

The background of the entire page is a sepia-toned photograph of a tall, slender industrial tower, likely a water tower, standing prominently against a sky with a large, bright sun. The tower has several small windows and a flat top with some equipment. In the foreground, there are silhouettes of trees and some industrial buildings. The overall mood is industrial and serene.

Sibanye**GOLD**
We are One

**INTEGRATED
ANNUAL REPORT
2015**



This report should be read in conjunction with the **Summarised Report 2015 and Notice of Annual General Meeting**, the **Mineral Resources and Mineral Reserves Report 2015** and **Annual Financial Report 2015** and **Company Financial Statements 2015**. See **About Sibanye's reports** on page 2.

FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute 'forward-looking statements' within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

These forward-looking statements, including, among others, those relating to Sibanye's future business prospects, revenues and income, wherever they may occur in this document and the exhibits to this document, are necessarily estimates reflecting the best judgement of the senior management and directors of Sibanye, and involve a number of known and unknown risks and uncertainties that could cause actual results, performance or achievements of the Group to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this document. Important factors that could cause the actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation, economic, business, political and social conditions in South Africa, Zimbabwe and elsewhere; changes in assumptions underlying Sibanye's estimation of its current Mineral Reserves and Resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations; the ability of Sibanye to successfully integrate acquired businesses and operations (whether in the gold mining business or otherwise) into its existing businesses; the success of Sibanye's business strategy, exploration and development activities; the ability of Sibanye to comply with requirements that it operate in a sustainable manner; changes in the market price of gold, platinum group metals (PGMs) and/or uranium; the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining; the occurrence of labour disruptions and industrial action; the availability, terms and deployment of capital or credit; changes in relevant government regulations, particularly environmental, tax, health and safety regulations and new legislation affecting water, mining, mineral rights and business ownership, including any interpretations thereof which may be subject to dispute; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; Sibanye's ability to hire and retain senior management or sufficient technically skilled employees, as well as its ability to achieve sufficient representation of historically disadvantaged South Africans' in its management positions; failure of Sibanye's information technology and communications systems; the adequacy of Sibanye's insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye's operations; and the impact of HIV, tuberculosis and other contagious diseases. These forward-looking statements speak only as of the date of this document.

The Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

CONTENTS

Forward-looking statements	IFC
About Sibanye's reports	2
Salient features	4
Group profile	6
Strategy	8
Key features – five-year review	10
Perspective from the Chair	12
Chief Executive's review	14
CFO's report	18
Consolidated income statement	20
Consolidated statement of financial position	21
Consolidated statement of cash flows	22
Capitals overview and business model	24
Material issues	28

PERFORMANCE REVIEW 38 OPTIMISE

Optimise and integrate operations	40
Develop a productive, skilled and engaged workforce	46

SUSTAIN

Project development and capital allocation	49
Health and safety focus	52
Social upliftment and community development	55
Manage environmental impact	58
Transformation	62

GROW

Secure alternative energy sources	66
Modernisation and technological innovation	67
Acquisitions and funding model	69

LEADERSHIP

Corporate governance	70
Board and Executive Committee	72
Summarised remuneration report	77

Statement of assurance	80
------------------------	-----------

Statement of Mineral Resources and Mineral Reserves – a summary	84
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Shareholding information	92
Administration and corporate information	IBC



THE 2015 SUITE OF REPORTS

covers the financial year from 1 January 2015 to 31 December 2015.

Sibanye's suite of reports includes the operational, financial and non-financial aspects of the Group's operations and activities, providing an overview of performance against strategic objectives with available resources and capabilities in mind.

Sibanye Gold Limited (Sibanye or the Group) is listed on the Main Board of the Johannesburg Stock Exchange (JSE) (ordinary shares) and on the New York Stock Exchange (NYSE) through an American Depositary Receipt (ADR) programme.

REPORTING PHILOSOPHY

The reports are produced to provide stakeholders with transparent insight into the Group's strategy, the business and its performance over the past year. Stakeholders are thus able to make informed decisions on Sibanye's ability to create and sustain value.

In this integrated report, Sibanye has endeavoured to build on the information provided in last year's report. The Group has also sought to be more focused and concise in its reporting. In this regard, Sibanye has produced its annual financial statements as a separate document, the **Annual Financial Report 2015**, and has responded to further disclosure requirements on its website (reports.sibanyegold.co.za). This report is focused on Sibanye's strategy, its most material risks and issues, and its related performance and outlook.

The theme of this year's integrated report is based on the strategic enablers '**optimise, sustain and grow**', illustrating how Sibanye has optimised its business so as to sustain and grow the value it creates, and its dividends in particular. The integrated annual report provides an account of Sibanye's most material risks and opportunities. The Group's materiality determination process is explained on page 28. Sibanye considers an issue to be material if it substantially affects the Group's ability to create and sustain value in the short, medium and long term. Where external entities substantially influence Sibanye's business, their real and potential impacts are also discussed in the report.

ASSURANCE AND COMPARABILITY

No significant changes were made to the scope, boundary or measurement methods applied in either this report or in the other reports making up this suite. There have been no restatements to comparatives unless otherwise stated in the relevant section.

Sibanye's internal audit function provides an independent evaluation of the Group's internal control processes and systems that have been devised to mitigate its business risks. Independent assurance provider, KPMG Services Proprietary Limited (KPMG Services), provided limited assurance on selected sustainability performance indicators in accordance with the International Standards on Assurance Engagements (ISAE) 3000. KPMG Services' **Statement of Assurance** can be found on page 80.

Sibanye would appreciate your feedback on the relevance and usefulness of this report, which you can send to:

James Wellsted

Senior Vice President: Investor Relations

Tel: +27 11 278 9656

Email: james.wellsted@sibanyegold.co.za

BOARD RESPONSIBILITY AND APPROVAL STATEMENT

The Board, assisted by the Audit Committee and other board sub-committees, is ultimately responsible for overseeing and ensuring the integrity of this integrated report. The Board applied its collective mind to the preparation and presentation of this report, and concluded that it is presented in accordance with the International Integrated Reporting <IR> Framework V1.0. The integrated report was approved by the Board and signed on its behalf by:

Sello Moloko

Chairman

18 March 2016

SIBANYE'S SUITE OF REPORTS

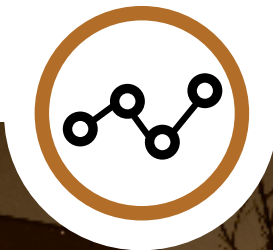
These reports contain cross-references to more detailed information across the full suite:

	Integrated Annual Report 2015	Annual Financial Report 2015 and Company Financial Statements 2015	Mineral Resources and Mineral Reserves Report 2015	20-F	Summarised Report 2015 and Notice of Annual General Meeting
Contents	A concise, strategy-centric communication focused on Sibanye's material issues, performance and outlook	Statutory Annual Financial Report including the audited annual financial statements as well as management's discussion and analysis	Detailed Mineral Resources and Mineral Reserves (SAMREC Code – 2007 edition and amended July 2009)	The form 20-F submitted by Sibanye as required by the United States Securities and Exchange Commission (SEC)	Notice of the annual general meeting (AGM) to shareholders
Relationship of information among reports	Relevant cross references to more comprehensive information across the suite of reports	<p>A summarised audited set of financial statements has been extracted from the audited financial statements and included in the integrated report and notice of meeting to shareholders</p> <p>An abridged version of the corporate governance report has been included in the integrated report</p> <p>Our King Code of Governance for South Africa (2009) (King III) compliance register is available online</p>	A summary of the full Mineral Resources and Mineral Reserves statement is included in the integrated report	Relevant cross references and extracts from the integrated report, annual financial statements and governance report	<p>A summarised audited set of financial statements has been extracted from the audited financial statements and included in the Notice of AGM</p> <p>The Notice of AGM contains statutory Information and is posted to shareholders prior to the AGM</p>
Frameworks and guidelines applied	<ul style="list-style-type: none"> International Integrated Reporting Council (IIRC) International Integrated Reporting Framework V1.0 Global Reporting Initiative (GRI) G4 (Sibanye's GRI content index can be found online at reports.sibanyegold.co.za) 	<ul style="list-style-type: none"> IFRS South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides Companies Act JSE Listings Requirements King III 	<ul style="list-style-type: none"> South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code) South African Code for the Reporting of Mineral Asset Valuation (SAMVAL Code – 2008 edition amended July 2009) SEC Industry Guide 7 for the Reporting of Mineral Reserves 	In compliance with United States federal securities laws	<ul style="list-style-type: none"> King III Companies Act JSE Listings Requirements
Website	reports.sibanyegold.co.za				

The following frameworks have been used as a guideline in the development of the integrated report but all required disclosure is not necessarily included in this report and may be contained in supplementary reports:

- The King Code of Governance for South Africa (2009) (King III)
- South African Companies Act, 71 of 2008 (the Companies Act)
- JSE Listings Requirements
- Sibanye's internally developed reporting guidelines
- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code)
- Department of Mineral Resources (DMR) Mining Charter 2010
- Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2002) and related scorecard (2004)
- Amendments to the BBSEEC (2010) and related scorecard (2010)
- Social and Labour Plans (SLPs) (in terms of the requirements of the DMR)
- International Council on Mining and Metals (ICMM)
- United Nations Global Compact (UNGC)
- Carbon Disclosure Project (CDP) and Greenhouse Gas (GHG) Protocol
- The Sustainability Accounting Standards Board (SASB) sustainability accounting standards
- FTSE/Russell Socially Responsible Investment (SRI) Index

SALIENT FEATURES



Superior value for:



SHAREHOLDERS

In 2015

- Total dividend of ZAR 100 cents per share declared to shareholders
- Equivalent to R916 million declared
- Total dividend of 72 cents per share paid

Since listing

- Cumulative dividend of R2.8 billion declared to shareholders
- Industry-leading dividend yield maintained
- 179% appreciation (to 31 December 2015) in share price



EMPLOYEES

In 2015

- R5.6 million invested in CARE for iMali indebtedness programme
- Affordable home-ownership project built 34 houses (120 planned for 2016)

Since listing

- Salaries and wages: R20.2 billion
- Total employees: 46,269



COMMUNITIES

In 2015

- 640 jobs created
- 34,000 lives improved through local economic development programmes
- 323 bursaries
- 753 engineering and mining learnerships
- 2,601 received adult education and training
- 1,773 learned portable skills
- 6,160 community members participated in job-creation and skills development

Since listing

- R3 billion on uplifting local and labour-sending areas



GOVERNMENT

In 2015

- Current tax and royalties: R1,097 million

Since listing

- Taxes and royalties paid: R3,603 billion

Sibanye is a primarily SOUTH AFRICA-FOCUSED MINING COMPANY committed to paying industry-leading dividends.

Sibanye is an independent mining group – domiciled in and focused on South Africa – which currently owns and operates high-quality gold and uranium operations and projects throughout the Witwatersrand Basin. The Group's corporate office is located close to Westonaria, in the province of Gauteng, near its West Wits operations.

As a responsible corporate citizen, Sibanye fosters and maintains constructive engagement with all stakeholders in order to deliver on its vision to deliver superior value to all of its stakeholders, to maintain its licence to operate, and ultimately for the long-term success and sustainability of the business.

The Group currently owns and operates four underground and surface gold operations in South Africa – the Cooke, Driefontein and Kloof operations in the West Witwatersrand region, and the Beatrix Operation in the southern Free State province. In addition to its mining activities, Sibanye owns and manages significant extraction and processing facilities at its operations where gold-bearing ore is treated and beneficiated to produce gold doré.

Sibanye is currently investing in a number of organic projects. Those currently being developed include the Kloof and Driefontein below infrastructure projects on the West Rand and the Burnstone project on the South Rand of Gauteng province. Engineering design is underway on the West Rand Tailings Retreatment Project (WRTRP) and financing options are being considered for this project, which awaits environmental permits before it is submitted to the Board for approval. A dedicated projects team continues to assess and refine plans for projects, including Beisa, Bloemhoek and De Bron Merriespruit in the Free State. For a more detailed account of these projects, see page 49.

In line with Sibanye's strategy to create value for stakeholders and enhance or sustain its dividend, it entered into two separate transactions to acquire the Rustenburg platinum assets from Anglo American Platinum Limited (Rustenburg Operations) and Aquarius Platinum Limited (Aquarius) in 2015. These transactions are expected to be finalised during the course of 2016.

SHAREHOLDER BASE AND INFORMATION

The Group's primary listing is on the JSE, trading under the share code SGL, where it is a constituent of the FTSE/JSE Responsible Investment Index. The Group has a secondary ADR listing on the NYSE, trading under the ticker code SBGL. Each ADR is equivalent to four ordinary shares.

At 31 December 2015, Sibanye had issued share capital of 916,140,552 shares (2014: 898,840,196) – 1,000,000,000 authorised – and market capitalisation of approximately R20.9 billion (2014: R20.3 billion) or US\$1.3 billion (2014: US\$1.8 billion).

The Group's diverse shareholder base predominantly comprises institutional investors in China (20%), South Africa (32%), the United States (35%), the United Kingdom (5%), the rest of Europe (5%) and the rest of the world (3%) at 31 December 2015. Sibanye has 80% free float and its three largest institutional shareholders (holding 23% of the Group) at 31 December 2015 were the Public Investment Corporation (SOC) Limited (PIC) (8%), Allan Gray Proprietary Limited (Allan Gray) (8%) and Van Eck Associates Corporation (7%).

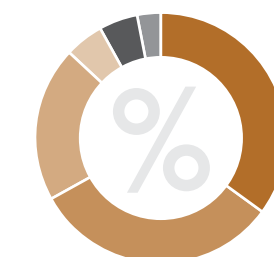
The Group is committed to transformation and is guided by the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter). In 2004, Gold Fields of South Africa Limited (Gold Fields) undertook a black economic empowerment (BEE) transaction, transferring an amount equivalent to 15% of its equity from Sibanye, formerly GFI Mining South Africa Proprietary Limited (GFI Mining South Africa), to Mvelaphanda Gold Proprietary Limited (Mvelaphanda Gold). In 2010, a further 10% of equity was allocated to an employee share ownership plan (ESOP) and another 1% in an empowerment deal. At the end of 2015, 26,444 employees were participants in the ESOP.

OUR PRODUCTS AND MARKETS

Sibanye mines, extracts and processes gold ore to produce a beneficiated product, doré, which is then further refined at Rand Refinery Proprietary Limited (Rand Refinery) into gold bars with a purity of at least 99.5% in accordance with the Good Delivery standards determined by the London Bullion Market Association. The refined gold is then sold on international markets. Sibanye holds a 33% interest in Rand Refinery, one of the largest global refiners of gold, and the largest in Africa. Rand Refinery markets gold to customers around the world.

In addition, Sibanye derives uranium ore as a by-product of gold production from the Cooke operation and keeps it separate from other gold ores by way of a dedicated stream into the uranium section of the Ezulwini gold and uranium plant. The uranium ore is first treated for uranium and then subsequently to recover gold. Production of uranium as a by-product enables Cooke's gold Mineral Resources to be optimised. Revenue from the sale of uranium is offset against gold production costs, thereby allowing lower-grade gold resources to be mined profitably.

Geographic shareholder distribution at 31 December 2015



United States	35
South Africa	32
China	20
United Kingdom	5
Rest of Europe	5
Rest of world	3

LOCATION OF OPERATIONS AND PROJECTS

A WEST WITS

OPERATIONS

Kloof

Cooke

Driefontein

PROJECT

West Rand Tailings Retreatment Project

B SOUTH RAND

PROJECT

Burnstone

C FREE STATE

OPERATION

Beatrix

PROJECTS

Beisa North

Beisa South

Bloemhoek

De Bron Merriespruit

Hakkies

Robijn

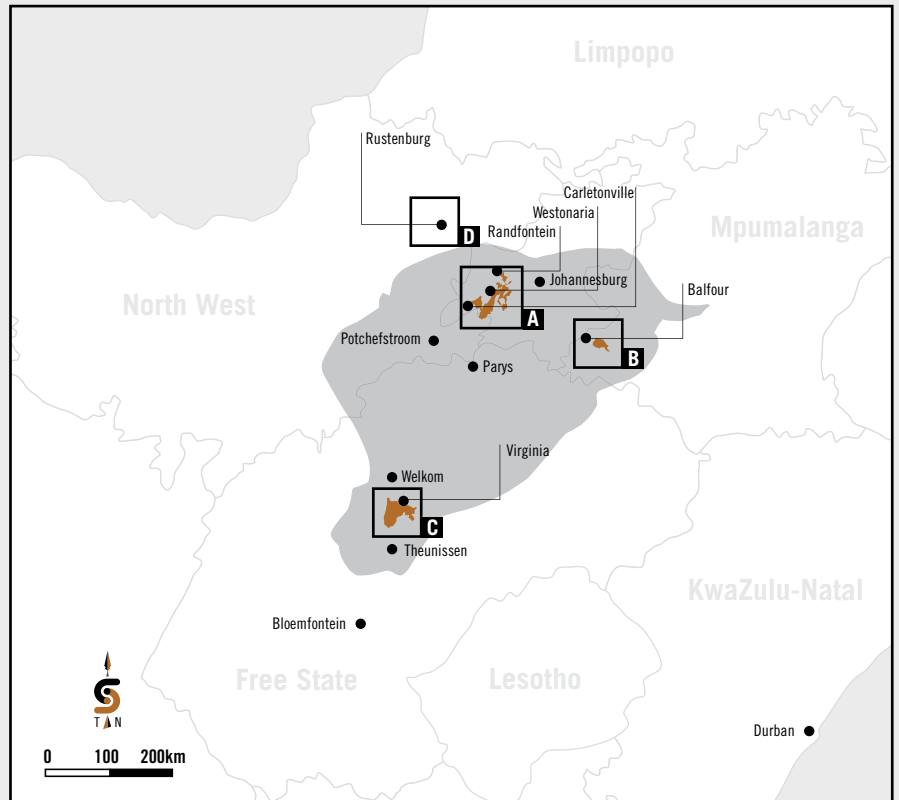
D ACQUISITIONS

Aquarius Platinum

(includes the Mimosa mine in Zimbabwe)

Anglo American Platinum

(Rustenburg operations)



Map legend



Sibanye



Witwatersrand Basin

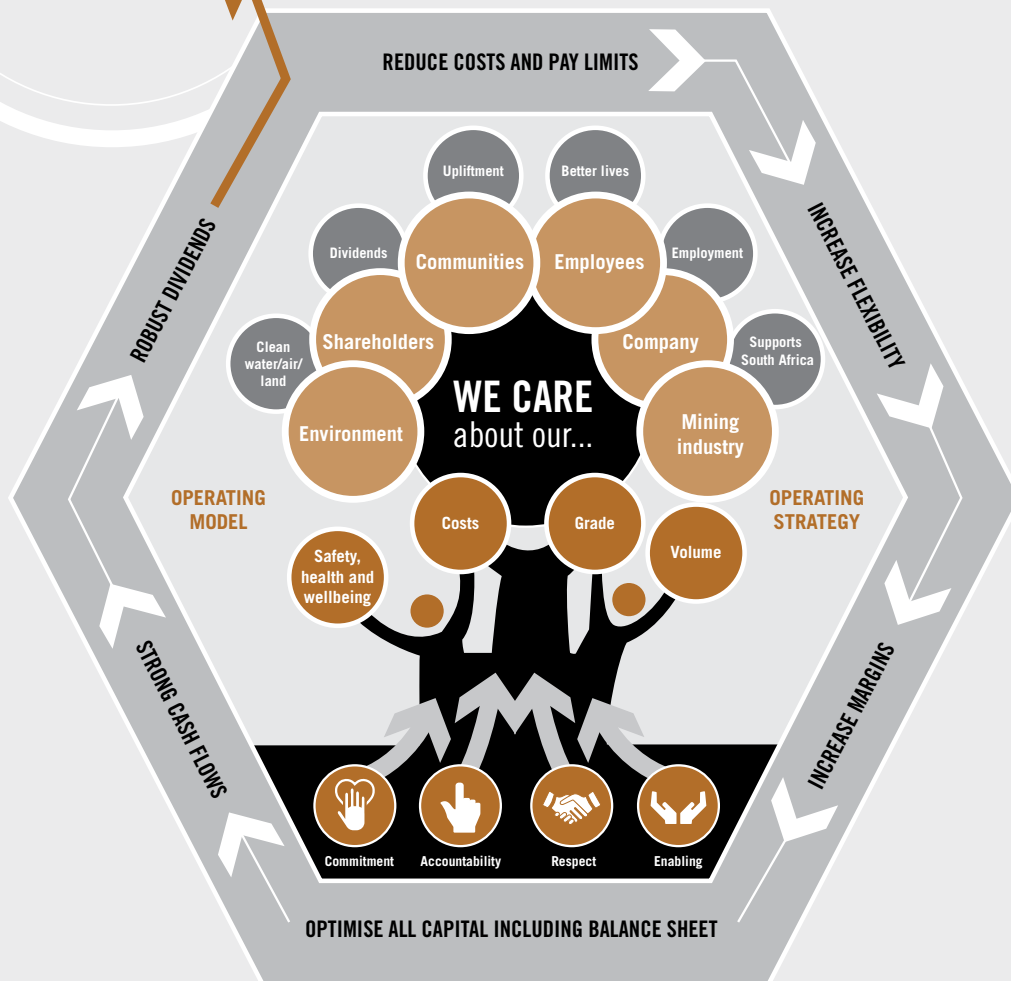


STRATEGY

Superior VALUE CREATION

Sibanye's vision to create superior value for all of its stakeholders guides its strategy, which is underpinned by its CARE values: commitment, accountability, respect and enabling. By delivering on its strategy and vision, the Group expects to maintain a constructive standing with all stakeholders and ultimately achieve a premium market rating. Superior value is delivered by maintaining a clear and consistent operational focus, and disciplined, efficient and cost-effective capital management.

Differentiator: shareholder returns – dividends and capital appreciation



Value-accretive growth

THE SIBANYE CARE VALUES



COMMITMENT:
Delivering on our promises to all our stakeholders

ACCOUNTABILITY:
Accepting responsibility for our actions and their consequences

RESPECT:
Showing regard and consideration for others

ENABLING:
Creating an environment where it is possible to work safely and productively

Sibanye's CARE values underpin its strategy, how it conducts its business and interacts with stakeholders.

