Sibanye
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Operating and Financial Results

for the six months ended 30 June 2016

25 August 2016

Disclaimer

The information in this presentation may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “expect,” “may,” “anticipate,” “estimate,” “will,” and other words and terms of similar meaning or the negative thereof. These forward-looking statements, as well as those included in any other material discussed at the meeting, are subject to risks, uncertainties and assumptions, including, among other things, the development of Sibanye’s business, general economic conditions and actions of regulators. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass and no reliance should be placed on any forward-looking statement. No one undertakes to publicly update or revise any such forward-looking statement.

Agenda

1. Group Overview
2. Operational Review - Gold and Platinum Divisions
3. Financial Review
4. Conclusion
5. Questions

Group Overview

Safety remains our number one priority

- Disappointing regression in the safety performance of the Gold Division requires decisive action and has resulted in a review of Sibanye's safety strategy
- Peter Turner has been appointed SVP: Safety, Health and Environment for the group
- Sibanye is engaging with all stakeholders to jointly address the regression in safety
- The regression in the safety performance of the Gold Division impacted negatively on its potential



Taking decisive action to improve safety

Section 54's

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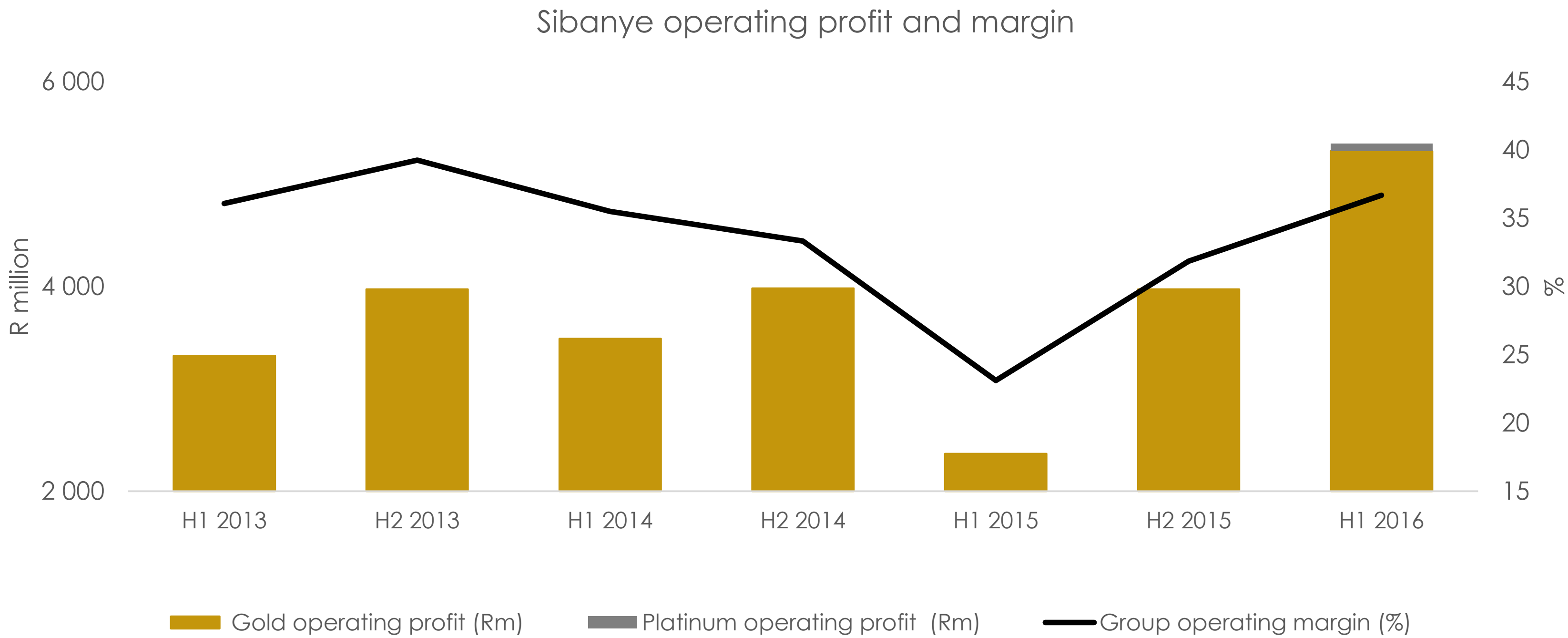
- SA mining sector safety performance has regressed YoY and must improve
- Where necessary, management will, and does, stop unsafe working places, without intervention from DMR
- Use of S54 stoppages where appropriate are respected
- However S54 stoppages are not always administered consistently, or in a manner which will result in improved safety towards the goal of zero harm
- Industry, CoM and Sibanye are engaging with the DMR on the matter - a resolution will require special leadership from industry, DMR and all other stakeholders
- What is required is to implement safety stoppages such that safety continues to improve, while also reducing impact on operations
- Recent engagement with Minister of Mineral Resources constructive but greater alignment across the board is required

Salient features*

- Operational performance:
  - Gold production 5% higher to 23 229kg (746 800oz)
  - Record attributable PGM (4E) production of 92 773oz for the June quarter
- Costs well managed
  - AISC of R448 922/kg increased by 3%
- Operating profit 128% higher at R5.4 billion (US$350 million)



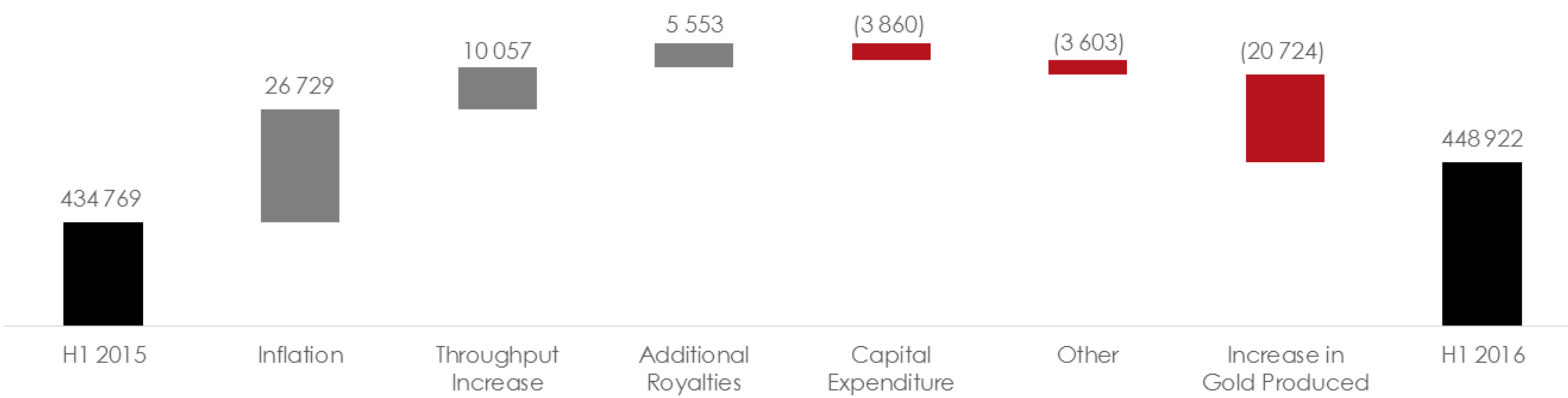
*for the six months ended 30 June 2016 relative to six months ended 30 June 2015

Solid operational performance supports increased dividend

Maintaining operational efficiency and focus

- Risk of operational complacency
  - Increased commodity prices and margins
  - Significant phantom share scheme payouts to middle management
- Renewed focus on efficiencies and cost management
  - Further Gold Division mining unit consolidation
  - Capitalising on the higher than expected gold price through incremental mining initiatives
  - Continuously driving productivity and efficiency improvements
  - Closure of loss making production business units that are being cross-subsidised
  - Ensuring platinum synergies are being realised

All In Sustaining Cost variation (R/kg)



*30 June 2015 to 30 June 2016

Not falling prey to the "Eldorado syndrome"

