JAPAN

Japan ETF assets and platinum price (yen/g)



Name: Japan Physical Platinum ETF **Ticker:** 1541 JP Equity

- Japan is a key hub for precious metals investment
- ‘Fruit of Platinum’: Mitsubishi UFJ Trust and Banking Corporation (MUTB)
- ETF growth in addition to significant bar and coin purchases in Japan (>500koz)
- Significant opportunity for growth in platinum ETF

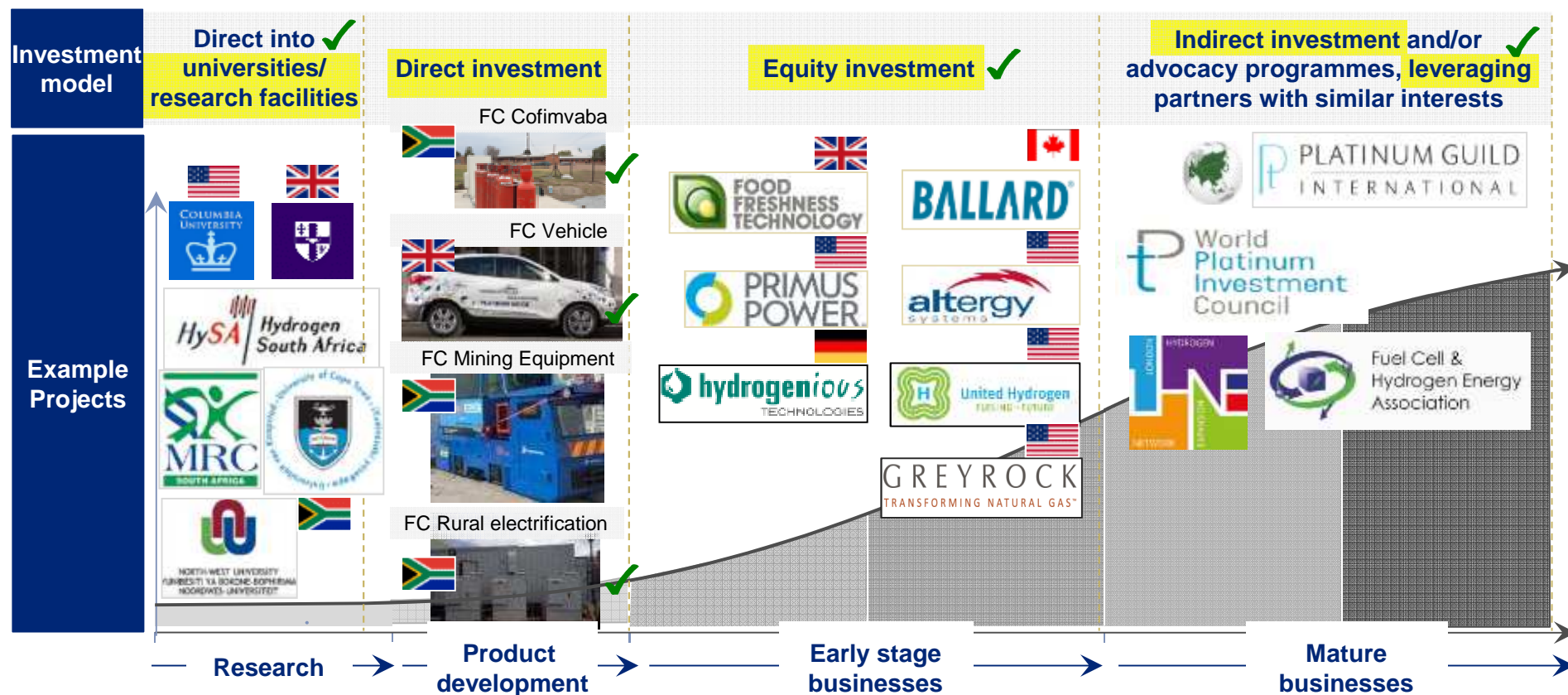
Opportunity to grow Japanese ETF uptake by increased promotion

Source: Bloomberg, Mitsubishi UFJ, WPIC research

ANGLO AMERICAN PLATINUM'S MARKET DEVELOPMENT ACTIVITIES

Overview of our existing market development activities

FC : Fuel cell ✓ Leveraged funding



Fuel cell and jewellery related initiatives comprise the majority of spend.
Equity investment focused on stimulating industrial demand

DIRECT INVESTMENT IN PROMISING TECHNOLOGIES THAT CREATE OR FACILITATE DEMAND FOR PGMS

Investment focus	- Strategic investment in technologies that create or facilitate the demand for PGMS		Fuel cells Platinum
PGM investment programme terms / objectives	<ul style="list-style-type: none"> - R1.5B fund - Market related returns - Significant minority stake - Flexible holding period 		Fuel cells Platinum
Target profile	<ul style="list-style-type: none"> - Focus sectors: Water treatment, electrochemical systems¹, medical devices, electronics - R45m –R150m ticket (acquisition + follow on capital) - Commercialised technology / proven concept - Potential technology leader in its sector 		Food preservation Palladium
			Flow battery Iridium
			Hydrogen storage Ruthenium
			Gas-to-liquid & Hydrogen production Ruthenium

The ability to support investments via supply of metal and off-take of product, as well as the opportunity for localisation of the technology, are key considerations

¹ e.g. Fuel Cells, Flow Batteries, Electrolysers etc.

² weightings are revisited from time to time to align with PGM market dynamics

MASS ADOPTION OF FUEL CELLS BROADLY DEPENDANT ON TIMEOUSLY OVERCOMING 3 BARRIERS

Infrastructure accessibility



Supporting infrastructure must be convenient and accessible

- Governments instrumental in funding and incentivising the roll-out of hydrogen refuelling infrastructure (Japan, California state, H2 Mobility in Germany)
- Our hydrogen-focussed investments (e.g. United Hydrogen Group, Hydrogenious Technologies) look to address the costs of hydrogen refuelling stations

Consumer acceptance



Consumer perception around safety, and other misconceptions around the technology must be addressed

- Consumer perception around safety, and other misconceptions around the technology must be addressed
- USA: AAP leading an industry funded campaign to raise awareness and improve perception of FCEVs among government & influencers
- UK: Leased Hyundai ix35 FCEV and looking to launch a government & consumer focussed campaign
- China: working together with SAE and China government to establish FC body

Cost competitiveness



Fuel cells applications must achieve at least cost parity when compared to competing technologies.

- Significant OEM investment in R&D (e.g. Toyota, Hyundai)
- A number of OEMs have formed alliances to co-invest in development (e.g. Honda and General Motors)
- Funding focussed on cost reduction, standardisation of components and investment in production capacity

Fuel cell electric vehicle launches



CLOSING REMARKS



Hyundai Fuel Cell Electric Vehicle

- ✓ Past performance has shown the success of market development
- ✓ Industry supported development focuses on jewellery, investment and industrial market development
- ✓ Development won't happen by chance and needs active programmes and market promotion and stimulation
- ✓ The success of market development is key to the platinum mining sector's sustainability



Platinum investment bars