In living these values, we show that we care about safe production, our stakeholders, our environment, our company and our future.

Our approach is holistic with clear focus on delivery of all strategic imperatives critical to Sibanye's long-term success.

Sibanye recognises that:

- safety, costs, volumes and grade are the primary operational deliverables underpinning our business
- strong cash flow supports the dividend paid to shareholders and underpins our growth
- growth (organic and acquisitive) ensures the long-term delivery of sustainable value to all stakeholders.

HOLISTIC AND INTEGRATED STRATEGY

Sibanye strives to deliver value to shareholders through consistent, industry-leading dividends and capital appreciation by applying its holistic, efficient operating model at its operations and by investing in value-accretive growth.

Sibanye's commitment to paying industry-leading dividends underpins and informs its corporate strategy and decisions, and is supported by an inclusive approach to stakeholder relations.

Sibanye's strategy is not limited to the gold sector – it will pursue value-accretive opportunities in other mining sectors.

RESPONDING TO SHAREHOLDERS

Sibanye's shareholder base is broad and diverse, and its shares were actively traded in 2015. An average of 3,024,491 ordinary shares and 1,110,883 ADRs were traded daily on the JSE and NYSE respectively. As at 31 December 2015, the top eight shareholders (including ADR depository) held around 60% of the issued capital.

Engagement with shareholders is regular and proactive, which is consistent with Sibanye's strategy and vision to deliver value to all stakeholders.

What Sibanye offers investors:

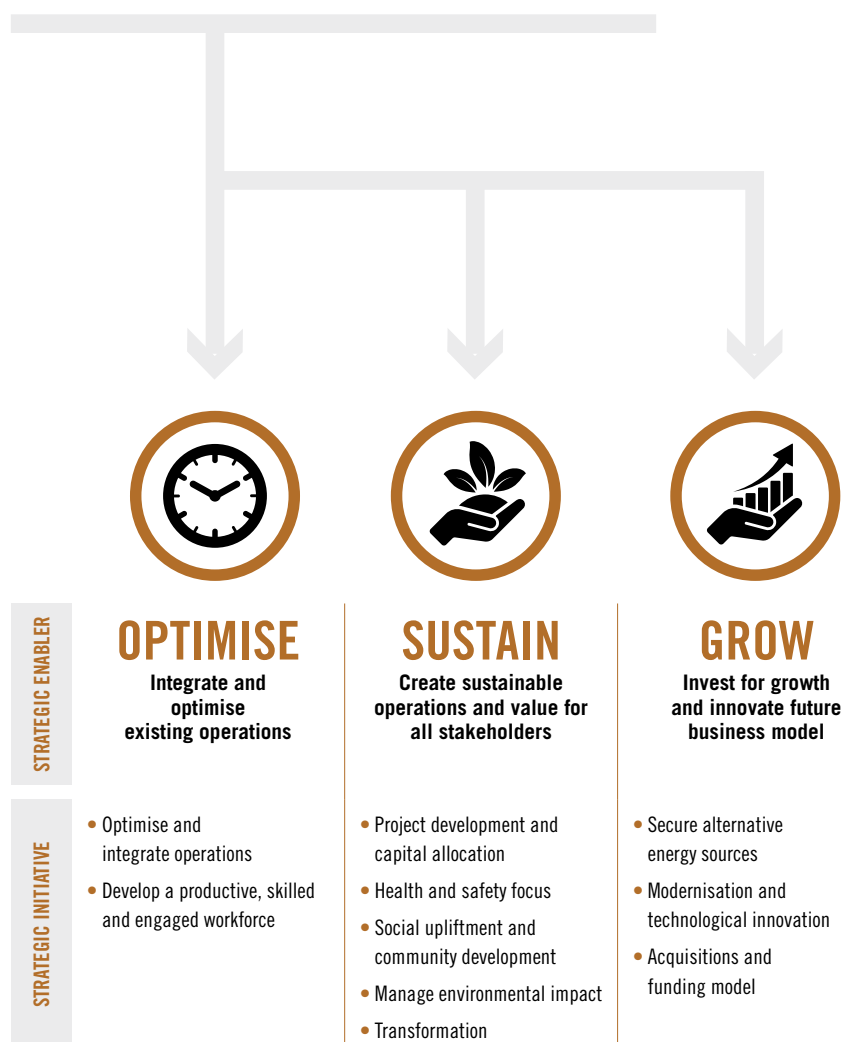
- leverage to commodity prices
- robust cash flow
- capital expedience and discipline
- industry-leading sustainable dividends and capital appreciation

Continuous interaction and communication with investors on Sibanye's performance against its strategic objectives is essential. It has ensured that they are appropriately and timeously informed and aware of plans to transform Sibanye into a multi-commodity mining company without falling foul of regulatory authorities or compromising the transactions.

Sibanye's dividend policy

is to return at least 25% to 35% of normalised earnings to shareholders and, after due consideration of future requirements, the dividend may be increased beyond these levels. The Group has established itself as a benchmark dividend payer in the global mining industry and intends to maintain this position.

In this report, Sibanye's performance is measured and considered in the context of the following strategic factors:



KEY FEATURES – FIVE-YEAR REVIEW

		2015	2014 ¹	2013	2012	2011
Group operating statistics						
Gold produced	kg	47,775	49,432	44,474	38,059	45,005
	000oz	1,536	1,589	1,430	1,224	1,447
Ore milled	000t	19,861	18,235	13,624	12,185	14,648
Gold price	R/kg	475,508	440,615	434,663	434,943	369,139
	US\$/oz	1,160	1,267	1,408	1,652	1,590
Operating cost	R/t	825	785	879	888	673
Operating profit	Rm	6,337	7,469	7,358	5,730	6,752
Operating margin	%	28	34	38	35	41
Total cash cost ²	R/kg	347,613	295,246	273,281	285,851	220,224
	US\$/oz	848	849	885	1,086	949
All-in sustaining cost ³	R/kg	422,472	372,492	354,376	382,687	296,531
	US\$/oz	1,031	1,071	1,148	1,453	1,277
All-in cost ³	R/kg	430,746	375,854	354,376	382,687	296,531
	US\$/oz	1,051	1,080	1,148	1,453	1,277
All-in cost margin ⁴	%	9	15	18	12	20
Group sustainability statistics						
Total employees	Number	46,269	44,411	36,274	42,084	38,033
Fatalities ⁵	Number	7	12	9	16	18
LTIFR ⁶		6.74	5.87	6.13	6.90	5.79
Cyanide consumption	t	11,924	11,758	3,759	3,395	3,224
CO ₂ e emissions (Scope 1 and 2) ⁷	t	5,015,626	5,174,688	4,407,671	4,769,283	4,550,698
Electricity consumption	MWh	4,231,362	4,274,290	3,773,919	3,835,194	4,070,499
Water withdrawal	MI	114,735	116,851	76,637	64,788	49,197
Salaries and wages	Rm	7,345	6,665	6,156	5,791	5,591
Current tax and royalties	Rm	1,097	1,310	1,224	757	953
Socio-economic development	Rm	691	1,055	1,050	853	670
Group financial statistics						
Income statement						
Revenue	Rm	22,717	21,781	19,331	16,554	16,613
Net operating profit	Rm	2,700	4,215	4,254	3,367	4,559
Profit for the year	Rm	538	1,507	1,698	2,980	2,563
Profit for the year attributable to owners of Sibanye	Rm	717	1,552	1,692	2,980	2,564
Basic earnings per share	cents	79	186	260	297,960,000	256,410,000
Diluted earnings per share	cents	78	182	255	297,960,000	256,410,000
Headline earnings per share	cents	74	170	355	297,790,000	256,130,000
Dividend per share	cents	72	125	37	73,130,000	242,330,000
Weighted average number of shares	'000	912,038	835,936	650,621	1	1
Diluted weighted average number of shares	'000	917,709	854,727	664,288	1	1
Number of shares in issue at end of period	'000	916,140	898,840	735,079	1	1
Statement of financial position						
Property, plant and equipment	Rm	22,132	22,704	15,151	16,376	15,359
Cash and cash equivalents	Rm	717	563	1,492	292	363
Total assets	Rm	28,266	27,922	19,995	19,698	18,492
Net assets/(liabilities)	Rm	14,985	14,986	9,423	(9,673)	(11,976)
Stated share capital	Rm	21,735	21,735	17,246	–	–
Borrowings ⁸	Rm	3,804	3,170	1,991	4,220	–
Total liabilities	Rm	13,281	12,936	10,572	29,371	30,468
Statement of cash flows						
Cash from operating activities	Rm	3,515	4,053	6,360	2,621	3,861
Cash used in investing activities	Rm	(3,340)	(4,309)	(3,072)	(3,126)	(3,005)
Cash (used in)/flows from financing activities	Rm	(21)	(673)	(2,088)	434	(1,529)
Net increase/(decrease) in cash and cash equivalents	Rm	155	(930)	1,201	(71)	(673)

		2015	2014 ¹	2013	2012	2011
Other financial data						
EBITDA ⁹	Rm	6,337	7,469	7,358	5,730	6,752
Net debt (cash) ¹⁰	Rm	1,362	1,506	499	3,928	(363)
Net debt to EBITDA	ratio	0.21	0.20	0.07	0.69	(0.05)
Net asset value per share	R	16.36	16.67	12.80	(9,672,700.00)	(11,975,600.00)
Average exchange rate ¹¹	R/US\$	12.75	10.82	9.60	8.19	7.22
Closing exchange rate ¹²	R/US\$	15.54	11.56	10.34	8.57	8.13
Share data						
Ordinary share price – high	R	32.26	29.52	16.30	n/a ¹³	n/a ¹³
Ordinary share price – low	R	13.66	12.34	6.73	n/a ¹³	n/a ¹³
Ordinary share price at year end	R	22.85	22.55	12.30	n/a ¹³	n/a ¹³
Average daily volume of shares traded		3,024,491	2,868,842	4,754,958	n/a ¹³	n/a ¹³
Market capitalisation at year end	Rbn	20.9	20.3	9.04	n/a ¹³	n/a ¹³

Note

¹ Certain non-financial data was audited for the period 1 January 2014 to 31 December 2014 and included Cooke, Kloof, Driefontein and Beatrix. Financial data for Cooke reflects data from 15 May 2014 to 31 December 2014.

² Sibanye presents the financial measures 'total cash cost', 'total cash cost per kilogram' and 'total cash cost per ounce', which have been determined using industry standards promulgated by the Gold Institute and are not IFRS measures. Total cash costs is defined as cost of sales as recorded in the income statement, less amortisation and depreciation and off-site (central) general and administrative expenses (including head-office costs) plus royalties and production taxes. Total cash cost per kilogram is defined as the average cost of producing a kilogram of gold, calculated by dividing the total cash costs in a period by the total gold sold over the same period.

³ Sibanye presents the financial measures 'All-in sustaining cost', 'All-in cost', 'All-in sustaining cost per kilogram', 'All-in sustaining cost per ounce', 'All-in cost per kilogram' and 'All-in cost per ounce', which were introduced during the year ended 31 December 2013 by the World Gold Council (the Council). Total All-in cost excludes income tax, costs associated with merger and acquisition activities, working capital, impairments, financing costs, one-time severance charges and items needed to normalise earnings. All-in cost is made up of All-in sustaining cost, being the cost to sustain current operations, given as a sub-total in the All-in cost calculation, together with corporate and major capital expenditure growth.

⁴ All-in cost margin is defined as revenue minus All-in cost divided by revenue.

⁵ The 12 fatalities reported in 2014 excluded one fatality that occurred at Cooke before Sibanye took over management responsibility for this operation since 1 March 2014.

⁶ Rate per million man hours worked.

⁷ The Scope 1 and 2 emissions include fugitive mine methane. The Scope 3 emissions for 2015 total 866,745tCO₂e and fugitive mine methane emissions for 2015 total 649,733tCO₂e. We have chosen to report our Scope 1 and Scope 2 emissions separately from our Scope 3 emissions as Scope 1 and Scope 2 emissions are under our direct control while Scope 3 emissions represent the effect of our business activities across the supply chain. Although it is not a mandatory Intergovernmental Panel on Climate Change reporting category, we are also reporting our fugitive mine methane emissions in the Free State province of South Africa in line with the transparency principle of the ISO GHG quantification standard.

⁸ Borrowings of R1,995 million that have recourse to Sibanye excludes the Burnstone Debt. Borrowings also exclude related-party loans.

⁹ Earnings before interest, taxes, depreciation and amortisation (EBITDA) is defined as net operating profit before depreciation and amortisation. EBITDA may not be comparable to similarly titled measures of other companies. Management believes that EBITDA is used by investors and analysts to evaluate companies in the mining industry. EBITDA is not a measure of performance under IFRS.

¹⁰ Net debt represents borrowings and bank overdraft less cash and cash equivalents. Borrowings are only those borrowings that have recourse to Sibanye and therefore exclude the Burnstone Debt. Borrowings also exclude related-party loans. Net debt excludes Burnstone cash and cash equivalents.

¹¹ The average exchange rate during the relevant period as reported by I-Net Bridge.

¹² The closing exchange rate at period end.

¹³ Sibanye was previously a wholly owned subsidiary of Gold Fields. The Company separated from Gold Fields in February 2013 to become an independent and publicly traded company.

PERSPECTIVE FROM THE CHAIR

There is an old Latin saying, *ex Africa semper aliquid novi*, that roughly translates as ‘out of Africa, there is always something new’. This is what it has felt like as we have undergone the dynamic changes that are core to Sibanye’s activities.

In just two years, the Group and its mature gold assets, which were spun out of Gold Fields, have developed more deeply into gold and organically into uranium. During the latter part of 2015, Sibanye positioned itself to naturally leverage its regional advantages and extend its tabular, hard-rock mining skills into the platinum sector. The developments have been imaginative, well-considered and founded firmly on the precepts of extending the lives of our operations and growing the business in support of our vision to create superior value for all the Group’s stakeholders.

As with the gold operations we acquired in 2014, on conclusion of the transactions, the smooth integration of the platinum assets into the Group will be the primary focus of the executive management team with the aim of realising synergies between the platinum assets and Sibanye’s existing assets. To manage this complex process while retaining our operational focus, the Group has been restructured into focused operating divisions that are serviced by a central CEO’s office and central shared services. Although management at the gold and uranium division will remain largely the same, we will be appointing people to critical positions in the platinum division and, in anticipation of these corporate developments, we have been building capacity at senior management level. I am confident that Sibanye’s diverse and technically competent team, headed by Neal Froneman, is one on which Sibanye stakeholders can depend for the continued delivery of value.

In my role as Chairman, I continue to have the benefit of a Board with a vast assortment of skills and experience, not only in mining but also in such areas of expertise as finance, human resources, corporate governance and general business management. This balance of skills and experience means that the Board can effectively and robustly interrogate the strategic and operating plans of the executive management team, and has the capacity to deal competently with risk, which proved to be particularly effective during the year as we considered the strategic basis for, and probed the opportunities and risks of, entering the platinum sector.

The Board has also adopted a considered approach to the prospect of obtaining a more secure electricity supply with independent power producers (IPPs) to support the low-risk strategy of developing a solar power plant at Driefontein and Kloof.

As was the case in 2014, we continued to maintain a conservative approach to our financing, ensuring at all times that, whatever debt we carry on our balance sheet, can be managed with little stress no matter what direction metal prices take. We shall not deviate from this strategy, which will be co-ordinated with our commitment to paying industry-leading dividends.

The macro-economic environment in which we operate remained increasingly challenging. Globally, sluggish economic growth, in China in particular, the resultant decline in demand for commodities and the impending increase in interest rates in the US have played havoc with the currencies of emerging and resource-based economies such as South Africa’s. Not even increased geopolitical uncertainty has helped boost the dollar price of gold. The dollar gold price continued to decline, falling by 14% between January and December while, at the same time, our operations were exposed to cost pressures well in excess of inflation. It is only the weakening of the local currency, the rand, against the dollar, which provided some relief with the average rand gold price increasing 8% to R475,508/kg in 2015 compared with 2014.

In South Africa, these challenges are not limited to the macro-economic environment. The global financial crisis and downturn in commodity prices has resulted in the mining sector and the economy as a whole contracting. Growth rates continue to be revised downwards and unemployment levels are increasing as the mining sector restructures and cuts back so as to limit and contain cost increases. This has resulted in various socio-economic challenges, particularly in the vicinity of mining operations with knock-on effects that could potentially have a significant impact on the future of the South African mining industry.



Sello Moloko – Chairman



Although the material risks and opportunities of specific relevance to Sibanye are covered in the material issues section on page 28 in this report, I will touch briefly on some of them.

The labour environment in South Africa remains challenging and, while we continue to engage directly with our unions and employees so as to maintain harmonious relations, we experienced relatively limited disruptions during 2015. Aside from the clashes between two prominent unions, the Association of Mineworkers and Construction Union (AMCU) and the NUM, at Beatrix early in the year, the biggest disappointment was our inability to achieve a broad-reaching economic and social agreement with labour as part of a three-year wage agreement with all unions. Nevertheless, we continue to engage proactively with our employees, having implemented the final three-year wage agreement reached with three of the unions across all our operations. We will continue to do whatever we can to maintain harmonious labour relations and to limit disruptions in the workplace.

A primary concern is, and will remain, the health and safety of our employees and members of our communities with the aim of zero fatalities on our mines and diminishing accident rates so it was pleasing to note a further improvement in our safety performance.

Regrettably, there were seven fatalities during the year and it is with a heavy heart that I extend the condolences of the Sibanye Board to the families, colleagues and associates of those who were fatally injured in the workplace during the year. These employees (David Matsie, Bonno Keiditswe, Thomas Ndzimande, Sikoko Vuyosile, Sejakgomo Mokhali, Kagiso Rabola and Alberto Constantino) were our colleagues and we will take cognisance of the events that led to their deaths, and work harder to prevent their recurrence in future. Nevertheless, the fatal injury frequency rate (FIFR) continued to fall during the year, declining by 50% in 2015 to 0.06 fatalities per million man hours worked. This is comparable with average fatality rates in the US mining industry of 2014, and is a credible performance considering the depth at which our mines operate and the number of employees who work daily at our operations.

A critical programme to ensure the safety of our employees, particularly as our mines become ever deeper and more complex, is the development of appropriate new technology. Our Safe Technology programme is advancing technical innovation by designing and developing machines to be deployed underground to make mining at depth safer. This machinery, to be operated remotely, will enable us to work and mine safely at greater depths and in more onerous conditions than has previously been possible. This will have longer-term benefits for our operations and for the country as a whole.

Stakeholder engagement is essential to the sustainability of our business. Beyond the mine gates, we continue to engage with our communities on issues as wide ranging as housing, the environment, and the provision of utilities and infrastructure. Our policy is to buy as much as possible from businesses in our host communities and, as far as is feasible, buy products from local businesses. On this basis we have, for example, made direct interventions to assist with the establishment of farming ventures that can sell and deliver food to the mines or to local people. Less directly, we offer programmes to improve the financial knowledge of our employees and their families to facilitate their escape from or avoidance of the traps of injudicious indebtedness. These financial-wellness programmes are long-term and open to all, and we encourage our unions to bring their members onto the programme.

And, as changes to the regulatory environment are mooted or implemented, we maintain relations with government authorities directly and indirectly (through the Chamber of Mines). We are determined that our voice is heard and clearly understood in any debate over legislative change. In particular, we have engaged on matters that include the ownership principle in the Mining Charter and the proposed carbon tax.

It would be remiss of me not to recognise the part played by Neal and his team in taking Sibanye forward. The Group is South Africa's largest producer of gold, it ranks high on the list of uranium producers, it is heavily engaged in reprocessing residue dumps, thereby helping to improve the environment, and it will soon be moving in the direction of a new commodity, platinum. This would not have been possible without the wholehearted commitment of the entire workforce with whom it is a privilege to be associated. My gratitude goes to all of my Sibanye colleagues.

Sello Moloko
Chairman
18 March 2016

CHIEF EXECUTIVE'S REVIEW

I am very pleased to recommend to shareholders and other stakeholders our third integrated annual report.

While it is perhaps customary to thank stakeholders in the business at the end of a report, it is my view that this must be our starting point. And I do so with humility because we share Sibanye's success with all of our stakeholders.

STRATEGY REMAINS IN PLACE

Despite the volatility and flux in the global mining sector over the past few years, and despite Sibanye's own significant corporate developments, our strategy continues to be guided by our vision:

To create superior value for all of our stakeholders through a culture of caring.

As we stated in our 2014 integrated report, our strategy is underpinned by our commitment to pay our shareholders sustainable, industry-leading dividends, and we will achieve this vision by optimising our current operations and extending their operating lives, and by using existing infrastructure to enhance the inherent value of brownfields and greenfields projects.

In addition, we have consistently said that we would pursue acquisitive growth options if they were value-accretive and enhanced our ability to pay or sustain the dividend to shareholders.

REPORTING THEME

Our theme for this year's report – optimise, sustain and grow – reflects the implementation of our strategy since listing in February 2013 and, through this report, we provide shareholders with insight into the progress we have made, despite the mining industry having to adapt to some of the most challenging times experienced in the global commodities markets.

Sibanye's values, which underpin our caring culture, are an integral part of the way we do business and the way in which we create superior value for all of our stakeholders, and are captured in the acronym CARE – commitment, accountability, respect and enabling. These are the values we would like all Sibanye employees to internalise and live by – see page 8.

Our corporate strategy, culture and values are symbolised by the indigenous Umdoni tree (*Syzygium cordatum*). The fundamental roots of Sibanye are in our values and CARE culture, which provide a solid basis for the way we do business. The trunk of the tree represents the material strength that holds Sibanye together (our intellectual capital and the support provided by employees in upholding our operating model and business strategy), which is underpinned by the fundamentals of safety, health and wellbeing, costs, grade and volume. The leaves on the branches of the tree represent all our stakeholders, who rely on and influence the future success of Sibanye. The tree's seeds and fruits signify the varying benefits that our success will bring to all stakeholders.

HEALTH AND SAFETY

It is an incontrovertible fact that, at their workplaces and beyond them, healthy employees are more aware of safety and are more productive than would otherwise be the case. I have deliberately placed the words 'safety' and 'productive' in that particular order.