Relative metal price performance

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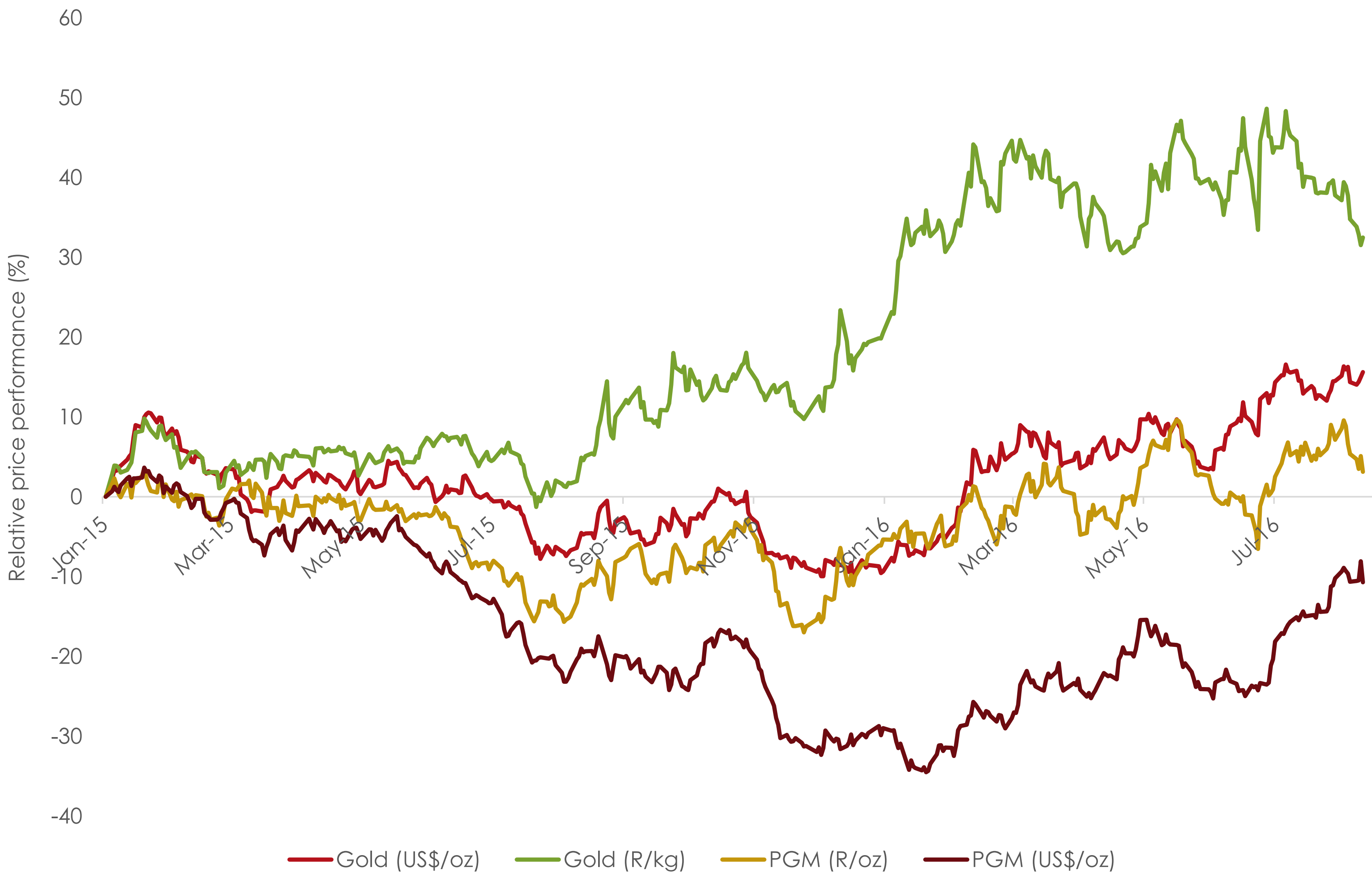
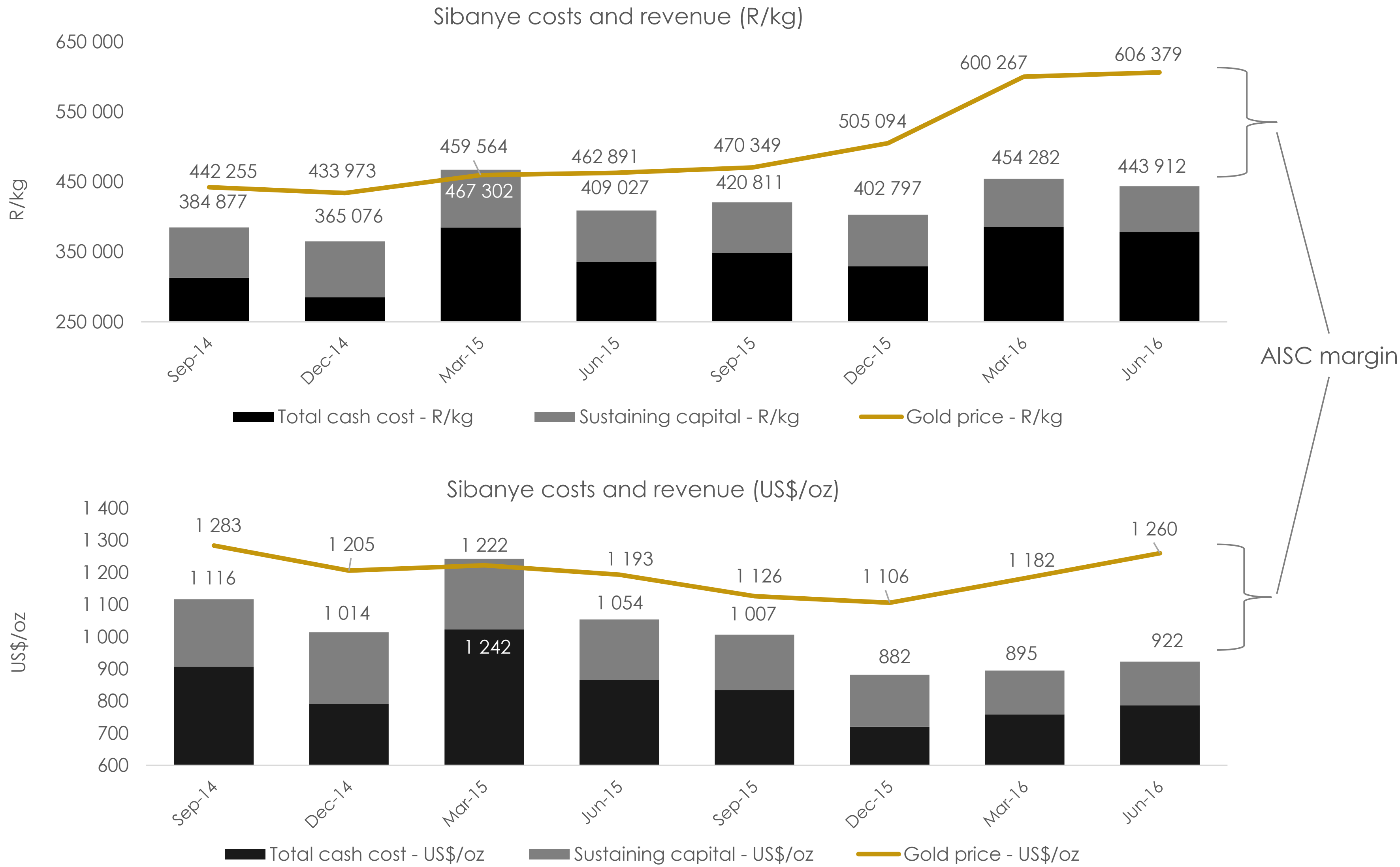


Source: iNet as at 11 August 2016

Dollar prices improving – strong rand a headwind

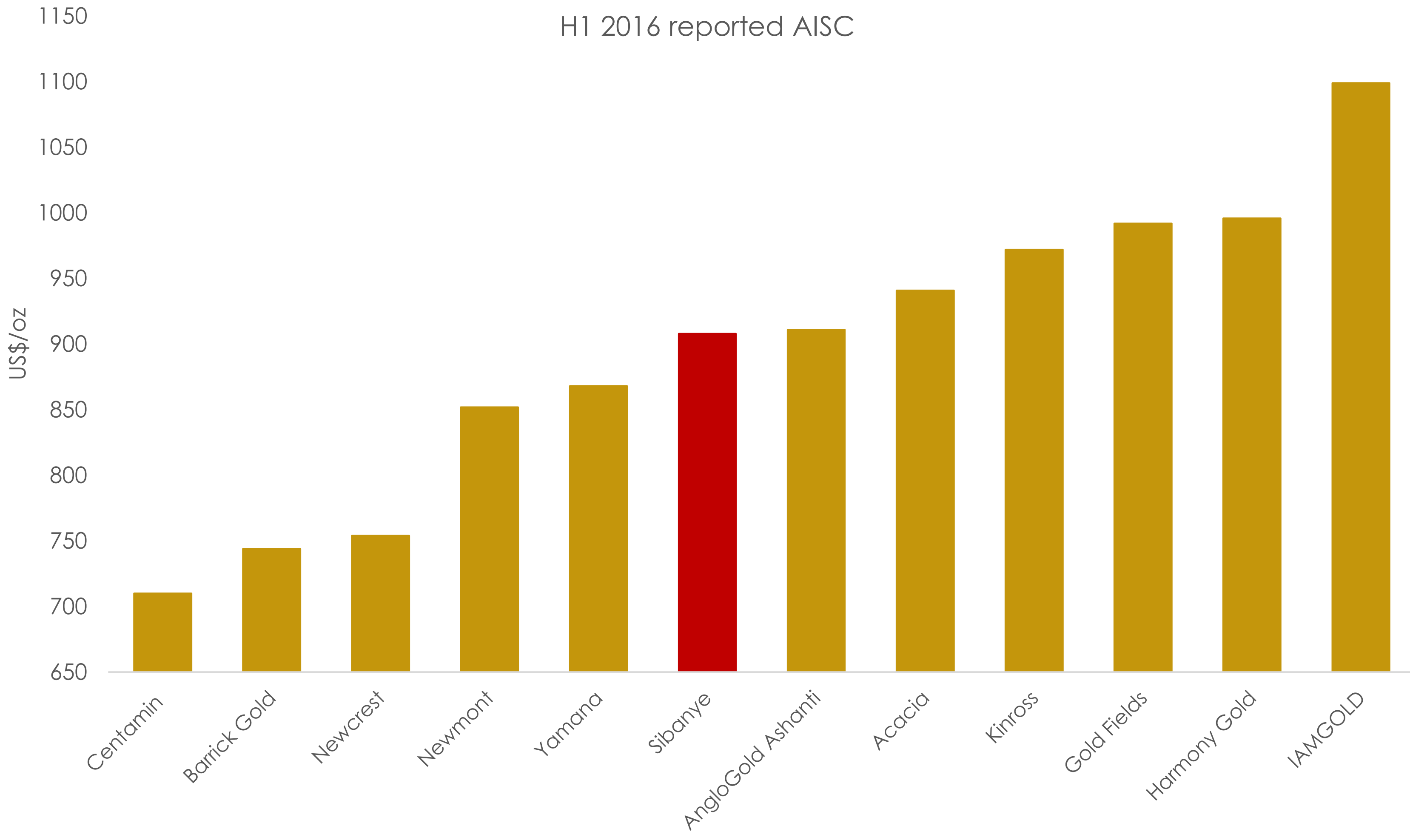
Operationally leveraged to US$ gold price and rand