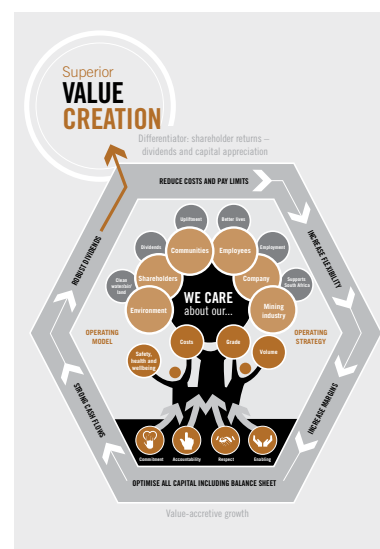
It is pleasing therefore to note that, despite the incidence of events such as underground fires and seismicity at our mines, in 2015, we achieved a 50% reduction in the FIFR per million man hours worked across our mines. Comparisons such as these are invidious but our safety performance, insofar as our FIFR is concerned, is now comparable with the US mining-industry averages despite their mines generally being shallower, and less hazardous and labour-intensive. I regret to report though that, despite this improvement, at Sibanye we mourn the loss of seven of our colleagues at work during the year. The safety of our employees is paramount and we continually strive to improve our health and safety standards in order to achieve our goal of zero harm.

An area of concern and one which will receive significant management attention is the continued incidence of disabling accidents that lead to lost working time and which has regressed during the year. Every accident is one accident too many, and we will continue to examine the situations that lead to each accident as well as to near-accidents in order to devise ways to prevent recurrences.

Accidents at work are not only injurious to our employees but also result in lost working time, which can have a significant effect on our performance. While we continue to try and reduce accidents in the workplace, we have also revised our approach to healthcare.



Neal Froneman – Chief Executive Officer



The strategy that supports our vision is illustrated on page 8 of this report, and is the benchmark against which all our strategic decisions and performance are measured.

2015 IN REVIEW

At the beginning of the year under review, we anticipated that the operating environment would be challenging – a view which proved to be correct.

A number of operational issues in the first two months resulted in production for the first quarter falling well short of our forecasts and, despite the operations delivering more representative and consistent results for the rest of the year, we were unable to claw back production lost in the first quarter. Other factors which contributed to operational targets not being met included load shedding during the first and second quarters as Eskom attempted to catch up on maintenance, and the wage negotiations which, while not resulting in direct operational disruptions, require significant time and focus from management, and serve to distract employees from their primary jobs.

Gold production for the year of 47,775kg (1.54Moz) was as a result of the lower-than-forecast production at the beginning of the year with All-in sustaining cost of R422,472/kg or US\$1,031/oz (based on the year's average rand/US dollar exchange rate) commensurately higher than forecast. While there was some relief from a higher gold price in the second half of the year, as the rand weakened by 28% between 30 June 2015 and 31 December 2015, lower production in the first half of the year resulted in cash generated from operating activities decreasing 24% to R5,420 million compared with 2014 from which R3,345 million was disbursed on the capital projects that underpin the Group's longer-term future and R658 million or 72 cents per share (ZAR) was paid as dividends to shareholders.

We aim to provide employees who are injured or fall ill with treatment or medication as quickly and conveniently as possible. As such, we have moved away from the conventional industry approach of running centralised mine hospitals, which is not our core business or expertise, in favour of establishing primary health and safety clinical facilities, which are located at each shaft. In this way, minor injuries and other less serious illnesses can be treated promptly and efficiently. Employees with more serious traumas or illnesses are transferred to regional hospitals (some of which used to be owned by Sibanye) where they are assured of first-rate treatment at facilities run by dedicated healthcare experts – our people know that, when they are in need, they can count on receiving the best possible medical care.

Our commitment to safety, health and employee wellness, and our CARE culture, also encompasses the way in which we are seeking to address occupational health issues such as noise induced hearing loss (NIHL) and occupational lung disease (OLD), which includes silicosis. We have introduced some of the most innovative and consistent measures to limit occupational health issues, which has resulted in the prevalence of NIHL and OLD (page 54) declining dramatically, and we ensure that employees have access to appropriate treatment where required. Yet we know that exposure to silica dust over long periods of time may only manifest as silicosis decades after first exposure and often long after employees have left our employ or indeed the industry. To assist past employees who may suffer from silicosis and other forms of OLD, we are working closely with other gold companies to address the shortcomings in the existing publicly run compensation system, the Occupational Diseases in Mines and Works Act, 1973 (Act 78 of 1973) (ODMWA) and, for current and future employees, we are engaged with government about their transfer to the better compensation system, the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No 130 of 1993) (COIDA).

CHALLENGES IN 2015

Conflict between members of AMCU and NUM at Beatrix in February 2015, which resulted in injuries to nine employees, was a portent of the difficulties we would experience during the wage negotiations scheduled for mid-year. Management's reaction was swift and unequivocal. We suspended operations at the Beatrix North and South shafts until calm had been restored, and the rival groups had been successfully reintegrated.

Gold-industry wage negotiations, which are undertaken centrally under the auspices of the Chamber of Mines, began in June 2015 and finally concluded in September – taking longer than we had expected. While there were no formal work stoppages, these negotiations served to distract employees from their jobs, thereby negatively affecting our operational performance. While the eventual agreement reached with three of the unions was not optimal, it was affordable and, we believe, satisfactory.

In consideration of the significant headwinds our industry continues to face – a stagnant or falling gold price, fast-rising operating costs, steadily declining ore tonnages and grades, changing union dynamics and rising stakeholder expectations – we sought to approach wage negotiations differently in 2015.

At the start of negotiations, we and other gold companies represented by the Chamber attempted to introduce a fresh approach, founded on the concept of an economic and social compact, which took the impact on all stakeholders into account. While many of the ideas we proposed found resonance with our union counterparts, they were not prepared to abandon the traditional positional-bargaining approach and, while we will continue to try and engage on the compact, it will be some time before the precepts underlying the sustainability of the industry will be fully embedded in our ongoing engagement.

Despite significant attempts on our part to reach a single settlement with all four representative unions, we were only able to reach agreement for a period of three years with three of the unions – the NUM, Solidarity and UASA – who collectively represented around 49% of employees in the collective bargaining units at our operations. AMCU leadership remained obdurate throughout the process and did not move from its initial demands. It was clear that we were not going to reach agreement with AMCU and, in the interests of fairness and maintaining a harmonious and safe working environment, we elected to implement the agreed wage increases for all employees irrespective of their union membership. To have excluded those who were members of AMCU (42% of employees in the collective-bargaining unit) would, in our view, have been unjust and could have sparked further inter-union rivalry and violence.

AMCU's leadership has reserved its position and ended the year repeating that it would consider embarking on industrial action 'at the appropriate time'. Our view remains that there is little appetite for industrial action by the members of any union and this has been borne out to date.

I personally believe that there is a realisation that unrealistic demands are unsustainable and more likely to lead to job losses than to permanent improvements for all. This was illustrated in the platinum sector where the losses from the five-month strike of 2014 remain fresh in the minds of those who participated.

Having said this, I should add that, while we do not expect a strike at our gold operations in 2016, we have detailed and robust plans to deal with such an eventuality. We will maintain our approach to the social and economic consequences that surround these issues, and we will not allow the threat of industrial action to distract us from our primary focus areas.

A critical and growing imperative for sustainability is community relations and engagement. We will be placing great emphasis on improving engagement with local and labour-sending communities, and ensuring delivery of high-impact, sustainable projects in these communities. We are confident that the support of our communities and the commitment of our employees will underpin our development into the South African mining champion.

Another challenge relates to the legal suit brought by the Chamber on the industry's behalf on the continuing consequences of BEE transactions post 2004. Sibanye is supportive of the Chamber's initiative to seek clarity through a declaratory order by the courts although we are confident of the validity of the BEE transactions. Policy and regulatory certainty is critical for our industry and our stakeholders, and continued dilution (should the consequences of previous BEE transactions not be recognised) will severely undermine the value of an already struggling sector.

An issue that does need addressing by the industry as a whole is the extent to which the DMR imposes Section 54 closures in the event of accidents. We, at Sibanye, fully agree with the need for operational closures when the causes of accidents need to be investigated, and when it is necessary to ensure that safety conditions and procedures are rigorous. But we believe that the Section 54 stoppages should be restricted to the immediate area of an accident's occurrence and not involve the complete closure of a shaft, which can have a detrimental impact on the viability of an entire mine.

ACHIEVEMENTS OF 2015

Turning to our achievements in the past year, the most far-reaching was our entry into the platinum sector – a sector we had already identified as offering potential value in early 2014. Our moves to acquire Anglo American Platinum's Rustenburg Operations and Aquarius were well-considered investment decisions and, we believe, are transactions that are sufficiently robust to withstand all likely vagaries of the platinum sector at market and operational levels.

The acquisitions will deliver combined reserves of 32.2Moz of PGMs (4E) and resources of 103.8Moz. By 2017, Sibanye will rank as the world's fourth largest PGM producer. More importantly, the Rustenburg Operations and Aquarius' Kroondal mine are contiguous, which will allow for significant realisation of operational synergies in addition to cost savings we expect from rationalising replicated services and other overhead costs.

We maintain a conservative and innovative approach to financing acquisitions and, before making the decision to advance the platinum acquisitions, we made sure that our balance sheet was sufficiently robust and flexible, and that our cash flows would be more than adequate to service any debt we would be taking on. The Rustenburg transaction has been defensively structured to give us downside protection from lower PGM prices until 31 December 2018 and has limited recourse to the central balance sheet. Debt reduction will continue to be central to our approach after we take control of the platinum interests, just as it was when Sibanye first became an independent group.

On 31 December 2015, Sibanye's net debt was a modest 0.21 times multiple of EBITDA. Even taking into account the expected US\$250 million partial draw on our US\$350 million revolving credit facilities and the US\$150 million additional financing facility provided by HSBC for the Aquarius acquisition, the approximate multiple will remain a modest and manageable 1.0 times, indicating how conservatively we have managed the financing of these acquisitions. In order to maintain financing flexibility, however, we will consider restructuring our financial position soon after concluding both transactions. Further financial detail and other parameters relating to the acquisitions are contained elsewhere in this report.

Through these proposed acquisitions, we are increasing our footprint in South Africa and this is with good reason. We are comfortable with the operating environment and confident that there will be further opportunities, which will allow us to continue delivering sustainable value for all of our stakeholders.

SUSTAINABLE VALUE FOR STAKEHOLDERS

- We have significant experience operating in South Africa and understand the regulatory environment.
- South Africa contains one of the most valuable resource endowments in the world.
- Our geology is well-understood and simple.
- There is an abundance of skilled and experienced mining practitioners.
- The areas in which we operate are supported by first-class infrastructure.
- The established mining industry is serviced by well-developed and innovative supply as well as associated industries.

While policy uncertainty and regulatory inefficiency have been signalled by investors as factors which have inhibited investment in recent years, the country also has sound financial and judicial systems and a world-class Constitution, which protects individual and corporate rights.

There are various conditions to be met before our acquisitions are finally consummated, particularly Competition Commission approval of the Aquarius transaction. However, we shall become engaged operationally, particularly in the platinum sector's wage-negotiating round, to ensure that we shall have a sound labour-relations foundation when we start what will be the synergistic merger of the Aquarius and Rustenburg properties.

ENERGY

The reliability of supply and cost of electricity has become a primary risk factor for industry in South Africa. It is our policy to minimise the risk factors beyond our direct control. We have developed an integrated and co-ordinated strategy to mitigate the associated risk for the near term and for the longer term.

In 2013, we identified the risk that Eskom, the state-owned power monopoly, would be unlikely to supply the entire power needs of the country reliably, affordably and without interruption. Electricity costs have been rising annually at rates significantly higher than inflation since 2007 with power costs at Sibanye increasing from about 9% in 2007 to some 18% of our 2015 costs. With supply remaining inconsistent and further above-inflation increases highly likely in coming years in order to finance Eskom's capital programmes, it is clear that alternatives are required in order to ensure the sustainability of our mines. The more we can reduce our reliance on Eskom power, the more secure and more cost-efficient will be our core operations.

In late 2013, we began to investigate the potential of solar photovoltaic generation to reduce our reliance on Eskom, and have demonstrated the technical and economic feasibility of constructing a 150MW plant. We have now launched the development phase of the project, which encompasses applications for all the required permits, basic engineering design and establishment of the most appropriate commercial model to optimise the financial benefits. We expect this will require significant involvement of financial partners to fund the project capital. We remain on track to start generating electricity late in 2017. Solar photovoltaic electricity remains only a partial solution and we have continued to explore other alternative sources of electricity.

Sibanye is also investigating various opportunities to support a coal-based IPP platform devoted exclusively to delivering power to our operations.

The operational issues that affected performance at the gold operations in 2015 are unlikely to be repeated. Gold production for the year ending 31 December 2016 is forecast to increase to approximately 50,000kg (1.61Moz) with total cash cost forecast at approximately R355,000/kg and All-in sustaining cost at approximately R425,000/kg. The recent sharp depreciation of the rand to over R16.00/US\$ means that costs in dollar terms are likely to be significantly lower than in 2015, assuming an average exchange rate of R15.00/US\$ for 2016. Total cash cost is forecast at US\$735/oz and All-in sustaining cost at US\$880/oz. All-in cost is forecast to be R440,000/kg (US\$915/oz) due, inter alia, to the initiation of the Kloof and Driefontein below infrastructure projects, and the development of the Burnstone mine, which were approved in 2015. Costs in dollar terms are significantly lower at the current average exchange rate of over R16/US\$.

Total capital expenditure for 2016 is planned at R3.9 billion (US\$265 million).

Due to the weaker rand, and a recovery in the dollar gold price, the rand gold price year to date is on average approximately R100,000/kg higher than in 2015. While we provide no forecast of the future gold price, should this gold price persist throughout 2016, the Group total cash cost margin will increase to approximately 38% and the All-in sustaining cost margin to approximately 25%.

THE FUTURE

Following the significant changes that took place or were initiated in 2015, 2016 will be a year of considerable restructuring, integration and consolidation. At the most basic level, we will re-evaluate all our gold assets on a shaft-by-shaft basis with a view to determining whether the primary focus might be on gold or uranium. On a developmental level, the focus will be on incorporating the PGM assets into Sibanye so as to obtain the maximum possible cost and other synergies.

The successful integration of these substantial platinum assets will ensure that we continue to deliver acceptable and sustainable benefits to our shareholders in the form of dividends and capital appreciation in order to remain an investment of choice. For it is only by being an investment of choice that we can be sure to attract the rating and the funds needed to pursue further profitable growth prospects and projects.

We are aware, however, that in order to achieve our goals and re-establish the primacy of mining to South Africa's economic development in the eyes of government and all the country's people, we are going to have to adopt a prominent leadership role in the industry. I am confident that we have laid a sufficiently solid foundation in the past two years to allow this.

Neal Froneman
Chief Executive Officer
18 March 2016

CFO'S REPORT

The operating environment during the year under review was challenging with production affected by operational issues, especially at Kloof, and inter-union rivalry at our Beatrix Operation in the first quarter, load shedding during the first and second quarters, and the wage negotiations, which started in June 2015 and concluded in September 2015.

A sharp decline in the rand/US dollar exchange rate, however, resulted in the average rand gold price increasing by 8%, compensating for the production decline and resulting in a 4% increase in revenue for 2015 when compared with 2014. However, Sibanye delivered on its commitment to pay an industry-leading dividend yield to shareholders. Our share price increased by 1% in 2015, ending the year on a market capitalisation of R20.9 billion.

GOLD PRICE AND EXCHANGE RATE

The average US dollar gold price for 2015 declined by 8% to US\$1,160/oz compared with US\$1,267/oz in 2014. The exchange rate weakened 18% from an average of R10,82/US\$ in 2014 to an average of R12,75/US\$ in 2015, resulting in the average rand gold price received for 2015 averaging R475,508/kg compared with R440,615/kg in 2014.

PRODUCTION AND REVENUE

Gold production for the year of 47,775kg (1.54Moz) was 5% lower than that forecast at the beginning of the year, and 3% lower than in 2014 but, aided by the higher rand gold price, revenue for the Group, at R22,717 million, was up 4% from 2014. Uranium production from the Cooke Operations for the year was 122,000lb, leaving inventory at year end of 288,000lb or R128 million, based on the uranium price of \$34.25/lb at year end. To date, no uranium has been sold as we investigate our options to leverage higher prices.

FINANCIAL PERFORMANCE

Operating cost increased by R2,069 million or 14% year-on-year, mainly due to the inclusion of the Cooke Operations for a full year. Excluding the Cooke Operations, operating costs at Beatrix, Driefontein and Kloof increased by 6% year-on-year. The All-in sustaining cost for the Group was R422,472/kg and the Group posted an All-in sustaining margin of 11% for 2015.

Labour cost increased by 10% year-on-year due to the inclusion of Cooke for the 12-month period compared to seven months in 2014. The labour cost increase, excluding the Cooke Operations, was 5%. Electricity cost increased by 13% in 2015, partly due to the inclusion of Cooke for 12 months but also due to the annual Eskom electricity increase of 12.69%. The cost of consumables rose by only 0.8%, reflecting our relentless efforts to minimise the impact of cost increases within our control.

Sibanye contributes significantly to the national fiscus, and taxes and royalties paid were R656 million and R395 million respectively.

Net profit attributable to ordinary shareholders of Sibanye reduced by 54% year-on-year, mainly impacted by the higher cost increases and an impairment reversal at Beatrix during 2014 of R474 million. Basic earnings per share and headline earnings per share were 79 cents and 74 cents respectively due to the aforementioned, and the effect of the full-year weighting of the shares in issue post the closing of the Cooke transaction during 2014.

DEBT AND GEARING

Total Group debt, including the Burnstone debt, which does not have recourse to Sibanye, increased from R3,170 million in 2014 to R3,804 million in 2015. Debt excluding the ring-fenced Burnstone debt, declined from R2,036 million to R1,995 million due to two repayments of R250 million each, consistent with the repayment terms of existing facilities offset by additional drawdown of facilities during the year. Debt at Burnstone increased from R1,134 million to R1,808 million due to a 34% weakening of the closing rand/US dollar exchange rate to R15.54/US\$ as at 31 December 2015.

Net debt, excluding Burnstone at year end, decreased to R1,362 million. The gearing ratio of net debt:EBITDA ended the year at 0.21:1 (2014: 0.20:1). Even post the conclusion of the Rustenburg Operations and Aquarius transactions, financial gearing is expected to remain low, relative to peers in the industry, with net debt:EBITDA forecast at 1.0:1, post both transactions and emphasising Sibanye's financial strength and balance sheet flexibility.



Charl Keyter – Chief Financial Officer

4%

INCREASE IN REVENUE FOR 2015

FINANCIAL PERFORMANCE

A more detailed analysis of our 2015 financial performance is provided in the 'Management's discussion and analysis of the financial statements' of the Annual Financial Report 2015 (see reports.sibanyegold.co.za).



CASH FLOW

Free cash flow – cash flow from operating activities before dividends, less additions to property plant and equipment – was R829 million. Cash generated from operations amounted to R5,420 million and, after accounting for capital expenditure of R3,345 million, dividends, loan repayments and other smaller expenses net cash generated for the year was R155 million. Should the recent increase in the rand gold price be sustained, free cash flow for 2016 is likely to be significantly higher than in 2015.

CAPITAL EXPENDITURE

Capital expenditure for 2015 increased marginally to R3,345 million from R3,251 million in 2014, two thirds of which – R2,305 million – was spent on ore reserve development (ORD) to maintain operating flexibility. Of the remainder, R669 million was directed at infrastructure maintenance, R272 million was spent on the Burnstone project and the balance on other projects.

DIVIDENDS

The Group paid a final dividend for 2015 of 90 cents per share which, together with the interim dividend of 10 cents per share paid on 6 August 2015, brings the total dividend for 2015 to 100 cents per share (2013: 112 cents per share). This is equivalent to 75% of normalised earnings, which exceeds our policy of paying out at least 25% to 35% of normalised earnings to shareholders, and reflects the Board's confidence in the outlook for the Group.

OUTLOOK

For the 2016 financial year, integration of Aquarius and the Rustenburg Operations will be the primary focus. The integration will include identifying opportunities to reduce overhead costs and to leverage operational synergies at the newly acquired operations while containing costs at existing operations at, or below, inflation.