* 2016 exchange rate of R15.00:US$

Gold division operating margins maintained

Competitive global cost position maintained



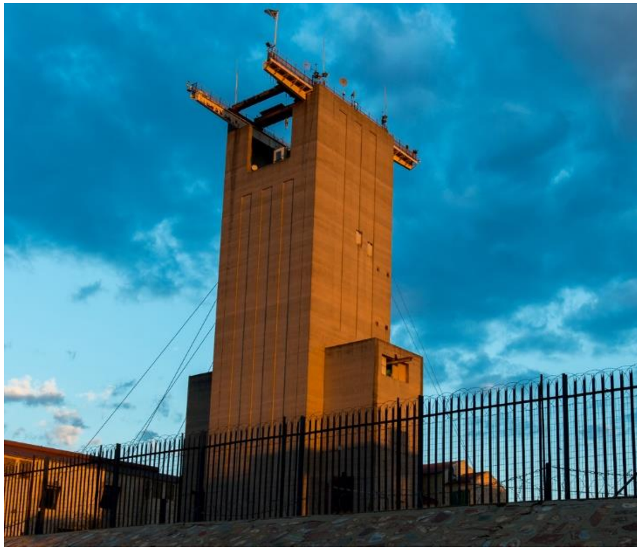
Source: Company releases, Qinisele Resources Research

Favourably positioned on the cost curve

Salient features* continued

- Strong Balance Sheet despite net debt increasing to R4.4bn due to the Aquarius acquisition, with Net Debt:EBITDA of 0.41x
- Stability agreement with unions – 3 year 2015 wage agreement secured
- Interim dividend for 2016 of 85 cps – R785 million

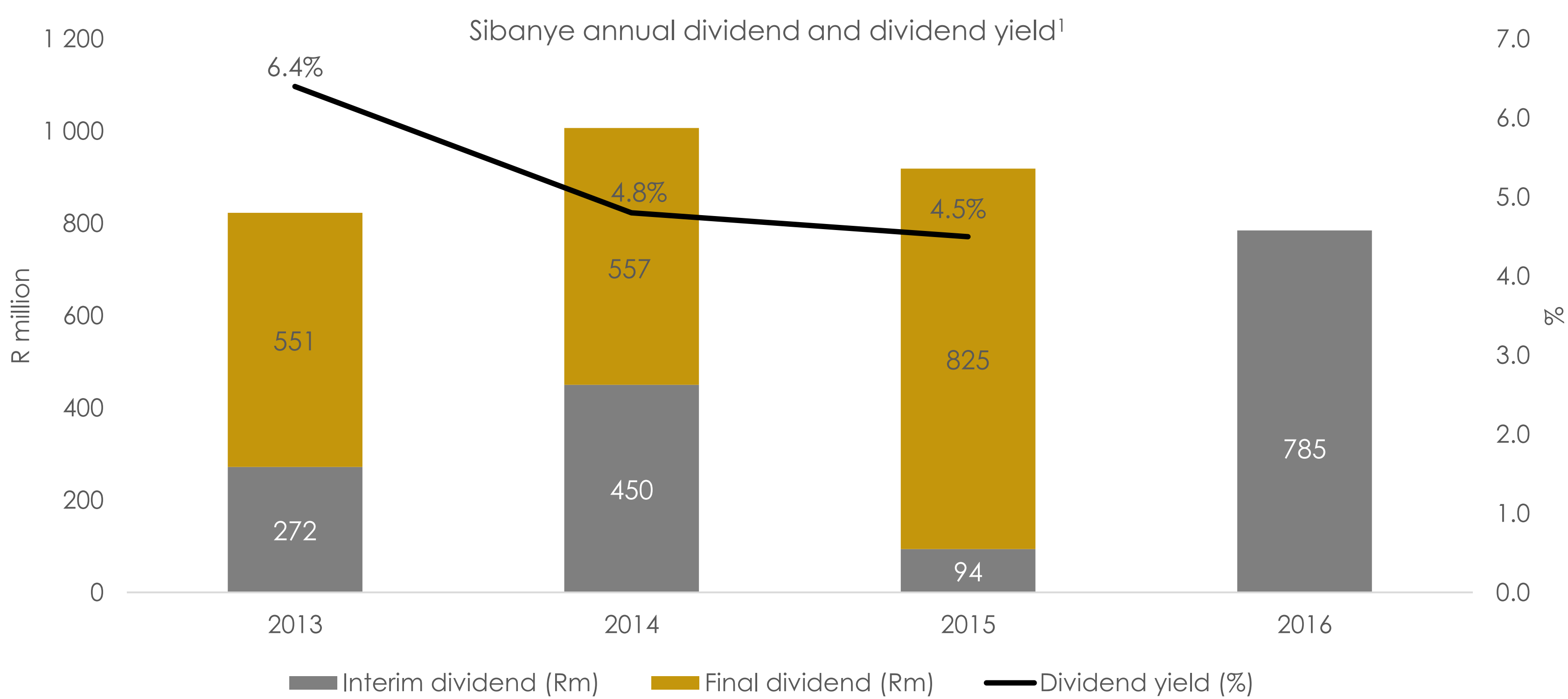
*For the six months ended 30 June 2016 relative to six months ended 30 June 2015



Robust and flexible financial position

Delivering on dividend commitment

- Cumulative dividend of R3.5 billion paid to shareholders since listing
- Industry leading dividend yield maintained



[1] Based on average share price during the year

Dividend declared reflects a positive outlook

Superior value for shareholders

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Share price appreciation since listing:
R53.69/share

+

Dividends paid since listing:
R4.09/share

=

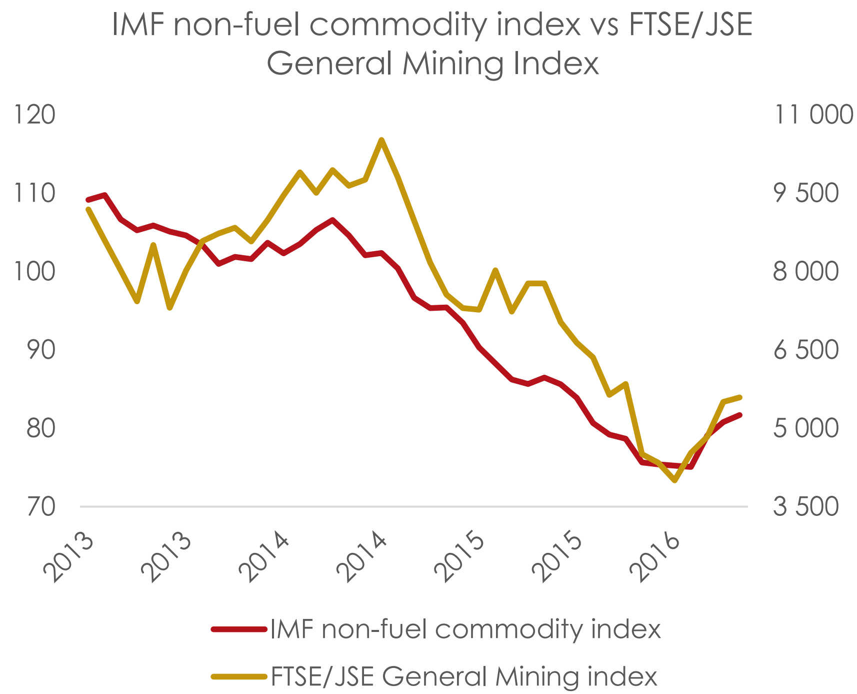
Total return* =
R57.78/share
426% return on investment