Charl Keyter
Chief Financial Officer
18 March 2016

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

Figures in million – SA rand	2015	2014	2013
Revenue	22,717.4	21,780.5	19,331.2
Cost of sales	(20,017.0)	(17,566.1)	(15,077.2)
Net operating profit	2,700.4	4,214.4	4,254.0
Investment income	257.0	183.2	160.3
Finance expense	(561.8)	(400.0)	(420.3)
Share-based payments	(274.4)	(417.9)	(305.8)
Share of results of equity-accounted investees after tax	116.0	(470.7)	51.5
Loss on financial instruments	(229.5)	(107.7)	(4.6)
(Loss)/gain on foreign exchange differences	(359.4)	(63.3)	24.0
Exploration and feasibility cost	(23.6)	(15.1)	–
Other income	125.7	155.9	219.3
Other costs	(204.3)	(249.9)	(314.9)
Net loss on derecognition of financial guarantee asset and liability	(158.3)	–	–
Impairments	–	(275.1)	(821.0)
Reversal of impairment	–	474.1	–
Profit on disposal of property, plant and equipment	58.7	9.5	5.5
Loss on loss of control of subsidiary	–	–	(30.2)
Transaction costs	(25.7)	(111.6)	(9.3)
Restructuring costs	(104.8)	(160.3)	(439.4)
Profit before royalties and taxation	1,316.0	2,765.5	2,369.1
Royalties	(400.6)	(430.5)	(414.6)
Profit before tax	915.4	2,335.0	1,954.5
Mining and income tax	(377.2)	(828.1)	(256.2)
Profit for the year	538.2	1,506.9	1,698.3
Attributable to:			
Owners of Sibanye	716.9	1,551.5	1,692.4
Non-controlling interests	(178.7)	(44.6)	5.9
Earnings per share attributable to owners of Sibanye:			
Basic earnings per share – cents	79	186	260
Diluted earnings per share – cents	78	182	255

The Group does not have other comprehensive income, therefore no statement of comprehensive income is presented.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015

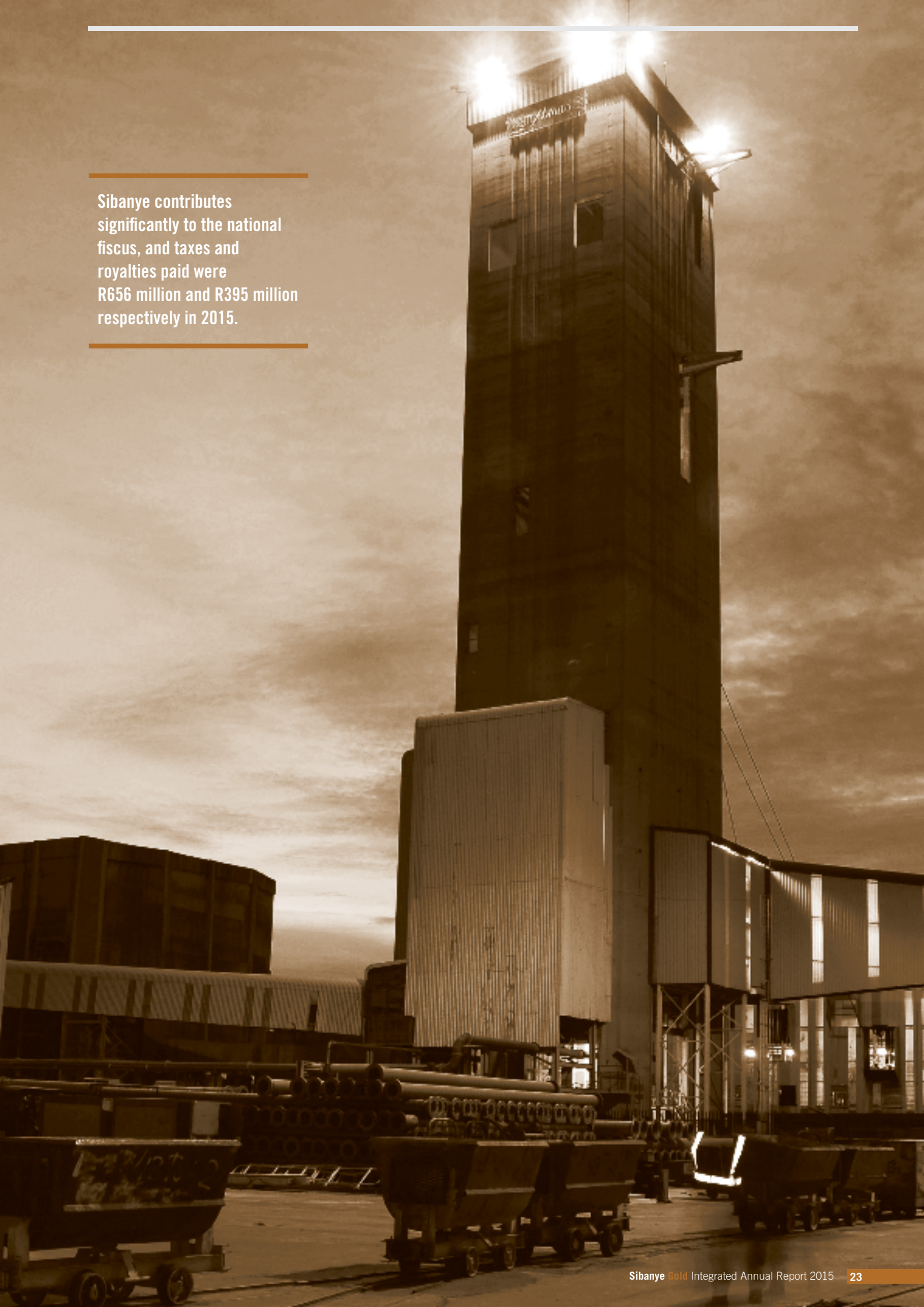
Figures in million – SA rand	2015	2014	2013
ASSETS			
Non-current assets	25,515.0	25,981.4	17,289.9
Property, plant and equipment	22,132.4	22,704.0	15,151.0
Goodwill	736.7	736.7	–
Equity-accounted investments	167.5	69.4	275.1
Investments	1.3	1.4	1.4
Environmental rehabilitation obligation funds	2,413.9	2,192.8	1,588.1
Financial guarantee asset	–	225.5	238.5
Deferred tax assets	63.2	51.6	35.8
Current assets	2,750.7	1,940.5	2,705.0
Inventories	405.9	327.7	187.1
Trade and other receivables	1,627.4	992.8	973.8
Current portion of financial guarantee asset	–	57.1	51.7
Cash and cash equivalents	717.4	562.9	1,492.4
Total assets	28,265.7	27,921.9	19,994.9
EQUITY AND LIABILITIES			
Equity attributable to owners of Sibanye	14,875.0	14,656.3	9,421.2
Stated share capital	21,734.6	21,734.6	17,245.8
Other reserves	2,938.2	2,819.1	2,643.3
Accumulated loss	(9,797.8)	(9 897.4)	(10,467.9)
Non-controlling interests	109.8	329.6	2.2
Total equity	14,984.8	14,985.9	9,423.4
Non-current liabilities	7,933.6	9,365.4	6,980.0
Deferred tax liabilities	3,561.4	3,869.3	3,735.4
Borrowings	1,808.3	2,615.8	1,491.4
Environmental rehabilitation obligation	2,411.0	2,486.8	1,660.7
Post-retirement healthcare obligation	16.3	15.1	16.3
Share-based payment obligations	136.6	378.4	76.2
Current liabilities	5,347.3	3,570.6	3,591.5
Trade and other payables	2,759.4	2,714.6	2,073.0
Financial guarantee liability	–	197.0	206.6
Tax and royalties payable	129.6	84.0	767.2
Current portion of borrowings	1,995.3	554.2	499.5
Current portion of share-based payment obligations	463.0	20.8	45.2
Total equity and liabilities	28,265.7	27,921.9	19,994.9

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

Figures in million – SA rand	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	6,130.4	7,081.4	6,840.0
Post-retirement healthcare payments	(0.1)	(2.4)	(2.7)
Cash-settled share-based payments paid	(42.2)	(166.6)	(3.9)
Change in working capital	(668.0)	214.5	568.7
Cash generated from operating activities	5,420.1	7,126.9	7,402.1
Interest received	117.3	68.5	63.3
Interest paid	(260.2)	(194.0)	(326.3)
Guarantee fee received	9.6	53.6	47.0
Guarantee release fee	(61.4)	–	–
Royalties paid	(395.4)	(650.1)	(249.0)
Tax paid	(656.3)	(1,347.1)	(304.8)
Dividends paid	(658.4)	(1,005.2)	(271.9)
Net cash from operating activities	3,515.3	4,052.6	6,360.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(3,344.8)	(3,250.8)	(2,901.5)
Proceeds on disposal of property, plant and equipment	65.1	22.6	6.9
Payment of environmental rehabilitation obligation	(0.3)	(10.9)	(10.5)
Contributions to environmental rehabilitation obligation funds	(77.8)	(69.3)	(172.3)
Investment in subsidiary	–	(415.3)	–
Loans granted to subsidiaries prior to acquisition	–	(238.6)	–
Cash acquired on acquisition of subsidiaries	–	38.1	–
Loan repaid by equity-accounted investee	20.9	–	–
Loan advanced to equity-accounted investee	(3.0)	(384.6)	–
Cash flow on loss of control of subsidiary	–	–	5.9
Net cash used in investing activities	(3,339.9)	(4,308.8)	(3,071.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued on unbundling	–	–	17,245.8
Loans repaid	(1,572.9)	(2,296.9)	(9,840.0)
Loans raised	1,552.0	1,623.6	7,620.0
Related-party loans repaid	–	–	(17,108.0)
Financing costs capitalised	–	–	(9.1)
Proceeds on shares issued to non-controlling interests	–	–	3.0
Net cash used in financing activities	(20.9)	(673.3)	(2,088.3)
Net increase/(decrease) in cash and cash equivalents	154.5	(929.5)	1,200.6
Cash and cash equivalents at beginning of the year	562.9	1,492.4	291.8
Cash and cash equivalents at end of the year	717.4	562.9	1,492.4

Sibanye contributes significantly to the national fiscus, and taxes and royalties paid were R656 million and R395 million respectively in 2015.



CAPITALS OVERVIEW AND BUSINESS MODEL

These capitals are necessary inputs into the business model and their judicious management enables Sibanye to deliver on its strategy. While this report is not structured according to the capitals, it does provide insight into Sibanye's current capabilities in terms of these capitals as well as related challenges affecting delivering on its strategy to create superior value for all stakeholders. A discussion of the capitals follows, explaining how they affect Sibanye, including cross references to supplementary information.

SUCCESSFUL IMPLEMENTATION OF SIBANYE'S STRATEGY DEPENDS ON EFFECTIVE MANAGEMENT OF VARIOUS CAPITALS, WHICH INCLUDE RESOURCES AND RELATIONSHIPS.



FINANCIAL CAPITAL

The management of financial capital is essential for the sustainability of any business. At Sibanye, financial-capital management will enable the generation of sustainable cash flow, which will support regular, consistent, industry-leading dividend payments and allow long-term capital value accretion. This is underpinned by profitable operations and growth, both organic and inorganic. Positive free cash flow is necessary to fund the dividends and growth.

In order to extend its operating life and sustain dividend payment for longer, Sibanye has not only committed to the development of organic projects but also made strategic, value-accretive acquisitions. Organic projects and acquisitions are predominantly funded through operational cash flow and, where necessary, by debt and other financial instruments. While the downturn in the commodity cycle and negative investor sentiment towards the resources sector can make accessing equity capital a challenge, Sibanye has sufficient debt facilities and the recent increase in the rand gold price will ensure that dividend payments to shareholders can be maintained. Should the opportunity arise, restructuring of debt or raising equity capital may be considered.

Similarly, revenue and earnings are used as the basis for value creation and derivatives of these determine what value will be distributed to stakeholders: salaries and wages (employees), dividends (shareholders), social and local economic development (communities), and taxation and royalties (government and the national fiscus).

INSIGHTS INTO

the management of financial capital, and Sibanye's financial performance and position, are provided in

CFO's report (page 18)

Project development and capital allocation (page 49)



HUMAN CAPITAL

Deep-level gold mining is labour-intensive and Sibanye's employees play an integral part in the successful delivery on Sibanye's operating model and strategy. Sibanye's people work at great depth and under physically demanding conditions – their safety and wellbeing are priorities. We strive to develop a transformed, productive, skilled and engaged team of people at Sibanye. South Africa, and the mining sector specifically, has faced intense challenges regarding industry and labour relations due to legacy issues as well as the difficult socio-economic environment, inequality and unemployment in the country. South Africa has well-developed industrial-relations processes and practices with strong trade unions representing employees in different sectors on issues such as, inter alia, remuneration, other benefits and workplace issues. Employees are Sibanye's most important asset and are key stakeholders in the business. Aligning employees with Sibanye's values and strategy will ensure the sustainability of the business and that it is able to deliver superior value for all of its stakeholders.

INSIGHTS INTO

Sibanye's people are provided in

Develop a productive, skilled and engaged workforce (page 46)

Health and safety focus (page 52)



INTELLECTUAL CAPITAL

Allied to human capital is Sibanye's intellectual capital. Its operating model is vital to its ability to turn around unprofitable mines and extend their economic lives. This is underpinned by its operating processes and employees' expertise, which together contribute to the intellectual capital required to successfully operate its mining portfolio. Ultimately, Sibanye sees its strategy and operating model as its differentiators in the mining sector.

Sibanye's ability to remain competitive depends on future innovations relating to Safe Technology and modernisation of its mines. Over the past two years, the Group has invested in research and development (R&D) in these two areas. Sibanye also works closely with suppliers on innovative development of identified technologies. Technological advances will make Sibanye's workplaces safer, improve productivity and facilitate the conversion from resources to reserves of deeper-level and secondary ore bodies through the development of new products and technologies.

INSIGHTS INTO

Sibanye's operating model are provided in

Optimise and integrate operations (page 40)

Secure alternative energy sources (page 66)

Modernisation and technological innovation (page 67)



SOCIAL AND RELATIONSHIP CAPITAL

Proactive, positive and constructive stakeholder engagement is necessary to identify and manage stakeholder concerns and expectations, together with any associated material risks and opportunities, and to effectively respond to and address them. Sibanye's stakeholder engagement programmes are vital in building relationships and maintaining a positive reputation with stakeholders by promoting, and delivering on its value-creation proposition.

Sibanye is committed to creating shared value for its surrounding communities and labour-sending areas beyond its Mining Charter and SLP commitments.

INSIGHTS INTO

Sibanye's stakeholder engagement, key stakeholder insights and progress against its Mining Charter and SLP commitments are provided in the section on

Material issues (page 28)

Social upliftment and community development (page 55)



NATURAL CAPITAL

Mining has a significant impact on the environment and the environment can in turn materially affect mining operations and activities. Various programmes have been put in place at Sibanye to reduce and mitigate the impact of mining on the environment. This is not only done for compliance purposes but to ensure that it does not create value at the expense of the environment.

Access to strategic inputs, such as water and electricity, is essential to Sibanye's operations, and the availability and cost of these inputs is critical to long-term profitability and viability. Electricity supply and costs are a particular concern with the deep-level gold mines required to cool and ventilate the mines and deal with the ingress of water, which is pumped to surface, treated and either used in production or discharged safely into the environment. Efforts continue to be made to reduce the consumption of electricity – consumption at Sibanye has declined by 20% since 2007. In order to reduce reliance on the state utility, Eskom, and control power costs, Sibanye is investigating self-generation, primarily through solar and coal-fired generation projects.

INSIGHTS INTO

natural capital are provided in

Manage environmental impact (page 58)

Secure alternative energy sources (page 66)



MANUFACTURED CAPITAL

Sibanye has continued to make the investment required to maintain its infrastructure and plants in order to ensure the sustainability of its operations. The Group continues to assess and will upgrade its infrastructure where necessary.

The acquisition of the Rustenburg Operations and Aquarius assets, in the process of being finalised, will deliver combined reserves of 32.2Moz of platinum group metals (PGMs) (4E) and resources of 103.8Moz. The purchase and optimisation of its newly acquired mines will depend on Sibanye's funding model and integration approach.

INSIGHTS INTO

manufactured capital are provided in

Optimise and integrate operations (page 40)

Project development and capital allocation (page 49)

Secure alternative energy sources (page 66)

Acquisitions and funding model (page 69)

Statement of Mineral Resources and Mineral Reserves – a summary (page 84)

Full details of Sibanye's Mineral Resources and Mineral Reserves are available in the comprehensive, **Mineral Resources and Mineral Reserves Report 2015** (reports.sibanyegold.co.za)

This business model explains how Sibanye operates and delivers on its strategy in terms of the various capitals.



OVERALL STRATEGIC OBJECTIVE

SIBANYE'S BUSINESS ENVIRONMENT

For a discussion on the external business environment within which Sibanye operates, see page 29.

OUR BUSINESS ACTIVITIES



**EXPLORATION
AND NEW BUSINESS**



**UNDERGROUND
MINING**



**TREATMENT
AND PROCESSING**



Once mining operations have ceased, rehabilitation and closure are undertaken to restore and mitigate the effects of mining on the land.

WHAT WE DO INPUTS



WHAT WE DID IMPACTS



IN THE COURSE OF CONDUCTING OUR BUSINESS ACTIVITIES, WE:

	Declared Mineral Resources – gold	98.79Moz
	– uranium	230Mlb
	Declared Mineral Reserves – gold	31.0Moz
	– uranium	113.8Mlb
	Treated	8.6Mt of underground ore
	Recycled/retreated	11.3Mt of surface material
	Employed	46,269 people
	Incurred operating costs of	R16,380 million
	Expended sustaining and development capital of	R2,974 million
	Procured goods and services worth	R5.9 billion

WE CONSUMED:

	Water withdrawn	114,735MI
	Electricity consumed	4,231,362MWh
	Cyanide purchased	11,924t

WE ACHIEVED:

	Safety performance (LTIFR per million hours worked)	6.74
	Training and development	20,018 employees 3,627 community members
	Scope 1 and 2 greenhouse gas (GHG) emissions (including fugitive mine methane)	5,015,626tCO ₂ e

WE REGRET:

	Fatalities	7
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OUR SIX-PRONGED OPERATING MODEL AIMS TO:



REDUCE COSTS AND PAY LIMITS

Total cash cost	R347,613/kg
All-in sustaining costs	R422,472/kg
Pay limits	1,200cm.g/t

INCREASE FLEXIBILITY

Gold Mineral Reserves	31.0Moz ▲ 9%
Uranium Mineral Reserves	113.8Mlb ▲ 11%

INCREASE MARGINS

28%

→ Superior value creation for all stakeholders

SIBANYE'S MATERIAL ISSUES

For a discussion on the issues with potential to affect Sibanye's ability to deliver on its business objectives, see page 28.



**SURFACE TAILINGS
RETREATMENT**

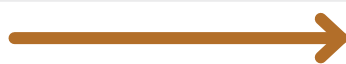


BENEFICIATION



**SALE OF
COMMODITIES PRODUCED**

WHAT WE PRODUCED OUTPUTS



WHAT WE CREATED OUTCOMES



Gold

47,775kg (1.54Moz)



Uranium produced

121,835lb



Tailings deposited

18.5Mt



Revenue generated

R22,717 million



Profit

R538 million



Capital investment (growth) in projects

R371 million

VALUE DISTRIBUTED:



Employees: Salaries and wages

R7,345 million



Government: Current tax and royalties

R1,097 million



Communities: Socio-economic development

R691 million



Investors: Dividends paid

R658 million



OPTIMISE ALL CAPITAL, INCLUDING BALANCE SHEET

Return on capital employed

15%

Net debt:EBITDA ratio

0.21:1

Return on equity

5%

OPTIMISE CASH FLOWS

R829 million

PAY ROBUST DIVIDENDS

Dividends declared

R916 million

Dividends per share

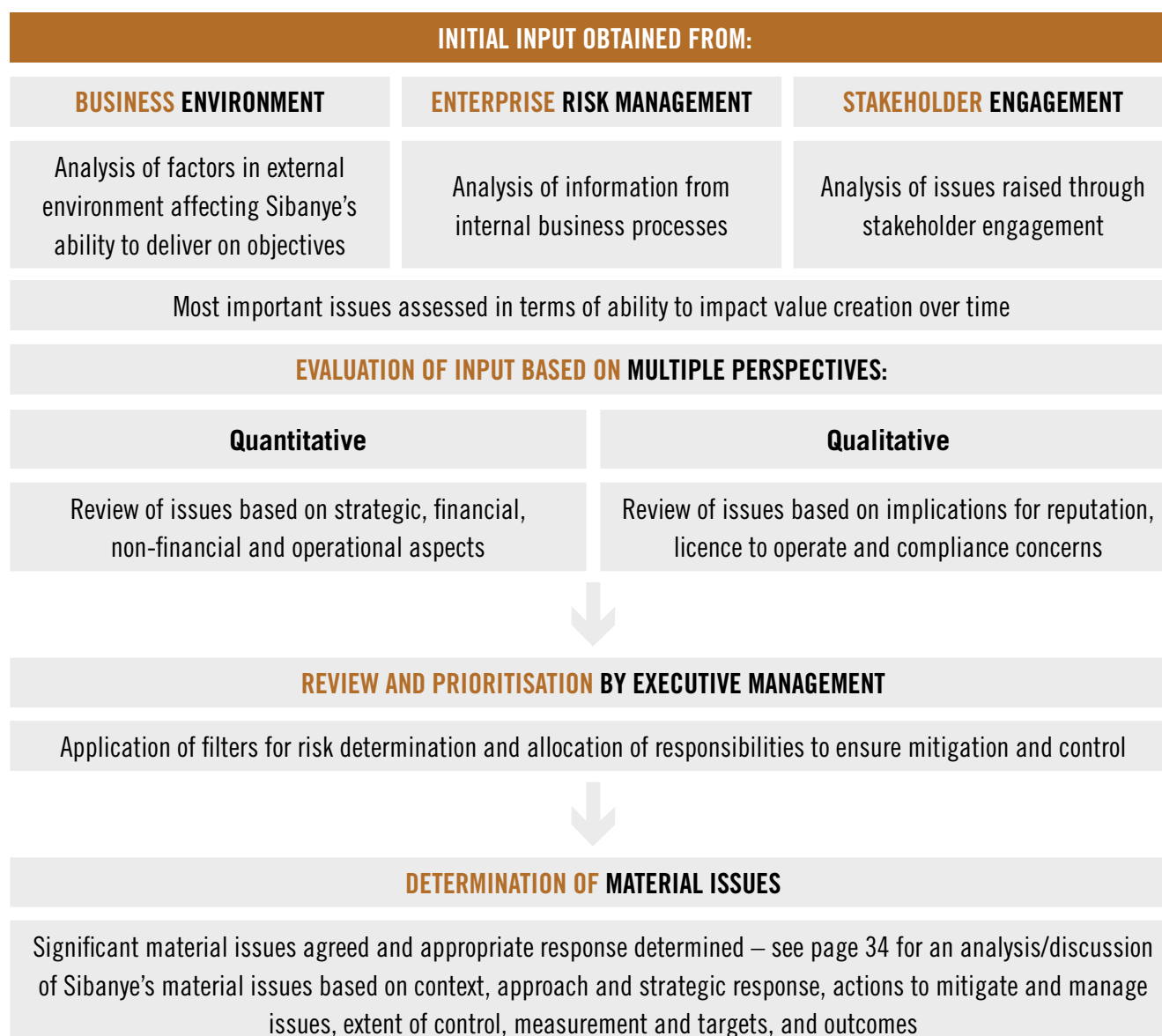
100 cents

MANAGING MATERIAL ISSUES

Sibanye considers an issue to be material if it substantially affects the Group's ability to create and sustain value in the short, medium and long term.

Sibanye gathers information from the external business environment, from internal enterprise risk management (ERM) processes and from engagement with stakeholders, both internal and external, as part of the process used to determine material issues.