* From listing on 11 February 2013 until 19 August 2016

53% CAGR delivered for Total Shareholder Return

Value creation strategy – a changing landscape

- Sibanye investment case not commodity specific but primary focus is still gold and PGMs
- Fewer distressed sellers due to corporate restructuring, deferral of capital expenditure and recovery in metal prices
- Increase in the number of parties willing to transact
- **<u>But</u>**… sharp increase in share prices has resulted in less obvious value opportunities
- Opportunities which offer cost and operational synergies remain of interest



Index Performance		
	IMF non-fuel Commodity Index	**JSE FTSE General Mining Index**
Since SGL Listing	(25%)	(39%)
YTD	8%	29%

Value accretive acquisitions less prevalent

Sibanye Gold Division

Operational review

Solid operational performance

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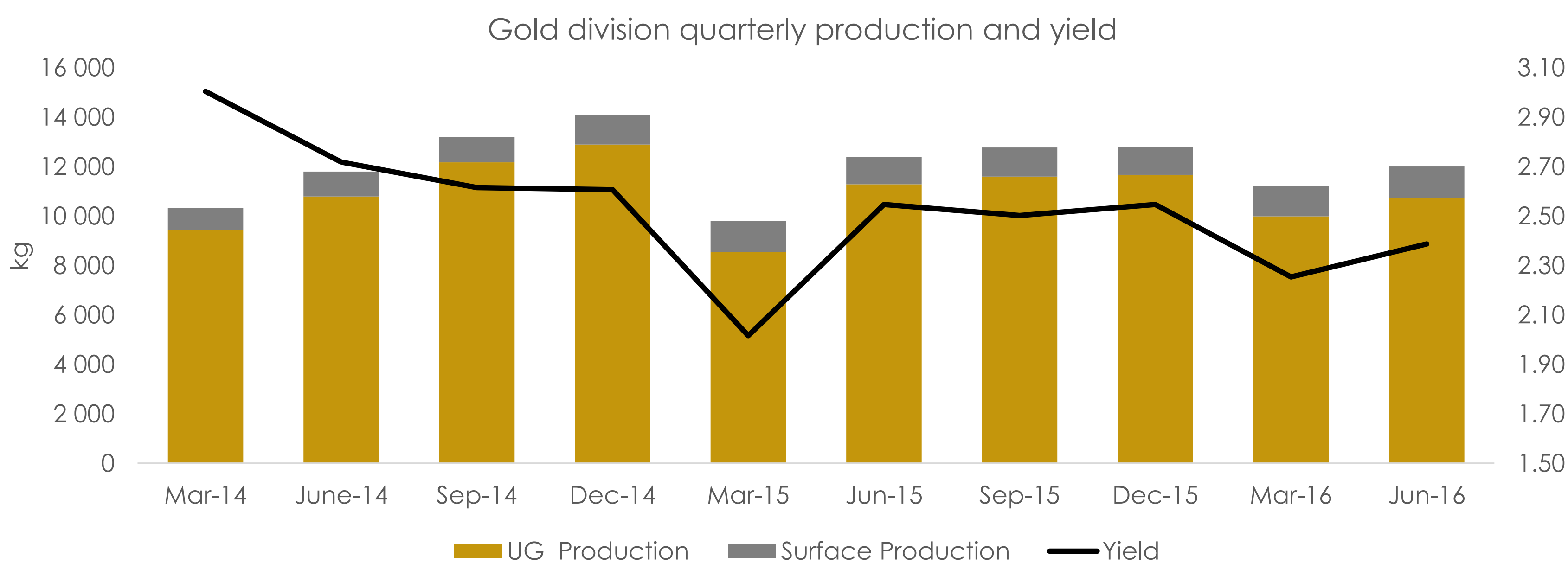
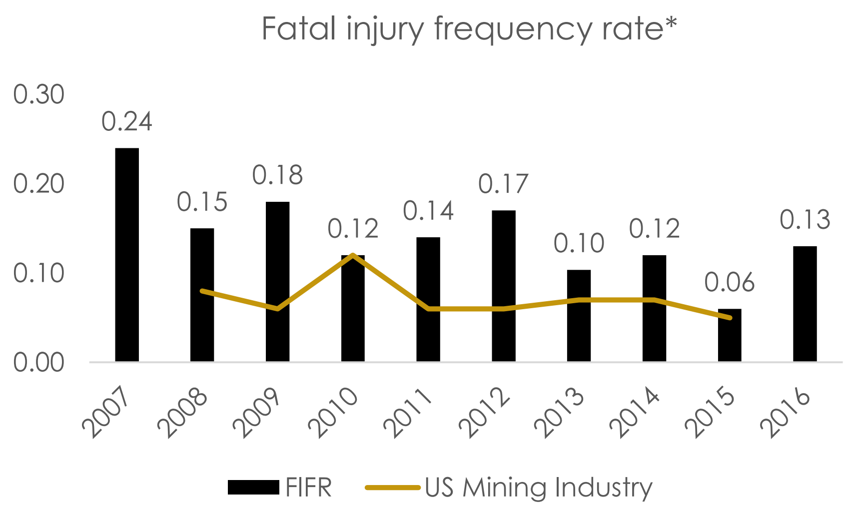
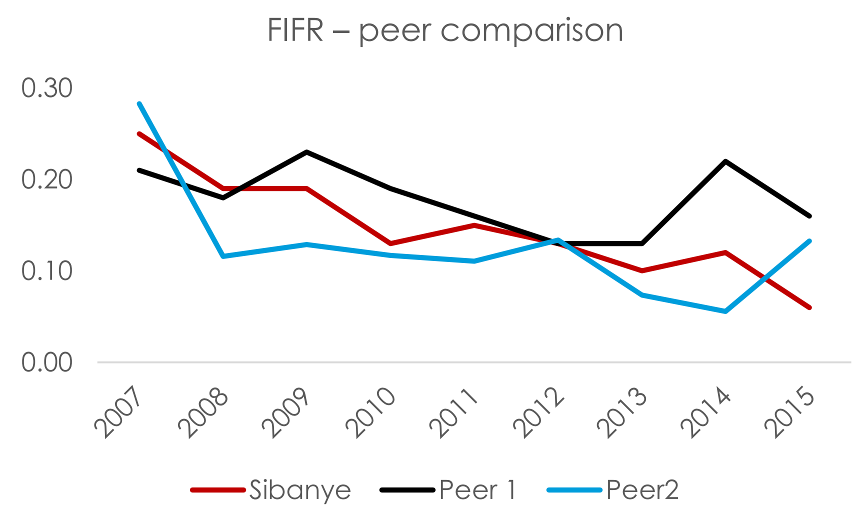
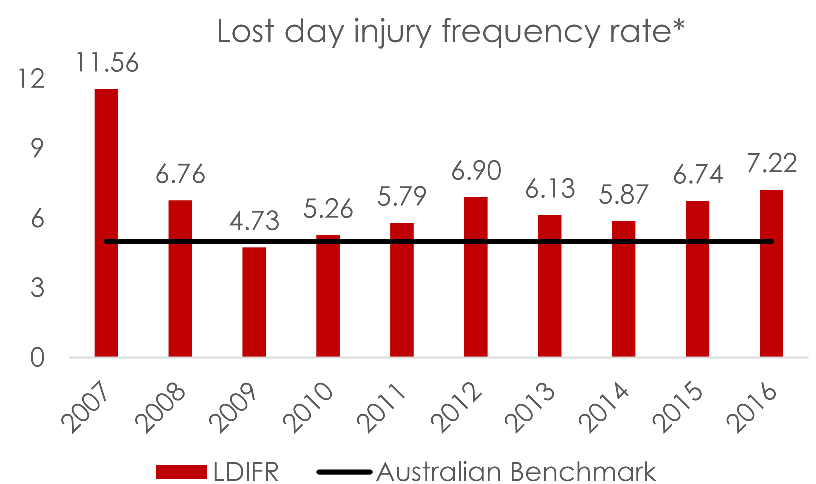
- Regression in safety performance a major concern
- Gold Division production of 23 229kg (746 800oz) - 5% higher year-on-year
- Opportunity loss of 1 268kg (40 700oz) as a result of operational disruptions
- Cooke 4 continues to underperform – Section 189 notification issued
- Operations seasonally better in second half – guidance maintained