PROCESS TO DETERMINE MATERIAL ISSUES



Business environment:

Analysis of the business environment in which the organisation operates



BUSINESS ENVIRONMENT

THE GOLD PRICE AND THE RAND

Sibanye's revenue is driven by commodity prices and the rand exchange rate relative to the US dollar. The primary commodity price driver in 2015 was the dollar gold price, which has been under pressure since mid-2013 and continued to test lows not seen since 2010. Over the past year, lacklustre physical demand and the liquidation of above-ground stocks, predominantly in the form of exchange traded funds (ETFs), were the primary drivers of the price weakness, with anticipation of a recovery in the US economy rising US interest rates and a strong dollar, perceived as being negative for gold demand.

The sharp decline in the oil price in the latter half of 2015 and weaker-than-expected economic data out of China, coupled with significant political turmoil globally, and negative real interest rates in a number of countries, seem to have restored gold's safe-haven status somewhat and the dollar gold price appears to have stabilised recently.

The lower gold price has resulted in significant restructuring in the global gold industry and the rationalisation of overhead costs, reduced capital expenditure, the sale of non-core assets and restructuring of debt on balance sheets. Restructuring in the gold-mining sector preceded that in the non-gold mining industry with the result that gold producers are significantly better placed to weather the current phase of the commodity cycle. Low prices will continue to constrain growth and the ability to pay dividends to shareholders.

South African gold producers have been protected, to a large extent, from the declining US dollar gold price by the rand, which has depreciated as the US dollar strengthened. A deteriorating outlook for the South African economy, coupled with recent politically related changes in the South African finance ministry, were poorly received by the market and resulted in a significant structural deterioration in the rand/US dollar exchange rate. The weaker rand has translated into a substantial increase in the rand gold price received at year end, and significantly expanding margins for South African gold producers.

The outlook for the dollar gold price remains positive. Increasing global political and economic uncertainty are likely to be supportive, and gold continues to be regarded as an important reserve asset by central banks globally.

SOUTH AFRICAN ECONOMY

The economic outlook for South Africa deteriorated markedly in 2015, partly due to the fall out experienced by all emerging market economies as economic growth in China continued to stall, but was exacerbated by South Africa-specific economic and political issues and concerns.

The increasingly negative outlook for the country's prospects were reflected in the final weeks of 2015, when three rating agencies lowered their assessments of South African sovereign debt to just above junk status, adding to weakness in the currency.

POLICY AND REGULATORY CERTAINTY

Policy and regulatory issues are cited by international investors as being primary concerns and barriers to investment in the South African gold-mining sector. Of most concern is the continued delay in passing the Mineral and Petroleum Resources Development Act (MPRDA) Amendment Bill into law, and uncertainty around its final contents, particularly as related to compliance with the Department of Trade and Industry (DTI) Codes of Good Practice. During 2015, the previous Minister of Mineral Resources suspended the Bill's passing into law, pending further review. In late 2015, the Department of Mineral Resources (DMR) announced that the mining industry would be exempt from compliance with the DTI codes until the Bill had been finalised.

The DMR's assessment of mining companies' compliance with the Mining Charter, and in particular equity ownership by historically disadvantaged South Africans (HDSAs), has given rise to a difference of opinion between the department and the industry. An independent analysis commissioned by the Chamber of Mines indicates that all Chamber members had met this requirement. However, the DMR's interpretation indicated lower levels of compliance. The discrepancy lies in the interpretation of 'continuing consequences' of BEE transactions concluded since 2004. At issue is those transactions in which the BEE shareholding has not remained at 26% as, given changes in market circumstances, the BEE partner had either sold or departed from the transaction.

The Chamber of Mines has applied to the High Court for a declaratory order that will clarify the empowerment clauses in the Mining Charter and on whether or not the so-called 'once empowered, always empowered' principle applies. The industry remains concerned that, should further equity issues be required to maintain BEE ownership at 26%, there may be further dilution of shareholder value.

MATERIAL ISSUES CONTINUED

These issues, along with the pending alignment of the MPRDA, 2002 (Act No 28 of 2002) and the Mining Charter with those of the BBBEE Act, 2003 (Act No 53 of 2003), and of the DTI codes, continue to create uncertainty and are perceived by investors as an investment risk.

It is hoped that these concerns and many other broader issues will be addressed and settled through the Presidency's Project Phakisa. Towards the end of 2015, Project Phakisa brought the industry, government and other key stakeholders together for discussions to stimulate collaboration on ways to revitalise the South African mining sector and ensure its survival in the long term. It is encouraging that, in these developments, government has displayed an appreciation of the need for a stable, justiciable and clear regulatory environment. The next step in Project Phakisa will involve the implementation and, where required, the modification of agreed plans, as well as monitoring, reporting and evaluation.

ENERGY AVAILABILITY AND COST

The major challenge facing the mining industry and South Africa as a whole is the reliability of supply and cost of electricity. In South Africa, electricity is supplied by Eskom, the state-owned power utility, which has, owing to a backlog of undercapitalisation, poor project delivery and inconsistent maintenance, been unable to reliably supply power to the country since 2007. In addition, Eskom has implemented significant, above-inflation, electricity price increases, which have seen electricity costs, as a proportion of overall costs at Sibanye, rise from 9% in 2007 to about 18% in 2015. Adding to Sibanye's concern about energy costs is the proposed carbon tax that will be particularly damaging for heavy industrial users of coal-fired electricity.

South Africa's power difficulties seem likely to persist for some years and Sibanye is proactively developing ways to reduce its reliance on Eskom power. Currently, a 150MW photovoltaic plant, which is expected to begin first production towards the end of 2017, is being developed on Sibanye property at Driefontein and Kloof (page 66).

LABOUR RELATIONS AND EMPLOYMENT

The South African gold sector has well-established labour relations processes and practices, including its history of collective, centralised bargaining. Industry-wide centralised bargaining takes place under the auspices of the Chamber of Mines, giving rise to an established system of wage and benefits adjustments that are largely the same across all mines.

The 2015 wage negotiations began in June 2015 and were concluded in October 2015 without any industrial action. Agreement on wages and conditions of service was reached with three of the four representative unions and, at Sibanye, the wage agreement was implemented for all employees when it became clear that no agreement could be reached with AMCU, which represented around 42% of employees (see page 48). Category 4-8 employees and B-lower officials will receive an increase of 12% in year 1, 11% in year 2 and 10% in year 3. Miners, artisans and officials will receive an increase of 6% on standard rate of pay in year 1 and 6% or consumer price index (CPI), whichever is greater, in years 2 and 3. Further detail on the wage agreements is available at www.goldwagenegotiations.co.za

An incident of inter-union rivalry did, however, lead to the closure of operations at Beatrix in February 2015 although the matters were rapidly resolved (see page 32).

ENTERPRISE RISK MANAGEMENT

Risk management is a continuous, proactive and dynamic process designed to identify, understand, manage and communicate risks that may have a negative impact on Sibanye's ability to achieve its business objectives.

Sibanye's risk-management process is established and well-considered. Risk-management policies, practices and management systems are reviewed annually by the Board's Risk Committee, and approved by the Board. Policies, practices and systems are embodied in Sibanye's ERM Framework, which is aligned with the King III codes and International Organization for Standardization (ISO) 31000 standards, and entrenched at the operations.

BOARD RESPONSIBILITY

The Board is satisfied that governance, risk management and compliance, internal control and compliance with the Sarbanes-Oxley Act (SOX) of 2002 as well as internal audit processes operated effectively for the period under review. Business activities have been managed within the approved risk-tolerance and risk-appetite levels. Primary controls have been implemented and further mitigating action has been taken to improve primary controls.



Enterprise risk management:

An overview of Sibanye's risk-management approach, governance structures and top ERM risks

ENERGY AVAILABILITY AND COST

The Board is ultimately accountable for risk management and is ably assisted by the Risk Committee.

See the Corporate governance section on page 70 for our risk reporting structures.



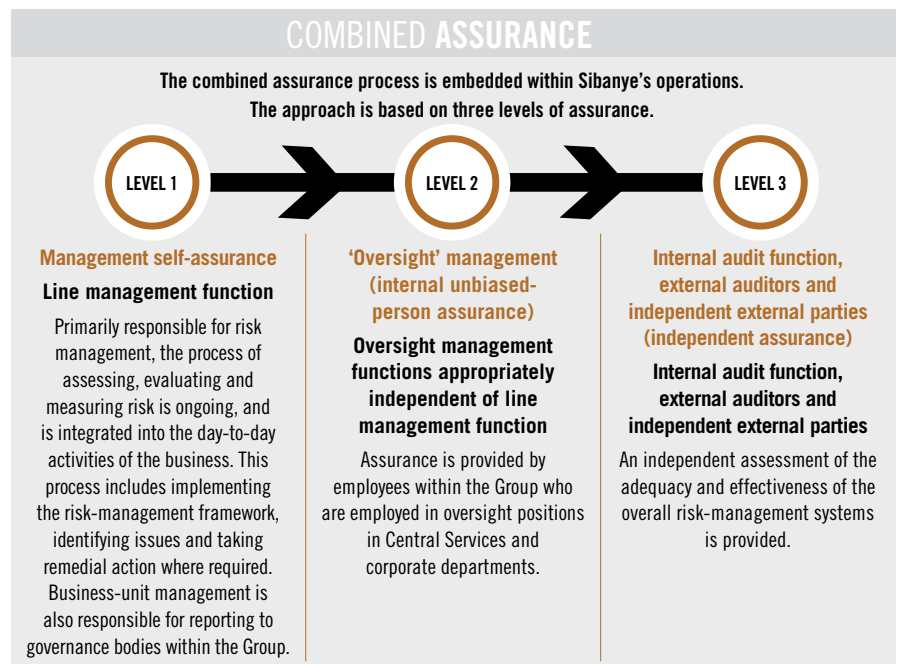
Stakeholder engagement:

An analysis that provides a view of our relationships with key stakeholders and their concerns

RISK MANAGEMENT

The risk-management process is a systematic application of management policies, procedures and practices in communicating, consulting and establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk. Risk-management documents include the Risk Policy, Plan and Charter, which sets out the requirements for effective oversight of risks, including the identification, assessment, evaluation, treatment and reporting of risks. The risk-management process is embodied in Sibanye's Risk Management Framework, which is used for implementation. Sibanye's ERM process combines operational and strategic risk processes.

During the period under review, Sibanye conducted an independent risk-management effectiveness assessment and maturity review. The results showed some significant progress towards full maturity and support the introduction of the advanced measurement approach Sibanye has adopted.



STAKEHOLDER ENGAGEMENT

The outcomes of stakeholder engagement – the concerns of our primary stakeholders (see page 32) – are important determinants of Sibanye's material issues and hence inform decisions taken to control risk and identify opportunities for the business.

Sibanye is committed to proactive, open and constructive stakeholder engagement, which informs participative decision-making. Our stakeholder engagement aims to:

- strategically inculcate a culture of effective engagement within the organisation
- develop and implement formal and informal systems of communication for the benefit of the Group and stakeholders
- ensure regular engagement and response to issues material to stakeholders
- accurately understand the influence of business activities on stakeholders and the potential impact stakeholders may have on the business, whether positive or negative, to enhance the engagement process
- ensure engagement is conducted in a timely, accurate and relevant manner
- continuously monitor, review and improve engagement activities.

As a responsible corporate citizen, Sibanye fosters and maintains constructive engagement with all stakeholders in order to deliver on our vision to create superior value for all stakeholders, to maintain our licence to operate, and ultimately for the long-term success and sustainability of the business.

The Board's performance and interaction with stakeholders is guided by the South African Constitution, including the Bill of Rights, and management is tasked with the development, and implementation of corporate citizenship policies and programmes for relevant stakeholders.

Sibanye expects employees and communities to appreciate the importance that a profitable and sustainable business holds for them and the other stakeholders who rely on the mining industry.

REFLECTING ON STAKEHOLDERS

INVESTORS AND MARKET ANALYSTS

Excluding Gold One, which represents a consortium of Chinese investors who have acquired a strategic 20% stake in the Group, Sibanye's investors are primarily geographically diverse institutional investors, located predominantly in the US and South Africa. Engagement is regular and structured with quarterly operational updates, and more detailed six-monthly operational and financial reviews, which enable investors to engage directly with management via live webcast or conference calls. Senior management also undertakes regular global roadshows to interact directly with current and prospective investors. Shareholders expect management to deliver on operational forecasts and the communicated corporate strategy. Adherence to the highest standards of corporate governance are expected. Shareholder investment strategies and tenures differ, making it difficult to target and cater to specific investor groups. A consistent and transparent strategy is crucial to building investor confidence.

Sibanye is widely covered by sell-side analysts who provide investment research and advice to existing and prospective institutional investors. Sell-side analysts tend to do relatively detailed and in-depth analyses of relevant sectors and companies, including peer-group comparisons and benchmarking. Sibanye is comprehensively covered by local and international sell-side analysts from smaller brokers to global, bulge bracket banks. At least nine analysts produce independent research on the Group at any given time.

SUPPLIERS AND CONTRACTORS

Sibanye has categorised its suppliers and contractors into three groups: strategic, tactical and local. Strategic suppliers provide services and products that could have a high impact on Sibanye's operations, such as reagents and underground support. Without their inputs, production would be seriously hampered. Engagement with them is interactive and contracted to minimise any potential risk to production. Continuous innovation would enhance solutions and drive down costs. A highly interactive partnership ensures that Sibanye's ability to produce is enhanced.

Tactical suppliers provide Sibanye with the bulk of the day-to-day goods and services required for production. Engagement with these suppliers takes place at an operational level and any issues are managed through the supply chain, which is bound by the Group's procurement policy. The quality and cost of goods and services are managed through tenders and the ordering process.

Local suppliers are small, medium and micro enterprises (SMMEs) within communities around Sibanye's operations. Engagement is highly active as the Group needs to develop and grow these suppliers to enable them to support local economic development (LED) and job creation. The skills and experience of local suppliers need to be developed and enhanced to ensure good-quality and sustainable supply of goods and services. These stakeholders expect to play an active and sizeable role in Sibanye's supply chain.

CHAMBER OF MINES AND INDUSTRY PEERS

Sibanye engages regularly with its peers in the gold, platinum, coal and bulk minerals segments. Collaborative engagement, involving non-competitive issues of common interest, is more prevalent in the gold sector with information and other lessons, particularly sharing health and safety management and community engagement, and collaboration is actively pursued where it can be more effective. The Group also co-operates in strategic industry interventions with potential for synergies. Co-operation is based on agreed mechanisms for and mature rules of engagement. Among gold-mining companies, particularly, co-operation to promote achievement of common goals is strong.

The Chamber of Mines, which plays an important role in expediting peer engagement and in lobbying national government on behalf of the industry, protects the collective interests of mining companies and promotes a positive image of the mining sector as being progressive, transformed and effective, in consultation with other national stakeholders. Chamber membership is voluntary and most major South African mining companies are members.

The Chamber provides a platform, through company representation on collective committee structures, to discuss matters of strategic importance to the mining industry and to provide a mandate to the Chamber. Experts within the Chamber provide leadership in strategic thinking on a broad range of policy domains. Established communication channels are in place to secure strong alignment between the Chamber and its members.

EMPLOYEES AND ORGANISED LABOUR

Sibanye employs 46,269 people with a diverse set of skills, and various educational and cultural backgrounds. They provide services ranging from core mining to processing and support services. Engagement varies, based on the nature of the issue and level of employee. Engagement with management is generally constructive.

Allied to engagement with employees is engagement with organised labour, which includes unions representing certain employee categories, principally those involved in core mining and processing. The unions with whom Sibanye engages are AMCU, the National Union of Mineworkers (NUM), the United Association of South Africa (UASA) and Solidarity. The nature of this engagement is formal. Wage negotiations, conducted collectively for the gold producers under the auspices of the Chamber of Mines, are the most visible subject in union engagement. Inter-union rivalry and its effects are a major concern. Sibanye's engagement and interaction with the unions is generally respectful and constructive.

Since listing, Sibanye has made significant effort to re-establish direct lines of communication with its employees. Given the close contact and consistent communication, there has been a shift from an adversarial to a more collaborative approach, albeit with some level of scepticism. Sustainable employment, higher wages and benefits are the main tangible employee expectations. However, they also expect a relationship based on values. Union relationships tend to be more complex with a clear political influence affecting relations. The quality of the relationship with employees is evident in greater participation in Group programmes, feedback and the degree of workplace disruptions.

COMMUNITY AND CONSULTATIVE FORUMS

Communities in the vicinity of and affected by Sibanye's operations, together with those in the Southern African Development Community (SADC) labour-sending areas, are an important stakeholder grouping. Engagement is undertaken with formal and informal representatives through community and consultative forums as well as civic groups, non-governmental organisations (NGOs), and other special-interest groups. These forums, which are often multi-stakeholder in nature, comprise local community leaders and representatives as well as local government officials. They address issues of mutual concern, such as employment and LED, especially business development and access to supply chain opportunities. The forums have introduced greater degrees of transparency and openness between Sibanye and communities. Ongoing, structured engagement facilitates positive dialogue to identify and address the negative impacts of mining on communities. The chief focus is to identify, discuss and resolve issues affecting communities.

REGULATOR, NATIONAL, PROVINCIAL AND LOCAL GOVERNMENT

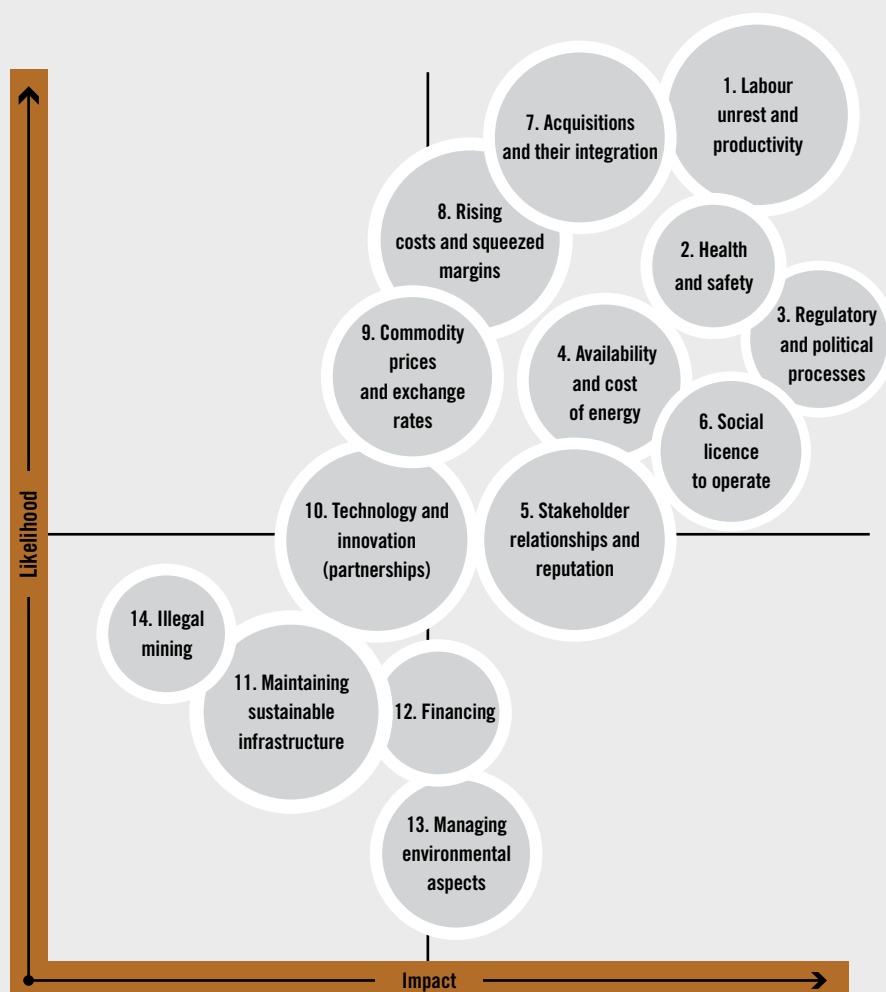
Sibanye engages with all levels of government and various government departments but principally with office bearers based in the Gauteng and Free State, as well as (following the Burnstone acquisition) the Mpumalanga regional offices of the DMR regarding safety and mining rights. Other departments with which Sibanye engages include environmental affairs, water and sanitation, labour, health and education, among others.

Engagement with the national offices is on an as-and-when-needed basis. Engagement is ongoing and generally robust yet constructive. Inconsistencies in the application of regulatory requirements and individuals' preferences can be problematic, and engagement at local level is frequently included in the community and consultative forums in which local government is represented.

Other regulators with whom Sibanye engages are the National Nuclear Regulator and National Energy Regulator of South Africa as well as the JSE, the NYSE and US SEC regarding its stock-exchange listings.

SIBANYE'S MATERIAL ISSUES

Sibanye establishes its material issues through an examination of its business environment, its ERM process, its internal and external stakeholder-engagement process, and the context of those issues that it considers to be material to the business. The establishment of its material issues and strategic responses to them helps Sibanye ensure the sustainability of the business.