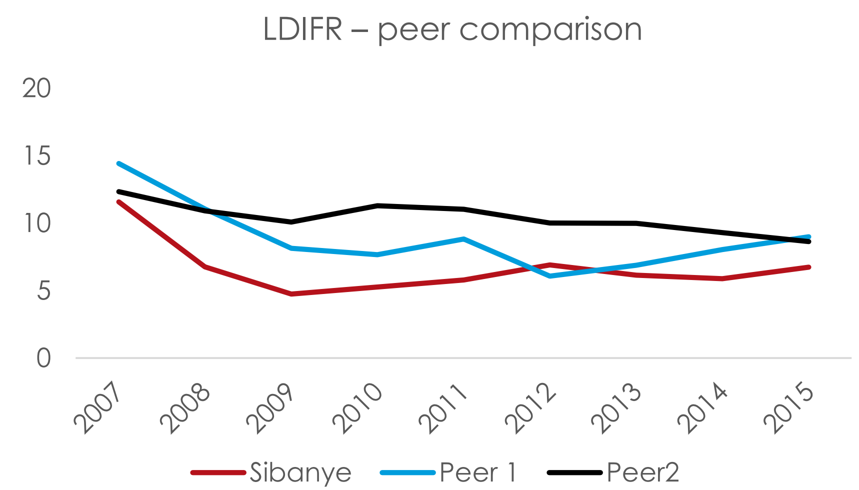


Gold Division safety trends







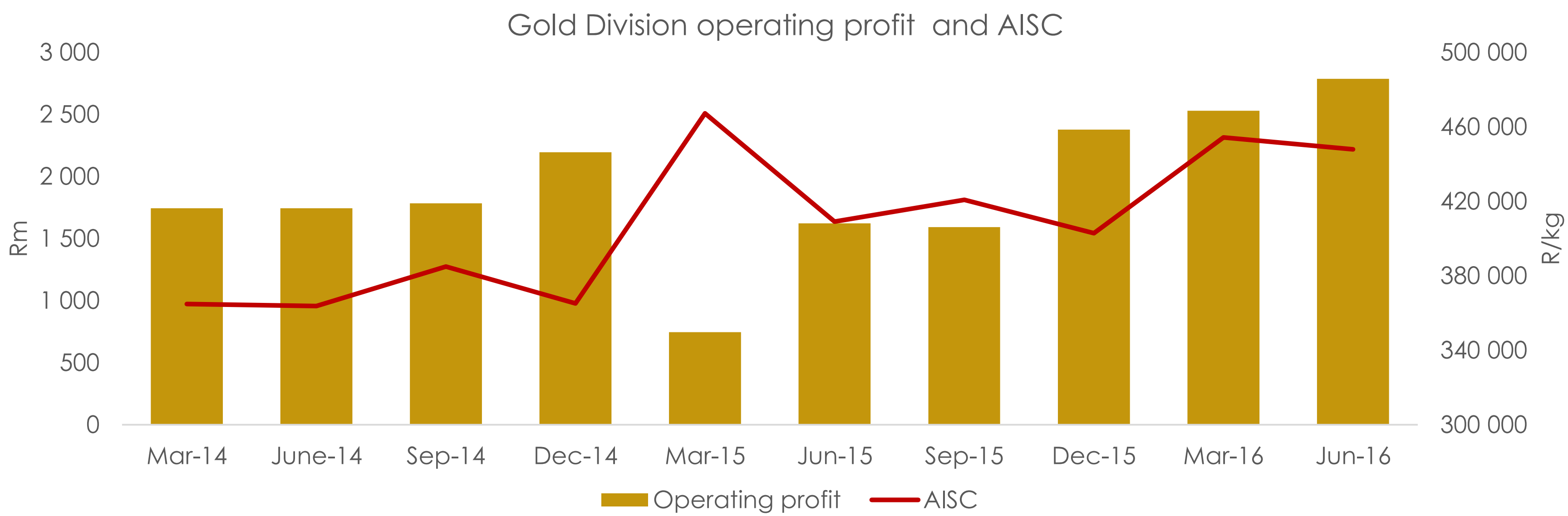


* Rates expressed per million man hours worked

Good safety performance has recently regressed

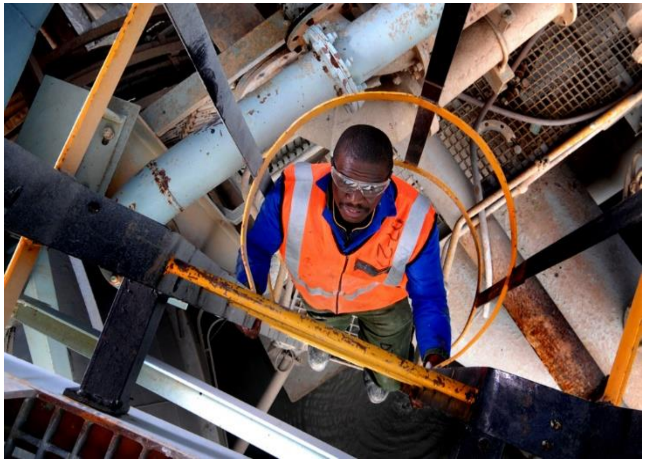
Robust financial results

- Significant increase in operating profit driven by higher gold price and production
  - operating profit 125% higher at R5.3bn (US$346m)
- Costs well managed, despite the impact of strike action and safety stoppages
  - TCC increased 4% to R381 635/kg – down 17% in US$ terms to US$772/oz
  - AISC increased 3% to R448 922/kg – down 20% in US$ terms to US$908/oz
- Organic projects at Kloof, Driefontein and Burnstone approved in 2015 – extend Divisional LoM and offer significant gold price leverage



Investing in organic growth

- Approval of R3.6 billion for capital growth projects given in mid-2015
- Projects fundamentally robust in lower price environment (meet 15% (real after tax) hurdle rate at gold price of R450,000/kg)
- Significantly leveraged - at gold price of R600 000/kg NPV is approximately R7 billion with IRRs between 20% and 30%
- Organic projects offer best return with lowest risk
  - well known and understood ore bodies and mining conditions
  - financed from operational cash flow
  - extend lives of existing operations – enhancing ROIC



Gold projects

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Project metrics (at R450 000/kg)	Unit	Kloof 4 Below Infrastructure	Driefontein 5 Below Infrastructure	Burnstone
Project life	Year	2015 to 2033	2015 to 2042	to 2038 (23 years at the 3km radius)
Project capital cost*	Rm	691	1 016	1 852
Gold ounces produced**	Moz	0.616	1.861	1.727
IRR (at R450 000/kg)	%	>15%	>15%	>15%
IRR (at R600 000/kg)	%	21%	27%	34%
NPV (at R600 000/kg)***	Rm	1 170	2 510	3 380

* Costs in 2015 money terms as at time of the feasibility study
** Reserves estimated at R450 000/kg
*** Using an 8% real discount rate

LoM reserve production profiles

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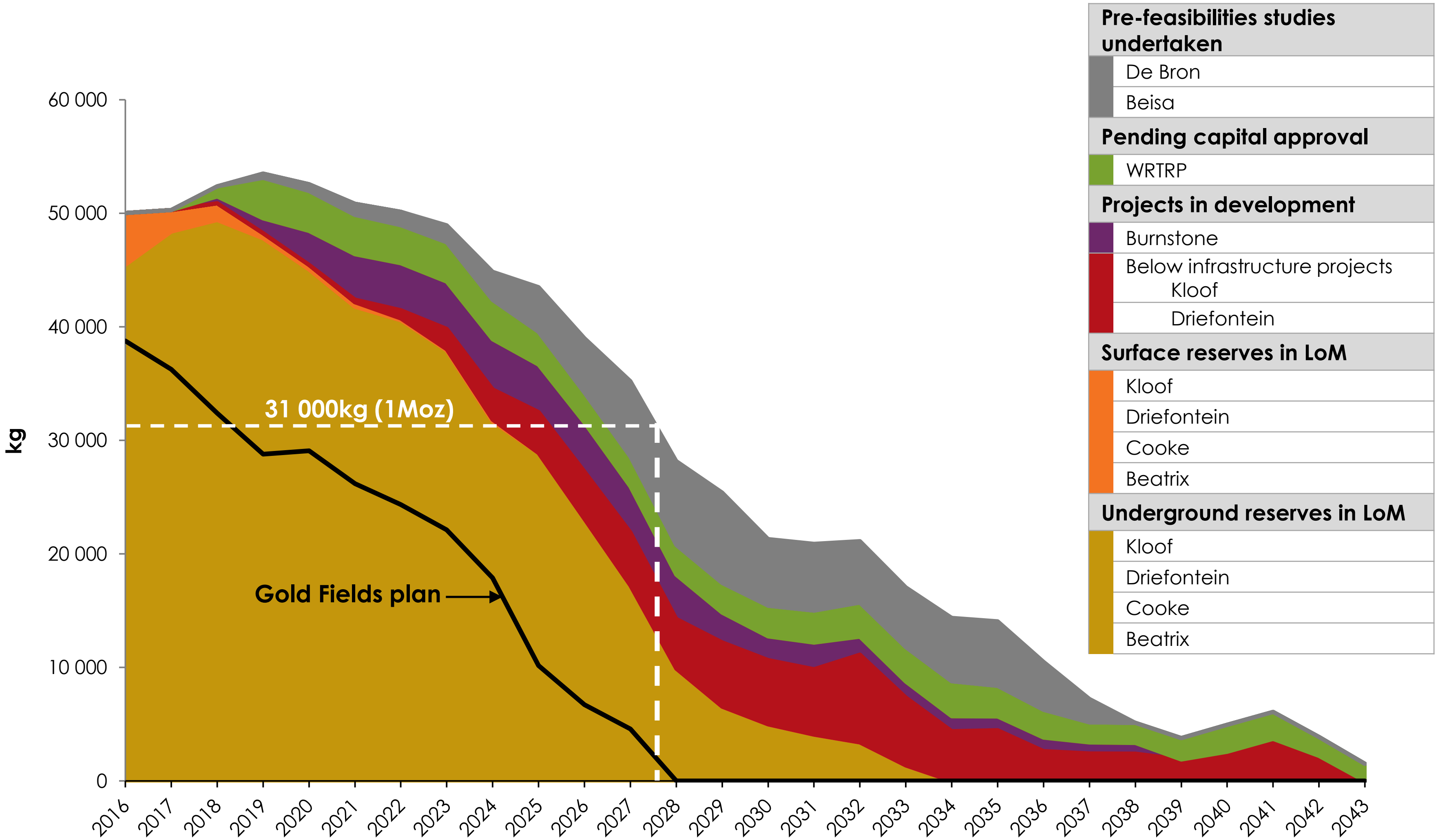