TOP 14 MATERIAL ISSUES

CONTEXT	SIBANYE'S VIEW	STRATEGIC RESPONSE AND ACTION
1. Labour unrest and productivity		
Industrial unrest and union rivalry have featured in the South African mining industry for some time. This undermines Sibanye's operational efficiency and performance, and negatively affects financial performance. Labour unrest can result in work stoppages. Demand for higher wages results in increased costs often without a corresponding increase in productivity.	<p>Sibanye is concerned that strikes in the major mining companies could damage the South African economy, and hold back growth and employment. This remains a threat to the Group's operations in light of the implementation of the wage agreement without full acceptance during the negotiations. Union rivalry may further fuel the situation.</p> <p>Sibanye recognises and respects employees' rights, including the right to work safely, to develop and contribute, and to associate. Harmonious relations are top of mind.</p> <p>Sibanye understands its history and the union-membership landscape so it has been essential to create and sustain an engagement platform where all represented and recognised unions are allowed equal rights to engage with employees and management. Information is shared and discussed using agreed joint leadership and future forums when rights and obligations are consistently applied.</p> <p>Sibanye's vision is to create superior value for all its stakeholders, and this has resulted in processes to modernise employee engagement within and outside the workplace.</p> <p>Employees understand the positive impact that the operating model has had on extending life of mine (LoM) and thus creating employment opportunities. However, this could be jeopardised by union rivalry, which does not consider the stability of the business as a top priority.</p>	<p>Since inception, post the 2012 unbundling of Sibanye from Gold Fields, the Group proactively tried to win the hearts and minds of employees with the (People at Sibanye) strategy. This integrated approach deals with key employee-related aspects and focuses on implementing integrated solutions.</p> <p>Elements of the People at Sibanye strategy include:</p> <ul style="list-style-type: none"> • selling Group houses and facilitating affordable housing aligned to home-ownership allowances paid to employees • indebtedness programmes focused on moving beyond consolidating debt to personal balance sheet growth and financial wellbeing • career development • personal wellbeing • community development • integration <p>These initiatives are backed by unfiltered dialogue between employees and line managers, supported by frequent factual communication from the desk of the Chief Executive Officer (CEO). Recent employee survey findings have clearly indicated that employees prefer management communication and engagement to gather information as the union-rivalry phase has created a measure of confusion and distrust.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Optimise – Develop a productive, skilled and engaged workforce (page 46) • Sustain – Social upliftment and community development (page 55)
2. Health and safety		
Underground mining exposes miners to, among others, heat, dust, noise and injury from fall of ground. Consequently, the industry is subject to stringent health and safety laws and regulations. In addition, the industry is experiencing the negative effects of pandemics, such as HIV/Aids, along with accidents, accident investigations and stoppages, which adversely affect productivity and costs. Furthermore, investors do not want to invest in companies that do not manage their safety and health matters effectively.	<p>Sibanye believes that the safety and health of employees are essential for an engaged, productive workforce and that healthy employees work safely.</p> <p>In striving for zero harm at its operations, Sibanye aims to eliminate the potential for accidents and injury, and to minimise hazards inherent in the working environment in a practical manner.</p> <p>Sibanye has extensive systems of control in place to minimise health and safety risks. About 80% rely on employees taking ownership – from the CEO to line management, supervisors and mineworkers. Sibanye's integrated safety and health strategy includes adherence to operational standards and responsibility, engineering-out risk initiatives, fall-of-ground initiatives and action plans, improvement of employee wellbeing, application of appropriate technologies, and effective education and training.</p>	<p>For further information, refer to:</p> <ul style="list-style-type: none"> • Optimise – Develop a productive, skilled and engaged workforce (page 46) • Sustain – Health and safety focus (page 52) • Grow – Modernisation and technological innovation (page 67)
3. Regulatory and political processes		
<p>The South African mining environment is governed by legislation to redress some of the social and economic imbalances of the past. The mineral rights are subject to legislation in terms of the MPRDA, the Mining Charter and SLPs. Policy changes, particularly related to the MPRDA and the Mining Charter, create a framework for the transformation of the mining industry but increase the risk of non-compliance and handicap Sibanye's ability to deliver value.</p> <p>It is important to maintain sound relations with the regulator, the DMR, particularly upholding licence conditions. This includes directives, instructions, suspension or cancellation of mining rights.</p> <p>The political environment is outside of Sibanye's control but any negatives can be improved by the quality of stakeholder relations.</p>	<p>The threat of policy changes, including amendments to the MPRDA and legislative concerns, such as the outcome of the interpretation of BEE ownership, increases uncertainty and deters investment required for growth and sustainability.</p> <p>Policy uncertainty is making South African business reluctant to invest in the country and adding to the difficulty of attracting investors.</p> <p>As 2015 preceded an election year, the DMR was under increasing pressure, particularly from local government officials, to compel mining companies to comply with Mining Charter requirements and SLP commitments. Operations have had to bear the brunt of these demands in the form of stringent compliance inspections. Sibanye made an effort to maintain relations with the regulator to ensure that a neutral platform prevails for issues to be raised before sanctions are considered.</p>	<p>In view of the pending local elections in 2016, Sibanye has made an effort to engage with executive mayors in district and local municipalities, particularly in the Free State. This was important to understand the socio-political dynamics on the ground and potential risks for our operations. Executive mayors and councillors were kept in the loop about developments at Sibanye and realistic assessment of projects that can be funded. This engagement is expected to gain momentum in early 2016.</p> <p>At industry level, differences between the interpretation of the 'once empowered, always empowered' principle saw the Chamber of Mines approaching the courts to seek a 'declaratory order' on the issue. The matter is still pending. Sibanye has yet to engage the new Minister following Cabinet changes made by the President.</p> <p>The recent promulgation of the BBBEE Amendment Act, 2013 (Act No 46 of 2013) has resulted in the introduction of a 'trumping' provision (the Act will trump other laws) in relation to legislation on transformation. The current Mining Charter now needs to be aligned with the BBBEE Amendment Act before it is published. We have been part of the consultation process and will continue to influence the process to ensure that the requirements can be achieved.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Sustain – Social upliftment and community development (page 55) • Sustain – Transformation (page 62) • Grow – Secure alternative energy sources (page 66)

CONTEXT

SIBANYE'S VIEW

STRATEGIC RESPONSE AND ACTION

4. Availability and cost of energy

National supply of electricity has been constrained due to the shortage of available generating capacity at Eskom. This has resulted in regular load curtailment, especially during the first half of 2015, which interrupted certain production activities, mainly in the milling and processing of low-grade surface sources.

Eskom has been successful in reducing the extent of load curtailment, albeit through extensive use of expensive generating plant, which increases the upwards cost pressure on Eskom tariffs. Electricity tariffs have escalated substantially above general inflation for several years, resulting in electricity costs increasing from 9% of operating costs in 2007 to over 20% in 2015.

While Eskom expects minimal load curtailment in 2016, risks of load curtailment, with associated impact on production operations, are expected to remain appreciable for the next five years.

Despite the operations reducing energy consumption by 2% to 3% per annum since initiatives to improve energy efficiency and reduce energy wastage were implemented, electricity costs have increased to about 18% of operating costs.

Escalation of electricity tariffs is expected to continue well above general inflation for Eskom's tariffs to remain cost-reflective, as included in the national electricity regulation framework. This escalation will contribute significantly to above-inflation increases in mining costs, which will erode margins and raise pay limits, thereby potentially sterilising Mineral Resources.

Electricity tariff escalation is partially offset through continuous effort to reduce electrical-energy consumption through efficiency improvement and reduction in wasted energy with a view to continuing to secure a reduction in energy consumption of 2% to 3% per annum.

In addition, strategies for complying with load-curtailment obligations are being enhanced to lessen the impact on revenue-generating activities. The above-inflation electricity cost escalation that cannot be offset is accommodated in the pay limit calculations that are the basis of declaring Mineral Reserves and annual operational planning.

For the longer term, Sibanye has developed an alternative electricity programme that focuses on establishing private electricity-generating capacity that will provide energy security and cost-competitiveness. In addition to assessing various opportunities to generate baseload electricity supply with an independent power producer (IPP), a 150MW photovoltaic project is currently in permitting phase with a target date for first generation of electricity towards the end of 2017.

For further information, refer to:

- Optimise – **Optimise and integrate operations** (page 40)
- Sustain – **Manage environmental impact** (page 58)
- Grow – **Secure alternative energy sources** (page 66)

5. Stakeholder relationships and reputation

Sibanye's reputation is determined and defined by stakeholders' perceptions of the Group, particularly communities in the vicinity of the mining operations. Sibanye recognises that its long-term success is based on establishing and maintaining sound and respectful relationships of trust with a wide range of internal and external stakeholders.

Sibanye recognises that there are enormous challenges and developmental needs among some members of its communities, and recognises its own limitations in terms of what it can do.

Sibanye's engagement efforts are guided and underpinned by its CARE philosophy and vision. This enables it to immediately hear and validate its stakeholders' concerns while respectfully affirming the Group's position.

Through sound stakeholder engagement, the Group is able to make a lasting and meaningful contribution to human development while ensuring that its reputation and business remain intact.

While building and maintaining good relations with stakeholders does not guarantee avoidance of social unrest, this positions Sibanye well to navigate issues that arise within its communities from time to time.

Sibanye engages proactively and speedily to avoid the reputational impact that could result from non-responsiveness. It endeavours to form meaningful partnerships with other businesses in its areas of operation in order to pool its resources for greater impact. Collaboration bodes well for all parties and keeps local municipalities in the loop as key stakeholders.

For further information, refer to:

- Sustain – **Social upliftment and community development** (page 55)
- Sustain – **Manage environmental impact** (page 58)
- Sustain – **Transformation** (page 62)



MATERIAL ISSUES CONTINUED

TOP 14 MATERIAL ISSUES continued

CONTEXT	SIBANYE'S VIEW	STRATEGIC RESPONSE AND ACTION
6. Social licence to operate		
Sibanye's social licence to operate is the vehicle that drives government's transformation agenda in that it revolves around the level of satisfaction within communities adjacent to the operations. At the heart of this agenda is the Mining Charter.	While the Mining Charter expired at the end of 2014, this does not mean that there is no need to continue with the transformation effort. Work currently underway on the new Mining Charter seems to indicate that there will be a renewed sense of urgency in the next few years.	<p>At a minimum, Sibanye will continue to engage with its stakeholders, deliver on its socio-economic development initiatives, share value with all stakeholders, and submit and implement its SLPs.</p> <p>The Group has continued to engage with the DMR to ensure that it remains proactive and compliant with regard to the maintenance of mining rights for all the operations.</p> <p>The Corporate Affairs department plays a critical role in the Chamber of Mines Charter Reference Group developing industry proposals on the new Mining Charter and alignment with the new DTI codes and the BBBEE Amendment Act.</p> <p>Sibanye has established relations with structures representing communities in order to streamline processes relating to employment and procurement opportunities in the Free State. The same approach is being tested before rolling out in the Gauteng area. The current partnership, which includes the Matjhabeng Local Municipality, is underpinned by a memorandum of understanding (MoU).</p> <p>Sibanye has begun engaging with traditional leaders and municipal councillors in rural labour-sending areas as well as representatives of the governments of Lesotho, Botswana and Mozambique. As these stakeholders have potential influence over more than 67% of Sibanye employees, it was important to ensure that they were apprised of Sibanye and how the CARE approach is implemented.</p> <p>Corporate Affairs has been instrumental in providing guidance and support to the mining operations to ensure that adequate compliance levels are achieved. This includes scanning the internal and external environments for potential and other risks, and identifying and implementing mitigation strategies.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Sustain – Social upliftment and community development (page 55) • Sustain – Manage environmental impact (page 58) • Sustain – Transformation (page 62)
7. Acquisitions and their integration		
Timely and efficient integration of Sibanye's inorganic acquisitions into the operating model and supply chain will be essential to deliver on the business strategy.	The proposed acquisitions of Anglo American Platinum's Rustenburg Operations and Aquarius will require significant management focus to align them with the Sibanye operating model. The lessons learnt from the integration of the Cooke Operations and Burnstone will be taken into account.	<p>Sibanye will integrate the acquisitions based on sound project-management principles and, where applicable, external parties may be contracted to assist with post-acquisition integration and stakeholder communication.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Optimise – Optimise and integrate operations (page 40) • Grow – Acquisitions and funding model (page 69)
8. Rising costs and squeezed margins		
<p>Increasing costs – of power and labour in particular – affect operating margins, inhibit cash flow and profitability, and consequently Sibanye's ability to pay dividends.</p> <p>As a result of escalating cost of electricity, wages and other costs, and other input price increases, the mining sector is losing out on opportunities to sustain current jobs or create more jobs. Rising costs and squeezed margins are contributing factors to slowing economic growth and the unemployment rate increasing from 25.0% to 25.5% in 2015.</p>	<p>From Sibanye's point of view, these are the critical implications of rising costs:</p> <ul style="list-style-type: none"> • increased pay limit (break-even grade) • reduction in Mineral Reserves and LoM • possible early closure of shafts • impairment • labour tension due to downsizing • reduced cash generation impacting the dividend 	<p>Dealing with rising costs is an ongoing initiative, which includes:</p> <ul style="list-style-type: none"> • conservative commodity and exchange-rate assumptions for planning • business restructuring • cost management and control • mining-grade management • strategic procurement initiatives • short interval reviews • stakeholder management (for example, with Eskom) <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Optimise – Optimise and integrate operations (page 40) • Sustain – Project development and capital allocation (page 49) • Grow – Secure alternative energy sources (page 66) • Grow – Modernisation and technological innovation (page 67)
9. Commodity prices and exchange rates		
<p>The revenue Sibanye earns is determined largely by the prices received for gold sold and, to a lesser extent, for uranium. Both these prices, over which Sibanye has no influence, are set on global markets in terms of US dollars.</p> <p>As Sibanye is domiciled and operates in South Africa, dollar receipts for product sold must be converted to South African rand, and the amount received in rands is thus a function of the rand/US dollar exchange rate. Ultimately, rand revenue is then a function of the gold price in dollars and the local exchange rate. As the dollar gold price has continued to weaken over the past three years so too has the rand/US dollar exchange rate, which has helped to counter declines in the dollar price of gold in terms of rand revenue earned.</p>	<p>Volatility in the gold price and the rand/US dollar exchange rate in recent years has resulted in financial uncertainty in terms of revenue generated, cash flows and profitability.</p> <p>Furthermore, the rand/US dollar exchange rate also has an impact on costs incurred, chiefly in rand. A weakening rand contributes to higher rand revenue, to lower costs in terms of US dollars and to increased operating margins. The opposite is also true: a stronger rand implies reduced rand revenue, higher costs in terms of dollars and decreased operating margins. It is therefore vital that the business is managed to counter the effects of this volatility.</p>	<p>To counter the effects of market volatility, Sibanye has devised an operating model that, to increase margins, is based on:</p> <ul style="list-style-type: none"> • optimising capital expenditure • reducing costs and pay limits • optimising LoM plans <p>For further information, refer to:</p> <ul style="list-style-type: none"> • Optimise – Optimise and integrate operations (page 40) • Sustain – Project development and capital allocation (page 49) • Grow – Acquisitions and funding model (page 69)

CONTEXT	SIBANYE'S VIEW	STRATEGIC RESPONSE AND ACTION
10. Technology and innovation (partnerships)		
Modernisation of mining processes is a means to improve productivity and the safety of employees in the workplace.	Development of new technology or innovation will have a substantial impact on Sibanye's ability to create value over time. Improved mining methods and cycles will allow extraction of maximum value from assets and resources by lowering cut-off grades, decreasing dilution and increasing production rate. The net result will be higher volumes of better-quality product with substantial reductions in injury-frequency rates, facilitated by reduced employee exposure to danger areas.	<p>In order to develop fit-for-purpose technology, Sibanye has developed partnerships with developers and suppliers as well as MoUs governing information sharing with counterparts in the mining industry.</p> <p>Sibanye established the Safe Technology department in July 2014. It has since facilitated industry-wide due diligence on past, current and future developments with respect to modernising narrow, tabular and steeply dipping ore-body extraction. The process yielded a number of technologies that have been actively pursued, and are in various stages of investigation, development and implementation.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> Optimise – Optimise and integrate operations (page 40) Grow – Secure alternative energy sources (page 66) Grow – Modernisation and technological innovation (page 67)
11. Maintaining sustainable infrastructure		
Inadequately maintained infrastructure can result in unplanned breakdowns and stoppages with possible production delays, increased costs and industrial accidents.	Maintaining infrastructure necessitates a planned programme of maintenance and upgrades, which has to be funded by capital expenditure.	<p>Capital expenditure is linked to infrastructure risk assessment. Sibanye keeps a maintenance risk register and conducts regular shaft-infrastructure maintenance management inspections.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> Optimise – Optimise and integrate operations (page 40) Sustain – Project development and capital allocation (page 49) Grow – Acquisitions and funding model (page 69)
12. Financing		
Appropriate and required financing can be difficult and often expensive. Efficient, sensible funding of acquisitions and aging infrastructure must be planned and co-ordinated, and optimum levels of debt and funding mechanisms determined.	<p>Sibanye is particularly aware that:</p> <ul style="list-style-type: none"> lack of finance can cause short-term liquidity constraints during periods of low delivery (extended Christmas and Easter breaks) and during strikes (legal/illegal) availability and cost of funding can impact internal organic growth and acquisitive growth the cost of finance can have a severe impact on cash flow and the dividend 	<p>Debt facilities are in place at competitive interest rates:</p> <ul style="list-style-type: none"> R2.5 billion revolving-credit facility R1 billion term-loan facility US\$350 million revolving-credit facility US\$150 million bridge financing for the Aquarius acquisition restructuring or refinancing of debt will be considered when appropriate <p>For further information, refer to:</p> <ul style="list-style-type: none"> Sustain – Project development and capital allocation (page 49) Grow – Acquisitions and funding model (page 69)
13. Managing environmental aspects		
By its very nature, mining has an impact on its surrounding environment. The South African mining industry is governed by extensive laws and regulations to regulate its use of natural resources and to protect the environment against adverse impacts caused by its activities.	Sibanye believes it is vital that it acts as a responsible environmental steward. Preventing and minimising the environmental consequences of mining activities will also contribute to positive stakeholder relations and will minimise any reputational damage.	<p>Sibanye must make optimal use of natural resources, especially water and energy, conserve land and comply strictly with environmental legislation.</p> <p>For further information, refer to:</p> <ul style="list-style-type: none"> Sustain – Manage environmental impact (page 58)
14. Illegal mining		
Illegal mining impacts Sibanye on the surface and in its underground working areas. These activities are difficult to control, and can disrupt the business and expose it to liability. This negatively impacts employees, production and profitability.	<p>While illegal surface mining holds lesser risks for Sibanye from a reputational, health and safety, and financial perspective, illegal mining in its underground workings is of grave concern. Illegal mining in the underground workings negatively impacts infrastructure, health and safety, equipment, product, production schedules/targets, and people.</p> <p>In some instances, central blasts are tampered with resulting in lost blasts and therefore lost production. In other instances, winches and other equipment are used by illegal miners and this equipment is often damaged, which incurs repair costs or lost time with a negative impact on production.</p> <p>Health and safety may be compromised by illegal miners lighting fires, indiscriminately urinating and defecating, smoking, undermining underground support and spiking water-supply systems. A major consequence of illegal miner-induced anomalies could be statutory stoppage of operations, which results in substantial production and financial loss.</p> <p>Also of concern is employees (including security employees) being coerced, corrupted or compromised to assist the practice of illegal mining.</p>	<p>Illegal mining activities, on the surface and within the underground workings at Sibanye, may be described as manageable. In order to deal with this risk, Sibanye has the following in place:</p> <ul style="list-style-type: none"> a security roll-out plan to deal with this issue from a preventative, investigative and criminal perspective a highly trained tactical response team to locate and extricate illegal miners from underground workings an anonymous reporting platform a reward system for whistleblowers and employees who apprehend illegal miners a well-developed internal communication strategy a focused Illegal Mining Task Team (multi-disciplinary with senior representation) <p>For further information, refer to:</p> <ul style="list-style-type: none"> Optimise – Optimise and integrate operations (page 40)

PERFORMANCE REVIEW



Our performance review is structured around the **optimise, sustain and grow** strategic enablers. We have sought to provide further insight into the underlying strategic initiatives to demonstrate our performance and outlook that is ultimately linked to our ability to create and sustain value.



OPTIMISE

**Integrate and
optimise
existing operations**

P40

Optimise and integrate operations

P46

Develop a productive, skilled and
engaged workforce



SUSTAIN

**Create sustainable
operations and
value for all stakeholders**

P49

Project development and
capital allocation

P52

Health and safety focus

P55

Social upliftment and
community development

P58

Manage environmental impact

P62

Transformation



GROW

**Invest for growth
and innovate future
business model**

P66

Secure alternative energy sources

P67

Modernisation and
technological innovation

P69

Acquisitions and funding model

STRATEGIC ENABLER

STRATEGIC INITIATIVE



OPTIMISE AND INTEGRATE OPERATIONS

APPROACH

Sibanye's operating model is based on the implementation of fundamental mining practices and flat, cost-efficient structures designed to optimise and sustain operational performance. The Group has a proven operational track record of managing complex mines and is confident that, by applying its operating model and mining capability to new acquisitions and projects, it can continue to realise value for stakeholders.

The Group's cash-generative capacity of its high-quality gold operations and robust balance sheet ideally position the Group to benefit in the current environment of depressed commodity prices and relatively low mining-company valuations. By optimally managing its current operations and successfully integrating recent and pending acquisitions, Sibanye will be able to deliver on its vision while continuing to pay sustainable, industry-leading dividends to shareholders.

PERFORMANCE

The optimisation of operations is multi-faceted, and is underpinned by the Sibanye operating model and its principal objectives. The focus is primarily on initially reducing then managing costs, which are under management's control, thereby lowering pay limits (or the grade at which the operations can be mined at break-even), which results in an increase in operational flexibility and cash margins. Key elements of the optimisation process include continuous re-engineering of the business, and introduction and adherence to planned return cut-off ore reserve-management principles. Initial restructuring in 2013 and 2014 of the gold assets resulted in a meaningful increase in production and decrease in operating costs. Further cost reductions at these assets are likely to be more incremental.

Optimisation of the existing gold operations also involved, among other initiatives, reducing energy consumption so as to minimise the effect of load shedding on operations as well as reducing the cost of power, addressing air leakages underground and increased expenditure on security in order to reduce the impact of illegal mining, which negatively impacts on production, and hence profitability and potentially the life of the operations.

Sibanye's Safe Technology function – see **Modernisation and technological innovation** on page 67 – is researching and developing new technology, which aims to provide a modern mining environment that is safer and more productive in future, and could potentially deliver a profitable long-term future for the industry by allowing safe extraction of previously inaccessible resources and resources at depth.

FUTURE FOCUS

The focus in 2016 will be on ensuring that operational issues, which affected the first quarter of 2015, are not repeated and that greater effort is applied to quality-of-mining factors in order to ensure safe operational delivery against plan in the Gold division. Efficient integration of the platinum assets and implementation of the Sibanye operating model, and CARE culture, will be driven by the Organisational Effectiveness team together with executive and senior management.

OPERATIONAL PERFORMANCE

Overall, gold production in 2015 was lower year-on-year, largely as a result of operational disruptions in the first quarter of the year, especially at Kloof, and periodic electrical load curtailments for most of the first half of the year. Opportunities to improve productivity and recover lost production were identified and implemented at all operations, resulting in improved production levels in the second half of the year.

Average unit costs for the year were negatively affected by the lower level of production, the inclusion of the Cooke Operations for a full year (only seven months in 2014), higher labour costs and electricity tariffs.

Two thirds – R2,305 million – of the total capital expenditure of R3,345 million was spent on ORD at the operations to maintain operational flexibility, in line with our operating model, while R669 million was expended on sustaining capital expenditure and infrastructural maintenance (one of our material issues).

KEY STATISTICS BY OPERATION

Tons milled (000)										
	Underground		Surface		Total		Main development (m)		Area mined (m²)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Beatrix	2,723	2,571	1,596	1,975	4,319	4,546	21,599	19,733	416,684	384,701
Cooke*	1,470	893	4,323	2,779	5,793	3,672	12,923	9,508	204,835	175,627
Driefontein	2,412	2,497	3,360	2,867	5,772	5,364	15,704	17,376	384,109	374,914
Kloof	1,979	1,983	1,998	2,670	3,977	4,653	17,899	18,743	307,750	304,930

*Since incorporation on 15 May 2014

	Yield (g/t)						All-in sustaining cost			
	Underground		Surface		Overall		Actual (R/kg)		Margin (%)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Beatrix	3.51	3.74	0.34	0.38	2.34	2.28	408,422	377,101	14	15
Cooke*	3.65	4.16	0.21	0.21	1.08	1.17	541,843	445,645	(14)	(2)
Driefontein	6.36	6.54	0.60	0.49	3.01	3.31	373,752	357,333	21	19
Kloof	6.49	7.89	0.61	0.52	3.54	3.66	426,223	352,624	10	20

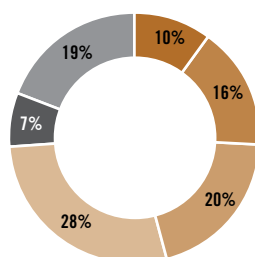
*Since incorporation on 15 May 2014

Gold produced (kg)							Capital expenditure (Rm)		Total cash cost (R/kg)	
Underground		Surface		Total						
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Beatrix	9,557	9,603	548	751	10,105	10,354	597	548	340,792	313,888
Cooke*	5,359	3,719	893	586	6,252	4,305	337	230	474,584	395,168
Driefontein	15,345	16,329	2,005	1,406	17,350	17,735	994	1,149	309,764	283,129
Kloof	12,848	15,653	1,220	1,385	14,068	17,038	1,130	1,236	342,764	271,282

*Since incorporation on 15 May 2014

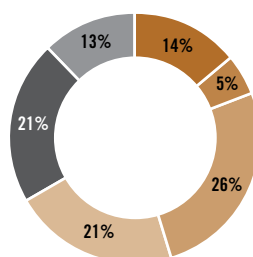
GOLD

Mineral Resources (98.8Moz)



Beatrix	9.6Moz	Cooke	15.9Moz
Driefontein	19.8Moz	Kloof	28.2Moz
WRTRP	6.5Moz	Projects	18.8Moz

Mineral Reserves (31.0Moz)

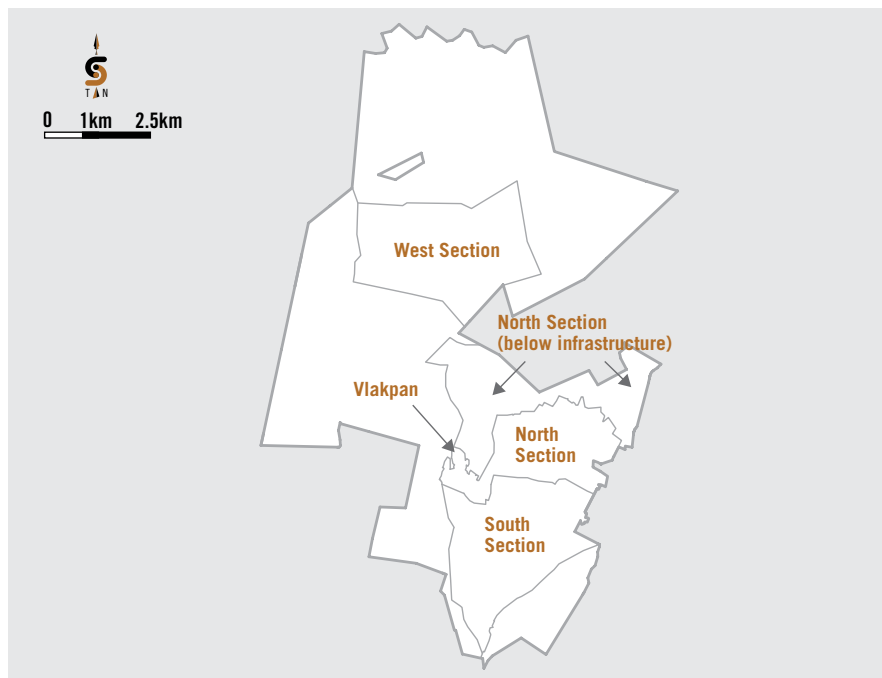


Beatrix	4.3Moz	Cooke	1.5Moz
Driefontein	8.2Moz	Kloof	6.5Moz
WRTRP	6.5Moz	Projects	3.9Moz





OPTIMISE AND INTEGRATE OPERATIONS CONTINUED



BEATRIX

Located in the Free State province of South Africa, some 240km south-west of Johannesburg, near Welkom and Virginia, Beatrix operates under new order mining rights covering a total area of 16,821ha. Beatrix is principally an underground mine with nominal surface reserves represented by surface rock dumps (SRDs) accumulated during the operating history of the mine.

INFRASTRUCTURE

Shaft system	Hoisting capacity
No 1	138ktpm
No 3	170ktpm
No 4*	120ktpm

Capacities based on operational requirements and constraints

**Includes Beisa*

Processing plant	Capacity	Recovery factor
No 1	243ktpm	96%
No 2	130ktpm	95%

PERFORMANCE IN 2015

Gold production decreased by 2% to 10,105kg (324,900oz) in 2015. This was primarily due to anticipated lower grades at the West Section (4 Shaft), partly offset by high volumes and grades from the North Section.

Underground ore milled increased by 6% to 2.7Mt in 2015, offsetting a 6% lower yield, which averaged 3.51g/t. As a result, gold production from underground was flat at 9,557kg. Unit costs decreased by 2% to R1,169/t.

To improve mining flexibility, on-reef development was increased by 4% to 6,344m, mainly at the West Section. Main development increased by 9% to 21,599m. The average development value increased to 1,100cm.g/t from 1,034cm.g/t.

Underground operating costs increased by 4% to R3,185 million, reflecting the higher development and stoping volumes at the North and West sections, and the above-inflation increases in wages and electricity tariffs, partly offset by an increase in ORD capitalised. Underground operating profit increased by 16% to R1,371 million and the operating margin increased from 28% to 30% in 2015.

The Beatrix surface operations contributed 548kg, 27% lower than in 2014. This was mostly due to a 19% decrease in tons processed due to SRD material being displaced by higher grade underground ore, and marginally lower grades. Operating profit for the year amounted to R53 million.

Capital expenditure increased by 9% to R597 million in 2015. The increase was predominantly due to the increase in off-reef development at Beatrix West Section, following the suspension of development in 2014 in order to maintain the economic viability of the section.

DESCRIPTION

Gold mining began at Beatrix in 1985 and at Oryx (Beatrix Shaft 4, also known as West Section) in 1993.

The existing scope of operations is the result of the consolidation of the adjacent Beatrix and Oryx mines on 1 July 2002.

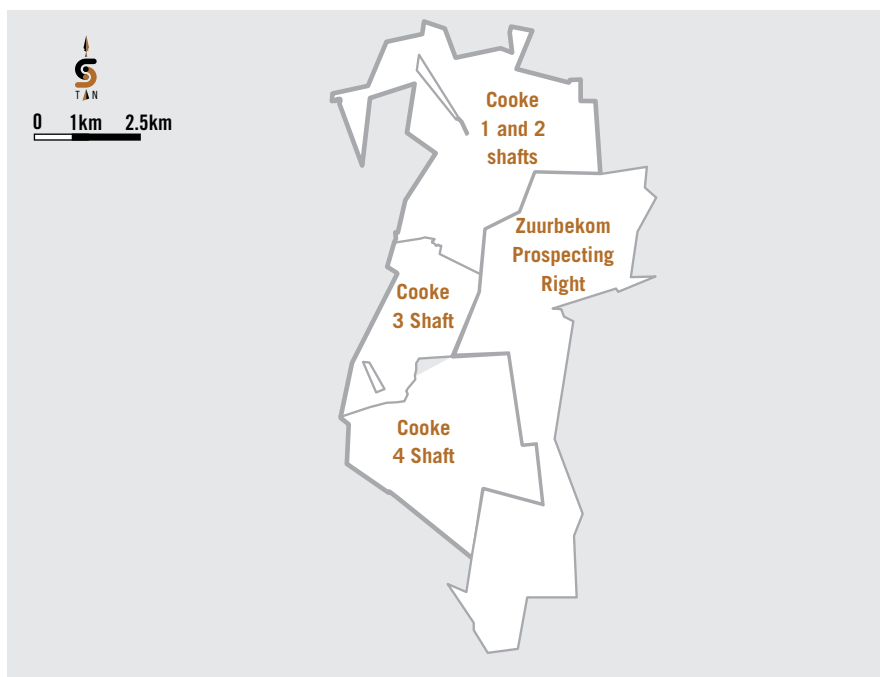
Beatrix has three operating shaft systems with two ventilation shafts to provide additional upcast and downcast ventilation capacity, and is serviced by two metallurgical plants.

Beatrix, a shallow to intermediate-depth operation, mining at depths of between 700m and 2,200m below surface, exploits the Beatrix Reef at shafts 1 and 3, and the Kalkoenkrans Reef at Shaft 4. Situated near regional urban centres where it can routinely obtain supplies, the mine has access to the national electricity grid and to water, road and rail infrastructure.

Processing occurs by way of carbon in leach (CIL) and carbon in pulp (CIP) treatment at the No 1 and 2 plants respectively.

COOKE

Located near Randfontein, approximately 30km south-west of Johannesburg in the province of Gauteng, South Africa, the Cooke underground operations comprise four vertical shafts (Cooke 1 to 4 and the Ezulwini Plant) and the surface operation (with a dedicated processing facility), serviced by a developed network of mining and civil infrastructure with adequate electricity and water supplies. The operations have three individual new order mining rights: Cooke 1, 2 and 3 cover 7,875ha, Cooke 4 covers 3,718ha and the surface operations cover 3,230ha.



DESCRIPTION

The Cooke Operations consist of four producing shaft systems and well as three metallurgical plants.

The underground operations are relatively shallow (~1,000m) with fewer seismicity or heat challenges than experienced at the neighbouring Kloof or Driefontein operations. The primary gold-bearing reef horizon mined at Cooke 1, 2 and 3 is the UE1A and the Upper Elsburg Reef at Cooke 4.

Access to the Ezulwini uranium plant allows for near-term production of uranium from underground ore mined at Cooke as a by-product.

The Cooke Plant was constructed in 1978 and has a nameplate capacity of 280,000tpm.

In 2005, it was converted from a reef treatment plant to treat sand from the nearby high-grade Dump 20 tailings storage facility (TSF). High-grade ore from the Cooke 1, 2 and 3 shafts was diverted for toll treatment at Harmony's Doornkop Plant.

Today, the Cooke surface operations process tailings from Dump 20 at a monthly rate of approximately 350,000t to produce approximately 32,000oz of gold per annum. Mixed gold and uranium underground ore from Cooke 3 and all of Cooke 4's ore is treated at the dual-stream Ezulwini gold- and uranium-recovery plants.

INFRASTRUCTURE

Shaft system	Hoisting capacity
No 1	15ktpm
No 2	28ktpm
No 3	54ktpm
No 4	56ktpm

Capacities based on operational requirements and constraints

Processing plant	Capacity	Recovery factor
Cooke Plant	400ktpm	60%
Ezulwini gold plant	150ktpm	95%
Ezulwini uranium plant	50ktpm	78%

PERFORMANCE IN 2015

Gold production in 2015 amounted to 6,252kg (201,000oz) compared with 4,305kg (138,400oz) for the seven months since acquisition, ended 31 December 2014. The average yield was marginally lower at 1.08g/t.

Underground production was 5,359kg compared with 3,719kg for seven months in 2014. Underground ore milled was 1.5Mt at a yield of 3.65g/t.

The R58 million operating loss from the underground operation was offset by R54 million operating profit from surface, resulting in an operating loss of R4 million. Underground operating costs for 2015 were R2,620 million at a unit cost of R1,782/t compared with R1,641/t in 2014.

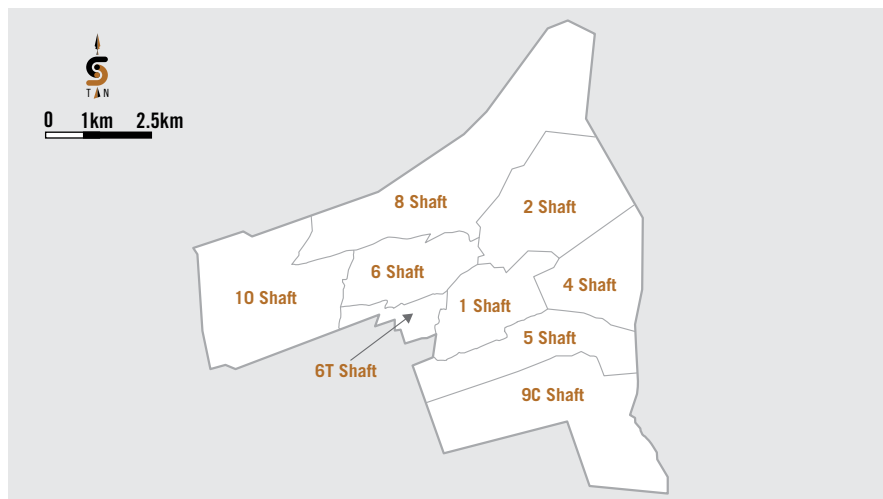
Main development of 12,923m was 36% higher than in 2014 at an average value of 834cm.g/t, compared with 799cm.g/t for 2014.

The Cooke surface operations contributed 893kg (28,700oz) from throughput of 4.3Mt at a yield of 0.21g/t, which was similar to 2014.

Capital expenditure of R337 million was mainly spent on ORD and infrastructure upgrades, and the studies relating to the growth project: the WRTRP.



OPTIMISE AND INTEGRATE OPERATIONS CONTINUED



DRIEFONTEIN

Located on the Far West Rand, in the mining district of Oberholzer, some 70km south-west of Johannesburg in the province of Gauteng, South Africa, Driefontein operates under new order mining rights covering a total of 8,561ha. It is an underground mine with surface reserves represented by rock dumps and TSFs that have accumulated throughout the operating history of the mine.

INFRASTRUCTURE

Shaft system	Hoisting capacity
No 1	105ktpm
No 2	165ktpm
No 4	57ktpm
No 5	159ktpm
No 6	26ktpm
No 8	60ktpm

Capacities based on operational requirements and constraints

Processing plant	Capacity	Recovery factor
No 1	240ktpm	97%
No 2	180ktpm	81%
No 3	100ktpm	82%

PERFORMANCE IN 2015

Due to a decrease in underground volumes and a planned decrease in grade, gold production from Driefontein decreased by 2% to 17,350kg (557,800oz) during 2015. The overall yield decreased from 3.31g/t to 3.01g/t.

Underground ore milled decreased by 3% to 2.4Mt, largely due to lower volumes in the March 2015 quarter. The yield also decreased by 3% year-on-year due to a face value decrease from 1,840cm.g/t in 2014 to 1,742cm.g/t in 2015. Accordingly, underground gold production was 6% lower at 15,345kg.

The cost of underground ore milled increased by 9% to R1,941/t year-on-year due to lower throughput and above-inflation increases in electricity tariffs and wages. In nominal terms, costs increased by less than 6%. Main development decreased by 10% to 15,704m and on-reef development of 3,242m was 18% lower, as planned. Operating profit from the underground operations declined by 6% to R2,603 million due to the lower gold production and increase in costs. The operating margin decreased from 37% in 2014 to 36% in 2015.

Lower underground production was partly replaced by surface production, with gold from processing surface reserves increasing by 43% to 2,005kg. This was driven by a 22% increase in the yield to 0.60g/t due to higher-grade available SRDs and a 17% increase in tons milled at 3.4Mt. This was due to optimisation of existing milling capacity. Operating profit from surface operations increased from R145 million in 2014 to R399 million in 2015.

Capital expenditure of R994 million was 13% lower than in 2014. This was mainly due to the completion of infrastructure upgrades – a significant element being the No 2 Plant CIL upgrade (R117 million in 2014). Capital in 2015 was predominantly spent on ORD, the refrigeration and cooling plant on 38 Level, and stabilisation of the shaft barrel at the Ya Rona Shaft.

DESCRIPTION

Driefontein has six operating shaft systems at depths of between 700m and 3,420m below surface and three metallurgical plants exploiting the Carbon Leader Reef, the Ventersdorp Contact Reef and the Middelvelei Reef.

Driefontein has access to the extensive national electricity grid and to water, road and rail infrastructure. Located near regional urban centres where it can routinely obtain supplies, the mine was formed from the amalgamation of the East Driefontein and West Driefontein mines in 1999.

The Driefontein 1 Plant treats underground ore and has a processing capacity of 240,000tpm. The upgraded CIP circuit at the No 1 Plant consists of a semi-autogenous grinding (SAG) mill circuit followed by cyanide leaching, CIP and a central elution facility.

The Driefontein 2 Plant processes SRD material, which is delivered by rail and truck. Plant flow incorporates two SAG mills and a ball milling circuit, cyanide leaching and a CIP plant. A CIL circuit was commissioned in 2014 at the No 2 Plant to improve recoveries by replacing the aging CIP circuit.

The Driefontein 3 Plant was originally designed as a uranium plant but was converted to process low-grade surface rock in 1998. Similar to the No 2 Plant, SRD ore is delivered by rail and truck. The plant has four SAG mills followed by cyanide leaching and a CIP circuit.

KLOOF

Located in the Far West Rand mining district of Westonaria, some 60km south-west of Johannesburg in Gauteng province, South Africa, Kloof's new order mining rights cover a total of approximately 20,100ha. It is principally an underground mine with nominal surface reserves represented by SRDs and TSFs accumulated during the operating history of the mine.

DESCRIPTION

The Kloof Operation is a complex of intermediate to ultra-deep-level mines, predominantly mining the Ventersdorp Contact Reef, at depths of between 1,300m and 3,350m below surface. The mine is situated near regional urban centres where it can routinely obtain supplies, and has access to the national electricity grid and to water, road and rail infrastructure. Kloof's existing scope of operation is the result of the consolidation of the Kloof, Libanon, Leeudoom and Venterspost mines in 2000.

Gold mining began in the area now covered by these operations in 1934.

Kloof's operations comprise five producing shaft systems and two metallurgical gold plants. The Kloof 1 Plant (KP1) was commissioned in 1968 and originally designed to process underground ore. It was converted to process surface reclamation dumps in 2001. KP1 comprises three-stage crushing, open-circuit rod mills for primary grinding and closed-circuit pebble mills for secondary milling. This is followed by cyanide leaching, filtration, zinc precipitation and smelting.

The Kloof 2 Plant (KP2) was commissioned in November 1990 and currently treats all of Kloof's underground ore. Reef is trucked and conveyed to a central stacker pad, which feeds two SAG mills equipped with variable-speed ring motor drives. Milling is followed by cyanide leaching, CIP and treatment at an independent elution and smelting facility. The elution facility was upgraded in June 2001 and again in October 2003 to process loaded carbon from KP1 and the former KP3 (Libanon) plant. The upgrade included the installation of continuous electro-winning sludge reactors.



INFRASTRUCTURE

Shaft system	Hoisting capacity
No 1	100ktpm
No 3*	55ktpm
No 4	82ktpm
No 7	32ktpm
No 8	15ktpm

Capacities based on operational requirements and constraints

*Increased winder speed

Processing plant	Capacity	Recovery factor
KP1	180ktpm	92%
KP2	165ktpm	98%

PERFORMANCE IN 2015

Year-on-year gold production declined by 17% to 14,068kg (452,300oz) in 2015. Production was impacted by underground fires at 7 and 1 shafts, which resulted in lower volumes and lower grades, and load shedding.

Underground production volumes in the second half of 2015 were much improved, albeit at lower grades, resulting in tons milled for 2015 of 2.0Mt being only marginally lower than that achieved in 2014. However, yields and gold output both declined by 18% to 6.49g/t and 12,848kg respectively.

On-reef development increased by 8% to 4,314m and the average development value increased to 1,824cm.g/t from 1,637cm.g/t. Main development was planned down due to the recapitalisation project largely completed by the end of 2014 but was also affected by the fires, as well as safety stoppages, and decreased by 5% to 17,899m.

Lower production resulted in unit costs increasing by 9% to R2,251/t and operating profit from the underground operations declining from R2,800 million in 2014 to R1,658 million in 2015.

Surface throughput decreased by 25% to 2.0Mt as a result of decommissioning the Python mobile processing plant in July 2014. Average surface grades increased from 0.52g/t to 0.61g/t due to more selective processing of SRD material, which partly offset the lower throughput, resulting in a 12% decline in surface gold production to 1,220kg. Despite the lower production, closure of the Python Plant resulted in reduced costs and an increase in operating profit from R200 million in 2014 to R256 million in 2015.

Capital expenditure of R1,130 million was 9% lower than in 2014. Capital was mainly spent on ORD, maintenance and equipment upgrades, and the 4 Shaft 45 Level decline project.



OPTIMISE

DEVELOP A PRODUCTIVE, SKILLED AND ENGAGED WORKFORCE

APPROACH

Sibanye places significant emphasis on open, honest and regular communication with employees in order to align the business and employees. One of the initiatives to address the trust deficit that has historically developed between management and employees in the South African mining industry has been the development of the People at Sibanye strategy (see page 34), aimed at winning the hearts and minds of employees and engendering a sense of ownership and pride in the Group. This strategy is an integrated and solution-based approach that seeks to address key employee-related issues by enhancing the employee value proposition.