Note: Project profile is based on pre-feasibility and feasibility studies as at December 2015
Based on Reserves declared as at 31 December 2015
Assumptions: Gold price: R430 000/kg, Uranium R1,455/lb (real 2015 terms)

F2016 outlook*

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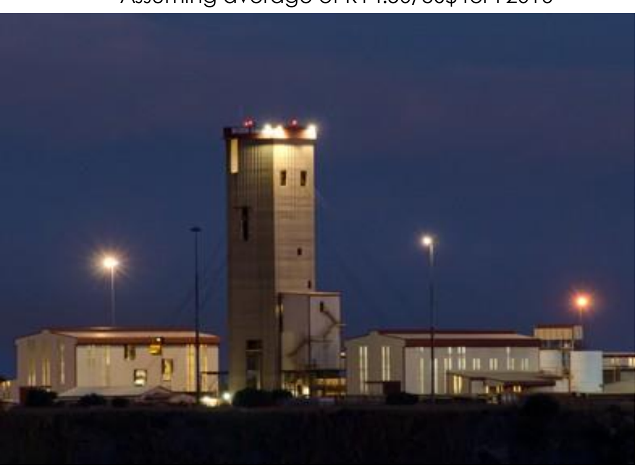
- Gold production forecast: approximately 50 000 kg (1.6Moz)
- Forecast Total cash cost: approximately R355 000/kg (US$760/oz)
- Forecast All-in sustaining cost: approximately R425 000/kg (US$910/oz)
- Forecast capital expenditure: approximately R3.9 billion (US$270 million)

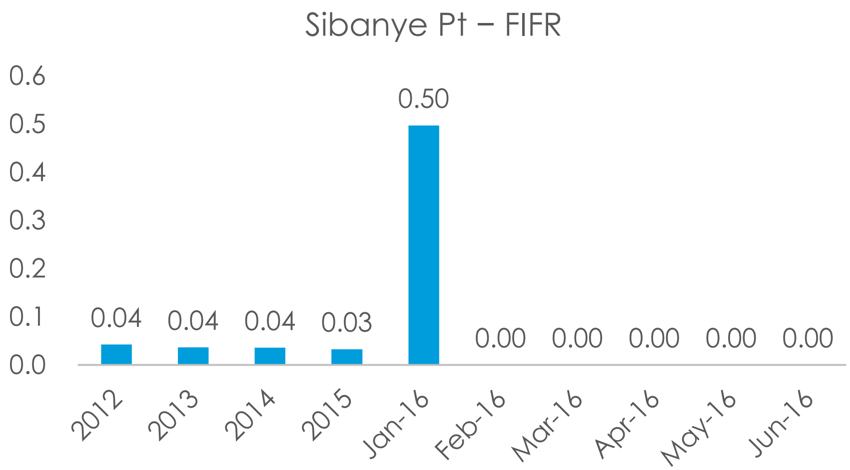
* Assuming average of R14:50/US$ for F2016

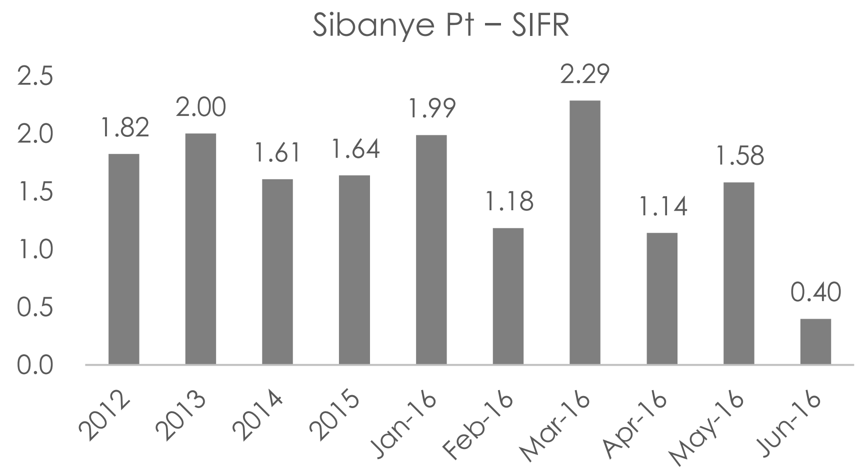


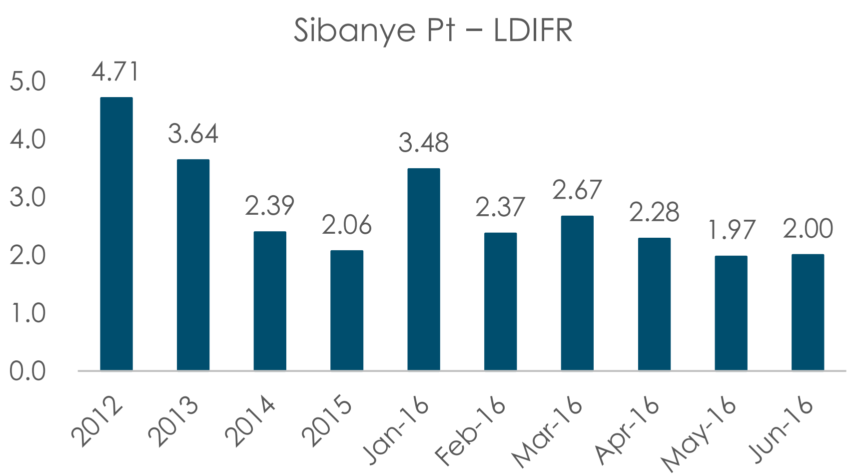
Sibanye Platinum Division

Operational review

Safety performance - our key focus





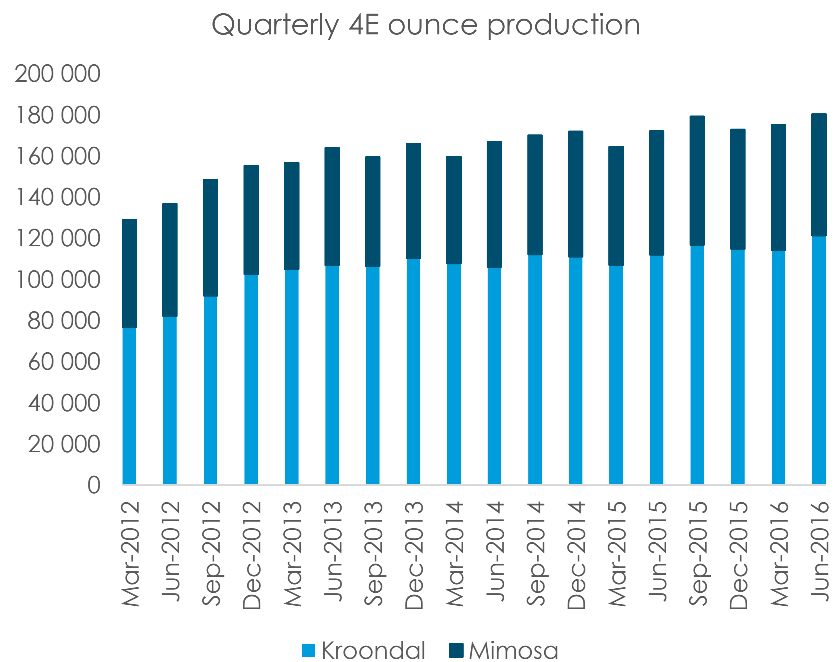


	12-month LTIFR		**3-month LTIFR**	
	Actual	Target	Actual	Target
Kroondal	2.57	3.00	2.55	3.00
Mimosa	1.36	0.00	0.92	0.00
Platinum Mile	0.00	0.00	0.00	0.00

Safety a priority – trends remain positive

Good operationally but prices have the final say

- A good safety performance delivered for the June 2016 quarter
- Excellent quarterly production of 92,773oz (4E) and good unit cost control from Kroondal and Mimosa
- Prevailing PGM prices remain low, squeezing margins
  - poor supply discipline has amplified price pressure
  - recent rand strength a further headwind
- Difficult decisions required as depletion of the resource without returns is not sustainable



- Section 11 approval for Rustenburg acquisition anticipated during 4Q16
- Kroondal not involved in upcoming platinum sector wage negotiations
- Rustenburg conventional shafts performance of significant concern – engaging with Anglo
- Despite synergies expected from consolidation of the Rustenburg region, tough decisions for the benefit of all stakeholders may still be required

Kroondal: record production offsets unit cost inflation

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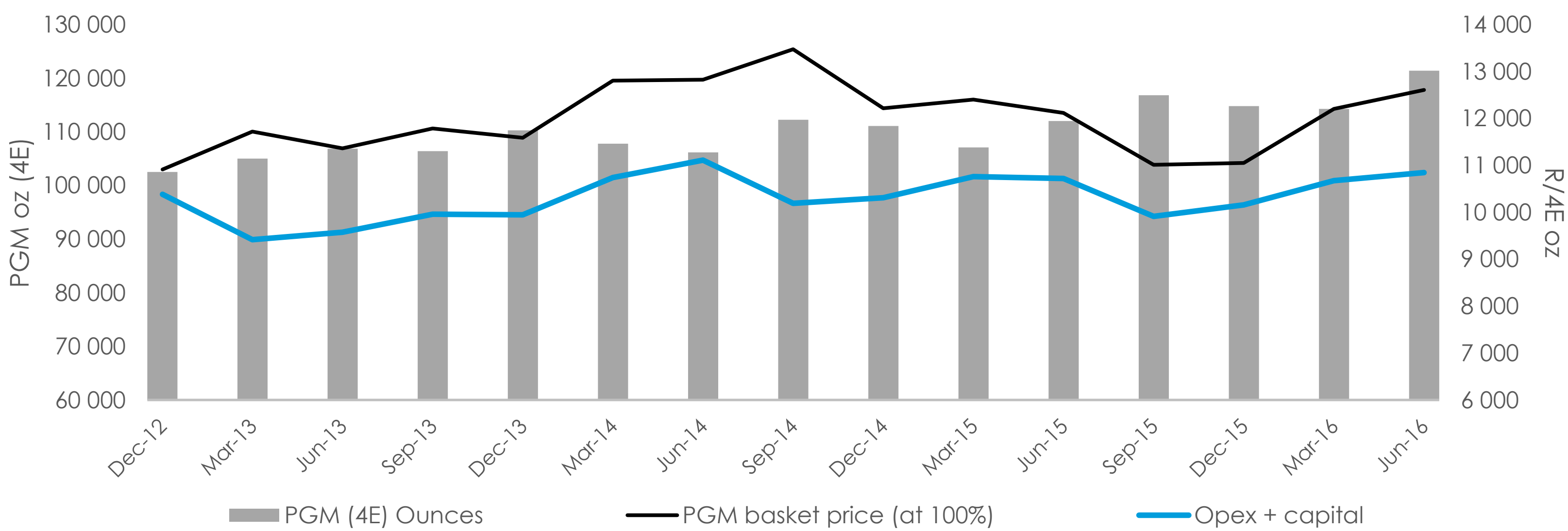
- Kroondal delivered consistently high production of 60,707oz (4E attributable) despite the impact of unprotected strike action and S54 work stoppages:
  - 6% CAGR in 4E PGM production since 2011
  - despite mining cost inflation, real unit cost increases have been negated (R9,661/oz (4E) for the quarter)
- Controlling unit cost inflation by increasing throughput has limited scope
- At current prices (post purchase of concentrate (PoC) agreement), Kroondal is marginal
  - combining the Kroondal and Rustenburg operations and Sibanye group will deliver significant long term, sustainable cost and operational benefits. In the near term however, operational intervention may be required



Note: Revenue pre-PoC

Combining Kroondal with Rustenburg to deliver further improvements

Kroondal: pressure remains on production and costs

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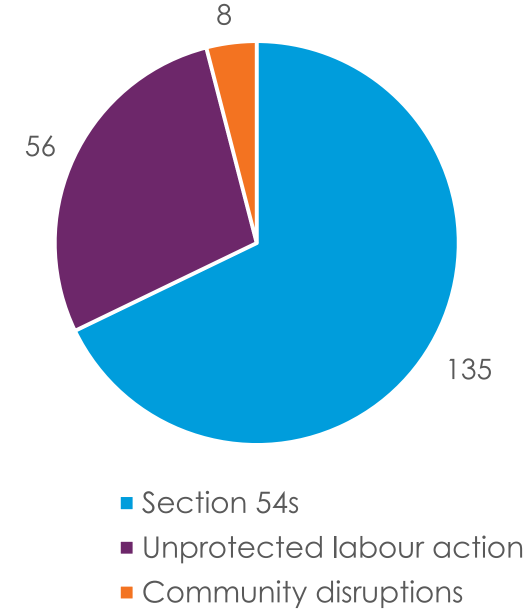
- Significant business interruptions experienced and expected to continue:
  - regulatory stoppages
    - S54 notices have resulted in estimated revenue loss of R135m for 12 months to June 2016
  - community-led protests
    - 39 community led protests over the last 52-weeks, with at least 30 being non-mine related
  - industrial action
    - recent unprotected AMCU strike resulted in estimated revenue losses of R56m

Revenue losses due to external factors (Rm)



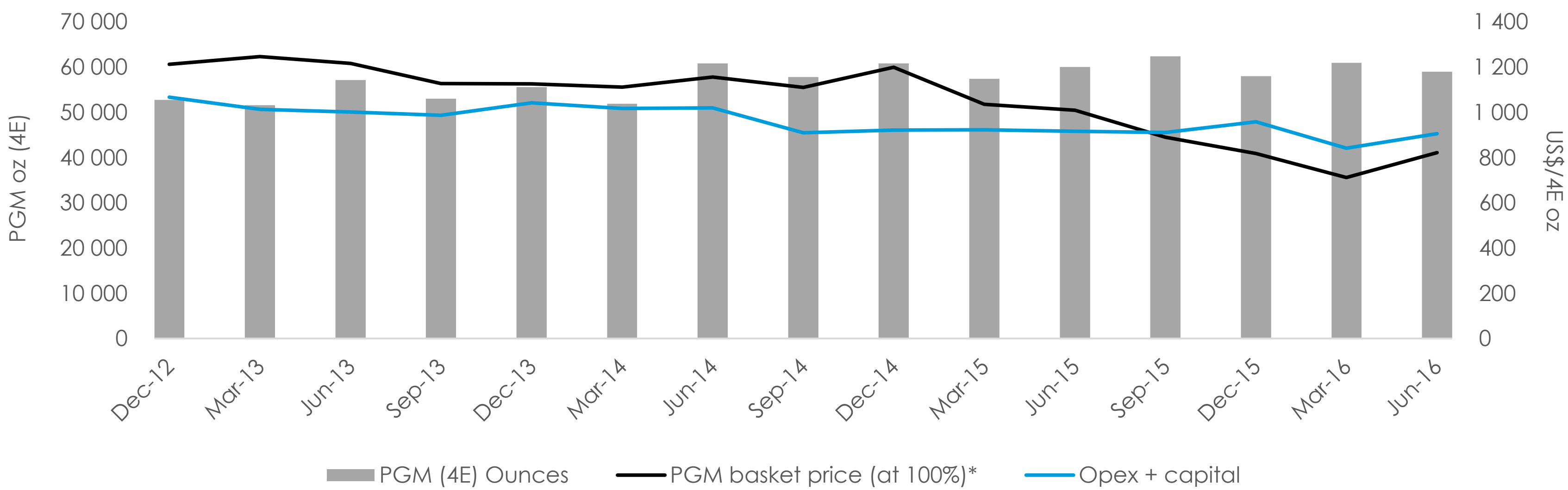
- Basket cost inflation above Consumer Price Index (CPI)
  - utility tariff escalation substantially in excess of CPI
  - wage inflation higher than CPI
- The actions of key stakeholders, who currently benefit from the North West PGM mines, threaten the sustainability of the mines
- Kroondal's position is by no means unique in the industry

External issues are a significant impediment to sustainability

Mimosa: notable performance despite headwinds

Sibanye

- Mimosa production of 29,491oz (4E attributable), was well above nameplate capacity
  - and has been consistently so in a very complex environment – a remarkable achievement
- Consistent quarterly production increases resulted in a c.3% reduction in annual real cash costs and a c.14% reduction in real US$ costs over last 3 years. Mimosa reported a cash operating cost of US$766/oz (4E) for the quarter
- Progress is being made to expand production by 25% in a capital efficient manner, with a focus on reducing the required spend to well below existing estimates and reduce unit costs so as to deliver a robust IRR
- Base metal revenue adds approx. 22% to PGM revenue reported below



* Excludes base metal revenue

F2016 outlook*

Sibanye

- PGM production forecast: approximately 260 000oz (4E)
- Average cash operating cost of R10 600/oz (US$735/oz)
- Forecast capital expenditure: approximately R225 million (US$15 million)
- Continued integration of acquired platinum assets - low PGM prices and operational disruptions a near term challenge
- Rustenburg acquisition on track for completion in Dec 2016 quarter
  - completion of Rustenburg transaction will enable realisation of main synergies

*For the 9 months ended 31 December 2016 (attributable)
Assuming average of R14:50/US$ for F2016

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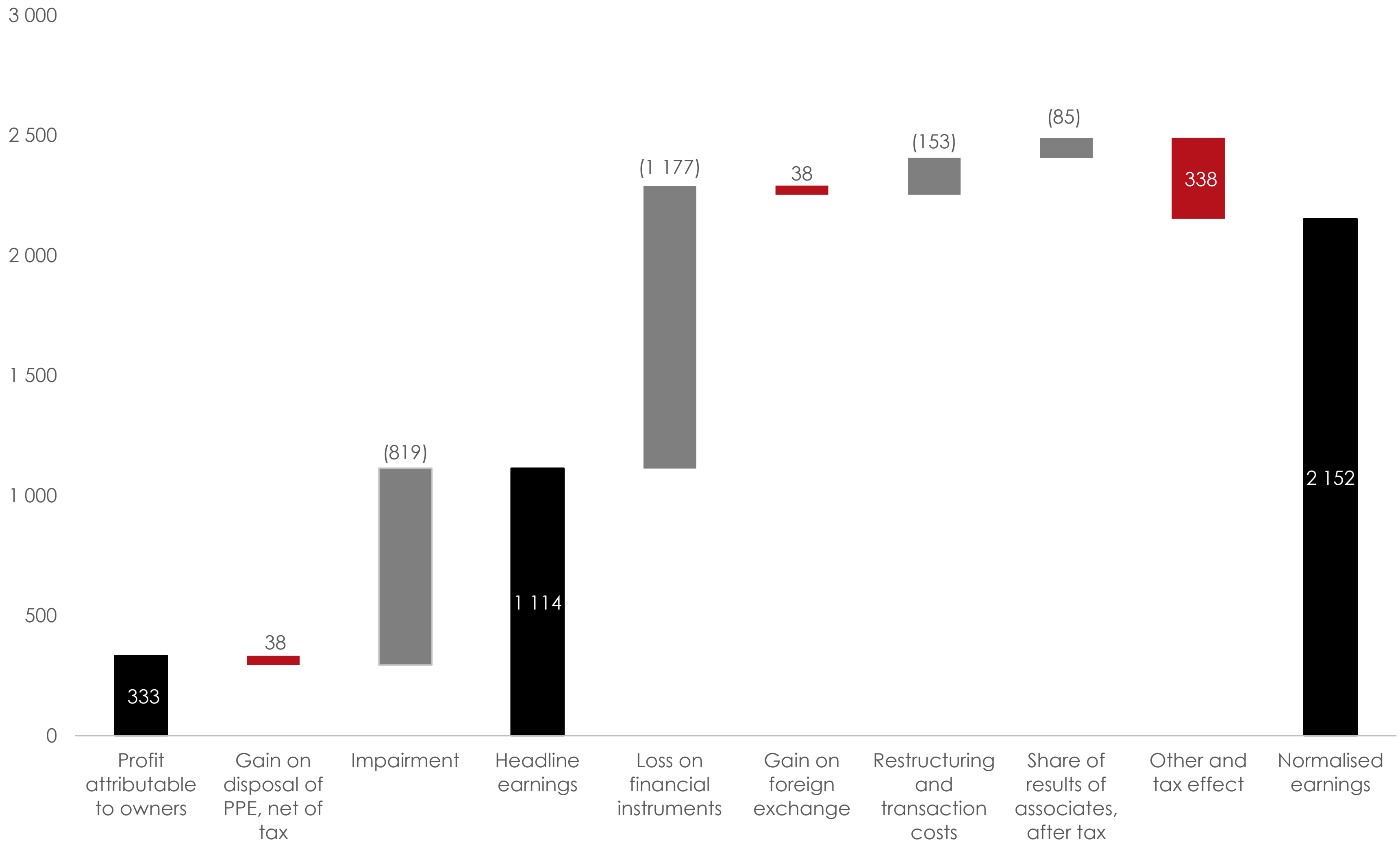
Financial Review

Reconciliation of earnings



Different earnings measures impacted by various extra-ordinary items

Income statement

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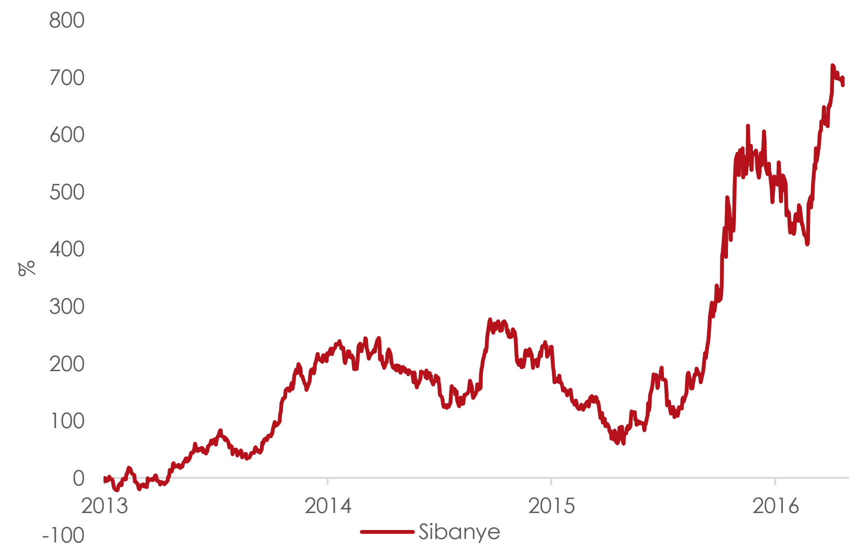
	Six months ended 30 June 2016	
	Rand million	**US$ million**
Net operating profit	**3 447.5**	**224.2**
(Loss)/gain on financial instruments	(1 177.0)	(76.5)
Net other costs	(493.0)	(32.0)
Profit before non-recurring items	**1 777.5**	**115.7**
Impairment	(819.1)	(53.3)
Other non-recurring items	(99.4)	(6.4)
Profit before royalties and taxation	**859.0**	**56.0**

Impairment

- Despite joint efforts of stakeholders, the Cooke 4 Operation has been unable to meet required production and cost targets, and has continued to operate at a loss.
- A decision was taken to impair the Cooke 4 Operation's mining assets by R816.7 million (US53.1million).

Cash-settled share options

- SGL Phantom Share Scheme replaced the Gold Fields equity-settled share plans
- Cash-settled share options are valued at the end of each reporting period
- Significant increase in the fair value of the share-based payment obligation mainly due to the significant increase in Sibanye's share price.
- Share price increased by approximately 120% during the 2016 interim period (over 500% from issue in May 2013 to end June 2016).
- Approximately 70% of Share Scheme rights vested during the period - R1,490 million (US$97 million) in cash payments.
- Outstanding liability at 30 June 2016 – R346m. Maximum remaining liability = R745 million



Share scheme benefited from significant share price appreciation

Gross debt, net debt and facilities at 30 June 2016

Figures are in Rm unless otherwise stated	**Facility**	**31 Mar 2016**	**30 Jun 2016**	**Available**	**Maturity**
R2.5 billion revolving credit facility (RCF)	2 500	564	2 000	-	Dec-16
R2.0 billion term loan facility	2 000	998	1 249	-	Dec-16
Burnstone Debt[1]	1 808	1 738	1 779	-	No fixed term
US$350 million RCF[1]	5 145	-	1 470	3 675	Aug-18
Uncommitted facilities	548	-	520	28	No fixed term
Franco - Nevada		21	11		
Gross debt		**3 321**	**7 029**		
Cash and cash equivalents		1 027	871		
Net debt		**2 294**	**6 158**		
Net debt excl. Burnstone[2]		**591**	**4 413**		
[1] Exchange rate R/US$		14.65	14.70		
[2] Burnstone cash		35	34		

Net debt

- Borrowings: R5 250 million, excluding Burnstone Debt
- Cash: R838 million, excluding Burnstone cash

Pro forma net debt

The pro forma effects illustrate the impact of the acquisition of the Rustenburg assets on net debt:

Figures are in Rm unless otherwise stated	**30 Jun 2016**	**Pro forma net debt post the Rustenburg acquisition**
Net debt	4 413	5 913
Net debt to EBITDA	0.41x	0.55x

Conclusion

Conclusion

- Operational performance solid – regression in safety performance impacting production and being addressed
- Commitment to industry leading dividend demonstrated again
- Cost management and capital discipline critical during periods of high margin
  - intensify cost management
  - no cross subsidisation of loss making production – supply discipline
- Value accretive M&A opportunities less prevalent
- Integration of platinum division – low PGM prices and operational disruptions a near term challenge
  - completion of Rustenburg transaction will enable realisation of main synergies

Addressing operational challenges – outlook positive

Questions