PERFORMANCE

As at 31 December 2015, Sibanye employed a total of 46,269 people (2014: 44,411 people) – 86% full-time permanent employees and 14% full-time contractors. The slight increase in the number of employees since the beginning of 2015 is mainly in the production environment. Decreases in employment, particularly in the services areas, are due to a restructuring process undertaken in the last quarter.

Sibanye's employee complement will increase to more than 70,000 people in 2016 following the conclusion of the Rustenburg Operations and Aquarius acquisitions.

Permanent employees in 2015 comprised:

- **men:** 35,393 (2014: 35,453); 89% (2014: 90%)
- **women:** 4,332 (2014: 3,779); 11% (2014: 10%).

Contractors employed by Sibanye in 2015 comprised:

- **men:** 6,148 (2014: 4,766); 94% (2014: 92%)
- **women:** 396 (2014: 413); 6% (2014: 8%).

In terms of age, permanent employees comprised:

- **younger than 30 years of age:** 5,251 (2014: 5,798); 13% (2014: 15%)
- **between 30 and 50 years old:** 27,017 (2014: 26,460); 68% (2014: 67%)
- **older than 50:** 7,457 (2014: 6,974); 19% (2014: 18%).

Contractors, in terms of age, comprised:

- **younger than 30:** 1,890 (2014: 1,756); 29% (2014: 34%)
- **aged 30 to 50:** 3,805 (2014: 2,821); 58% (2014: 54%)
- **older than 50:** 849 (2014: 602); 13% (2014: 12%).

OUR CORPORATE CULTURE

is founded on the values of CARE, which underpin our business strategy, and promote competitiveness and success. These values have been embedded through continuous communication, transformation, education and training. They are supported by our safety, health and wellbeing strategy, which has five key pillars:

- compliance with safety rules is essential
- workplace and process risks must be identified and engineered out
- employee wellbeing is fundamental to success
- staying fit and healthy is a joint responsibility
- relationships are important and should be based on mutual respect – managers and employees need to share goals and engage with teamwork underpinning what we do – we seek motivated and competent teams

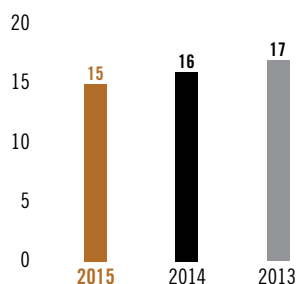
NUMBER OF EMPLOYEES AT 31 DECEMBER 2015

	2015			2014			2013		
	Permanent employees	Contractors*	Total	Permanent employees	Contractors	Total	Permanent employees	Contractors	Total
Corporate office	3,054	1,018	4,072	2,895	897	3,792	248	–	248
Beatrix	7,618	1,362	8,980	7,444	806	8,250	7,963	565	8,528
Cooke	5,236	2,084	7,320	5,570	2,051	7,621	–	–	–
Driefontein	10,772	949	11,721	10,425	672	11,097	11,860	775	12,635
Kloof	10,192	941	11,133	9,791	695	10,486	10,469	766	11,235
Other**	2,853	190	3,043	3,107	58	3,165	3,628	–	3,628
Total	39,725	6,544	46,269	39,232	5,179	44,411	34,168	2,106	36,274
	86%	14%		88%	12%		94%	6%	

*Excludes 'free' contractors (receive a fee for service irrespective of the number of contractor employees on site – they are not compensated on a fee-per-head basis but on a fee for the service or work performed)

**Includes all services (Property, Sibanye Gold Academy, Sibanye Gold Shared Services, Sibanye Gold Protection Services and Sibanye Gold Health Services) as well as Burnstone

Lost days due to absenteeism (%)



Absenteeism includes mine accidents, sick leave, occupational health, unpaid leave, absent without permission (AWOP), training, annual leave and other/miscellaneous.

HUMAN RIGHTS

Sibanye's employees, including security personnel, are trained to uphold human rights, and to respect all cultures and customs. Training is provided in terms of our human rights policies and procedures as part of the return-from-leave and new-engagement processes. A well-articulated and fair system is in place to deal with discrimination and breaches of human rights.

Training of security employees was included in the Workplace Skills Plan (WSP) for 2015. A service provider, Maccaulei Learning Academy, was appointed to provide training in human rights to Protection Services, and trained 62 employees.

The WSP is a strategic training document, published annually, which articulates an employer's approach to training and development needs in the workplace. It is governed by the Skills Development Act, 1998 (Act No 97 of 1998) and the Labour Relations Act, 1995 (Act No 66 of 1995), compiled jointly by the employer, employee representatives and non-unionised employees.

All significant investment agreements and contracts that include human-rights clauses were screened in 2015.

Our human capital policies also address risks related to human rights, child labour or forced labour at any of our operations or among our suppliers, employment equity and employee relations, including discipline and recognition.

A total of 118 (2014: 18) incidents relating to corruption were reported in 2015. These incidents involved dishonesty with the intention to obtain cash and assist illegal miners. A total of 173 (2014: six) employees were charged – 27 criminally and disciplined in terms of Sibanye's Code of Ethics.

SAFE, PRODUCTIVE AND FAIR EMPLOYMENT

Our employment practices and policies are governed by South African labour legislation and regulations, as well as various collective-bargaining and recognition agreements.

New employees are increasingly drawn from local communities. A number of operations signed MoUs with local government and community leaders in 2015 in respect of fair and transparent recruitment processes. Of the 2,217 employees recruited by Sibanye in 2015, 75% were classified as local (permanent residents within the communities surrounding our operations).

Absenteeism is a major issue affecting productivity and several initiatives were implemented to address this with some success. Absenteeism has fallen by about 7% year-on-year, which has had a positive impact on the availability of employees at work.

SKILLS DEVELOPMENT

Developing a productive, skilled and engaged workforce requires a significant investment in training and educating employees. By identifying, recognising and developing employees' expertise, skills and talents, the business is able to run more efficiently and profitably, and employees tend to be more fulfilled and engaged. Training has also been made available to community members. In 2015, the Group spent R385 million (2014: R353 million) on human capital development, representing a total of 7.93 million hours of training (2014: 7.85 million hours).

SIBANYE GOLD ACADEMY

The Sibanye Gold Academy, located in Westonaria, Gauteng, supports human capital development by developing employees' skills and knowledge through training and experiential learning, for the benefit of Sibanye, employees and the broader society. The Academy is fully accredited by the Mining Qualifications Authority and its programmes have been approved by a number of Sector Education and Training Authorities. Satellite campuses, managed by the Academy, are located at each operation.

ADULT BASIC EDUCATION AND TRAINING

Portable-skills training equips employees with practical skills that will stand them in good stead for life after mining, and equips community members with skills they can utilise for employment and self-employment. In addition to the South African Qualifications Authority-recognised qualifications in mechanical, electrical and construction trades, training is now provided in agriculture, clothing and textile manufacturing.

To improve employees' skills and to provide opportunities for community members to enter the mining industry, learnership programmes are offered as a combination of study and on-the-job training. Learnerships play an important role in advancing employees' careers as they lead to recognised qualifications. Sibanye invested R81 million in learnerships in 2015 (2014: R77 million).

TRAINING AND DEVELOPMENT

Training and development is aligned with our business needs, and our talent pipeline is maintained through adult basic education and training (ABET) for community members, portable-skills training, learnerships, internships, study assistance, and core skills and leadership development. ABET is offered to employees and community members on a full-time and after-hours basis. Learners are examined by the nationally recognised Independent Examinations Board.

As the SLP ABET targets for the five-year cycle were achieved, in terms of 2016, the ABET approach will focus on not having new intakes but allowing learners enrolled in 2015, who are in training, to continue with classes for full-time, part-time and community ABET levels 1-3. A limited number of learners will continue with ABET Level 4 in line with business needs.





DEVELOP A PRODUCTIVE, SKILLED AND ENGAGED WORKFORCE CONTINUED

ADDRESSING INDEBTEDNESS

High levels of indebtedness are not unique to the mining industry, and this continues to be problematic. Sibanye therefore launched a personal financial-education programme – CARE for iMali/ Khathalel'imali/Hlokomela chelete (meaning 'care for money' in isiXhosa and Sesotho) – in 2014, aimed at curbing indebtedness and providing financial planning and rehabilitation to employees.

In Phase 1 (2014 to May 2015), more than 12,000 employees and community members attended training sessions. Training extended to community members in the Eastern Cape, a significant labour-sending area, and to visiting spouses, retiring employees and local schools. An external service provider audited and validated garnishee orders, assisted employees in managing their debt, returned significant amounts incorrectly or fraudulently debited to employees, and stopped the erroneous application of garnishee and emolument attachment orders. During Phase 2 (June 2015 to December 2016), 18,000 employees and community members will be trained.

A total of 11,468 employees and community members attended CARE for iMali sessions during 2015. A CARE for iMali industrial-theatre production and song, reinforcing the principles of financial accountability, have been developed for employees and local communities. Employees under debt stress are supported by CARE for iMali coaches and they can choose debt consolidation on manageable terms.

HUMAN CAPITAL DEVELOPMENT

	Expenditure (Rm)	Number of learners	Total training hours**	Average hours per employee
Internships	31.5	107	215,712	
Bursaries	17.5	216	435,456	
ABET (employees)	46.0	1,276	444,048	
ABET (community)	8.5	1,325	1,017,600	
Engineering learnerships	41.0	386	778,176	
Mining learnerships	39.9	367	739,872	
Portable skills (employees)	2.2	828	39,744	
Portable skills (community)	3.7	945	90,720	
Leadership development (including electives)	6.4	845	33,800	
Core skills training	146.7	62,927*	4,027,328	
Coaches/mentors training	2.8	705	5,640	
Employee indebtedness	5.6	11,468	91,744	
Community maths and science	0.5	120	14,400	
Support and research	8.0	0	0	
Other	23.6	0	0	
Total	383.9	81,515	7,934,240	97.3

*Learners counted per course

**Number of learners x average training days per learner

COLLECTIVE BARGAINING AND REMUNERATION

The mining sector is highly unionised with entrenched collective bargaining. At the end of 2015, around 93% (2014: 86%) of our total permanent workforce was unionised. Currently, four unions are recognised by Sibanye, namely AMCU, NUM, Solidarity and UASA.

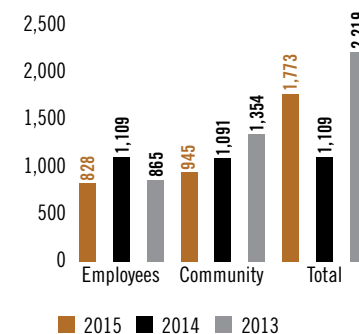
Gold wage negotiations under the auspices of the Chamber of Mines began in June 2015 and a three-year settlement (effective from 1 July 2015) was reached with three unions in late October. Negotiations were particularly challenging, given prevailing economic circumstances, excessive wage demands and union rivalry. All parties, including government, pressed for job preservation. Other gold companies signed agreements with three unions – NUM, Solidarity and UASA – on 2 October 2015. Sibanye continued to engage with all four representative unions. Every effort was made to reach an agreement with AMCU but this was not possible. An agreement was reached between Sibanye and NUM, UASA and Solidarity on 21 October 2015.

No employee was disadvantaged by union affiliation and, to keep industrial peace, all employees in the bargaining unit received benefits. The increases were substantial, above inflation and aimed to make a real difference for employees, their families and mining communities, and will ensure the sustainability of the industry as far as possible. Details of the three-year wage agreement can be found on page 30.

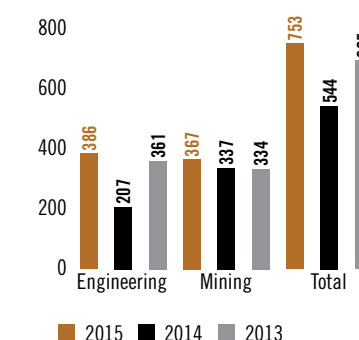
FUTURE FOCUS

In 2016, we will focus on transformation, creating a performance-driven culture, improving internal stakeholder relationships and implementing initiatives identified in our People at Sibanye project (see page 34).

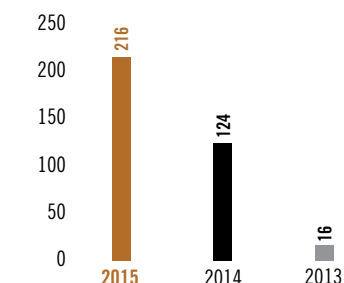
Portable skills training



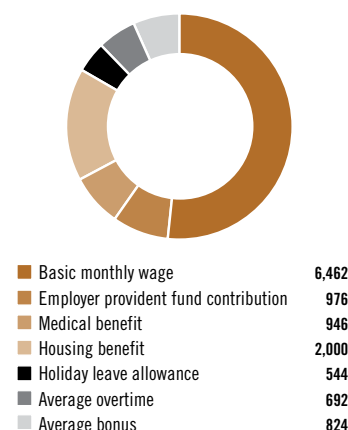
Learnerships



Bursaries



Salary and benefits of an entry-level underground employee as of 15 September 2015 (R)



Wages and employee benefits paid to employees by Sibanye amounted to R7,345 million (2014: R6,665 million) in 2015. Employee costs comprised around 45% (2014: 47%) of total operating costs.



PROJECT DEVELOPMENT AND CAPITAL ALLOCATION

KEY CRITERIA

guide corporate decisions on project funding to ensure that dividends are not compromised:

- projects must be funded primarily from cash flow, after dividends have been paid, although alternative funding options may be considered where appropriate
- strict filters are applied to organic projects, including assessment of risk, returns and the impact of financing on returns
- acquisitions must be earnings-accretive with medium-term potential to support our core dividend strategy
- valuable opportunities are pursued in other similar mining sectors as long as these opportunities are consistent with Sibanye's underlying benchmark dividend strategy



APPROACH

Projects are identified and then filtered or assessed at annual strategic and LoM planning sessions. These projects proceed through the various stages of project investigation – from concept to prefeasibility study (PFS), feasibility study (FS), approval and project execution. Sibanye's approach is to have strong owners' teams managing the projects with consultants and contractors considered for execution when external resources are required over and above internal resources. Major projects are monitored in line with the Group's projects control framework, which includes scheduled project reviews, steering committee reviews and Board updates.

Sibanye focuses primarily on brownfields opportunities that will extend its operational LoM, increase its return on invested capital (ROIC) and enhance or sustain its dividend profile. To ensure delivery on this aspect of the business and to avoid distracting core production personnel at the operations, Sibanye appointed a dedicated project team in 2014 to evaluate, rank and progress organic projects. With the Burnstone Project, the Kloof 4 and Driefontein 5 shafts below infrastructure decline projects approved in 2015 for execution in 2016, the project team will play a leading role in this process.

Both organic projects and external growth opportunities are evaluated using criteria based on strategic, technical and financial parameters, including investment hurdle rates that vary between 15% and 30% (real rates in South African rand) depending on the level of project confidence.

PERFORMANCE

KLOOF BELOW INFRASTRUCTURE DECLINE PROJECT

This project will extend Kloof's operating life from 2030 to 2033, producing 0.5Moz incremental gold in addition to the current LoM plan from 2021, when the first reef intersection and wide-raise development begins on 46 Level. Total project capital is estimated at R691 million (in 2015 terms).

In 2015, R55 million was spent to access the project site and establish excavations that will support the mechanised development fleet and project infrastructure. Mining equipment is due to be delivered into Quarter 1 and the first development metres below 45 Level are planned by the end of the second quarter. The 45 Level Decline Project FS was completed and presented to the Board with R107 million capital expenditure approved for 2016.

DRIEFONTEIN BELOW INFRASTRUCTURE DECLINE PROJECT

This project has potential to extend Driefontein's operating life from 2028 to 2042, producing an additional 2.1Moz of gold in addition to the current LoM plan following the first reef intersection and raise development from 2021. Project capital is estimated at R1,061 million (in 2015 terms).

Initial site preparation and development-equipment procurement cost R9 million in 2015. The 50 Level Decline FS was completed and presented to the Board with R124 million capital expenditure approved for 2016. The expenditure is primarily for developing the site-access excavations and supporting infrastructure on 50 Level for the two decline shafts.

The first two years of the project require conventional mining development to access the two decline-shaft positions, followed by development of the incline portions of each shaft above 50 Level, and creation of the shaft tipping, sheave wheel and winder excavations in preparation for engineering construction and equipping. The key project milestone of shaft sinking below 50 Level is planned from the first quarter of 2018.



PROJECT DEVELOPMENT AND CAPITAL ALLOCATION CONTINUED

BURNSTONE PROJECT

The Burnstone project FS was presented to the Board for approval in 2015. The project is planned with steady-state production of between 100koz and 130koz per annum with an initial 23-year LoM plan, accessing 1.8Moz of Mineral Reserves from the FS resource of 8.9Moz. The mine design and schedule in the FS were limited to the mineable reserves within a 3km radius of the shaft infrastructure. Extensive development will begin in 2016 with first gold production due in 2018 and the full production run rate achieved in 2020. Total LoM capital is estimated at R1,852 million (in 2015 terms).

In 2015, R272 million was spent on completing the mine-dewatering pumping and rock-hoisting infrastructure, and approximately 2km of development to access the ore body. The Board approved the project budget of R705 million for 2016 for the procurement of the additional mechanised mining fleet, for the development to access the ore body and additional infrastructure, as identified in the FS.

Approximately 4,500m of primary off-reef development is planned in 2016 to access the various mining blocks as well as 1,200m on-reef development in preparation for the first raise lines in 2017.

The three existing mechanised development fleets were refurbished in 2015 and an additional three fleets will be procured and delivered in 2016. A mechanised development fleet comprises one twin boom drill rig, one roof bolter, one LHD (load, haul, dump) machine, one or two dump trucks and a dedicated emulsion explosive charge-up utility vehicle.

WEST RAND TAILINGS RETREATMENT PROJECT

The WRTRP will process up to 715Mt of the historic Driefontein, Kloof and Cooke TSFs for gold and uranium. The definitive feasibility study (DFS) for this project has been completed, and the project has an estimated gold and uranium Mineral Reserve of 6.5Moz and 99.1Mlb respectively.

Key to the successful execution of this project is the permitting and construction of a high-volume central processing plant (CPP) for economical extraction of gold, uranium and sulphur from the TSFs, and redeposition of the residues onto a single large regional TSF in accordance with modern, sustainable deposition practices in order to reduce future environmental liabilities.

The WRTRP DFS was completed in December 2015. The scope of the integrated DFS includes the design and construction of a CPP to treat 1Mt per month from the Driefontein 3 and 5 TSFs, and concurrently treat 400,000tpm from the Cooke dump. The resultant tailings will be deposited onto the new regional TSF.

Steady state production of 110koz of gold, 2.2Mlb of uranium and 250,000t of sulphuric acid per annum is planned during the first phase, allowing for the recovery of 1.32Moz of saleable gold and 33.4Mlb of saleable uranium over the first 18 years of the project, at an operating cost of approximately R80/t (in 2015 terms).

The WRTRP will also improve the management of currently affected sensitive dolomitic aquifers and water resources. The direct result of commissioning a sulphuric acid plant will be a reduction in residual sulphide sulphur concentrations from the existing historic TSFs, thereby averting the risk of acid mine drainage (AMD) and mobilisation of harmful, toxic heavy metals into the environment. Sibanye is currently considering alternative ways to finance the project in order to reduce upfront capital requirements and improve the project's return on capital for the Group.

FUTURE FOCUS

For 2016, R75 million has been approved for the WRTRP to fund the detailed engineering design work as well as completion of the design, construction and operation of a pilot plant while the environmental permitting processes continue. Approximately 60% of the R75 million budget planned for 2016 will be spent on an external party review and the detailed engineering design with the balance on funding the pilot plant and permitting. A positive record of decision is expected from the regulators in mid-2016 when an execution budget will be taken to the Board for consideration and approval.



URANIUM BY-PRODUCTS

Sibanye has produced approximately 290,000lb of uranium since production began in 2014 and expects to produce another 250,000lb in 2016.

Sibanye's uranium production is being stored as ready-to-go inventory in anticipation of securing more attractive term arrangements as opposed to selling at spot into the market. Sibanye's uranium strategy is based on an improvement in the price of uranium – dictated in the longer term by a well-understood supply-and-demand relationship.

The Beisa Project at Beatrix West is now included in the Mineral Reserves with gold Reserves of 0.5Moz and uranium Reserves of 11.7Mlb. The PFS for this project was enhanced through cut-off grades and leveraging synergies with the current Beatrix West Operation. Further study work will be conducted during 2016.

Mineral Resources and Mineral Reserves at the WRTRP remain largely unchanged year-on-year although the life will now extend well beyond 2050, based on the DFS production profile and planned treatment capacity.

The gold Mineral Reserves for the De Bron Merriespruit Project are based on the original FS previously conducted by Wits Gold in 2013. However, the production design and schedule was modified during 2015 in line with geological and estimation models, which were restated following the acquisition of Wits Gold in 2014. The Mineral Reserves for this project remain at 2.1Moz.

The Bloemhoek Project, which is adjacent to Beatrix North Operation, has Mineral Resources of 4.3Moz. A study to access a portion of this area with a decline system from Beatrix North has begun and is due for completion in 2016. Concurrently, an exploration-drilling programme designed to improve geological confidence in the immediate vicinity of the planned decline system will also be completed.





HEALTH AND SAFETY FOCUS

APPROACH

Sibanye strives to prevent all accidents, and to have a healthy and productive workforce through continuous improvements in safety by focusing on compliance and the systematic reduction of employees' exposure to risk in the work environment by:

- identifying and ranking risks
- identifying technical and procedural engineering solutions in terms of a risk mitigation hierarchy to eliminate the risk completely
- controlling the risk at source
- minimising the risk
- monitoring risk exposure
- providing personal protective equipment (PPE).

As required by the Mine Health and Safety Act, 1996 (Act No 29 of 1996) (MHSA), all employees are represented in formal joint management-worker health and safety committees through their representatives to assist in monitoring and advising occupational health and safety programmes.

SAFETY PERFORMANCE

It is with deep regret that we report the death of seven employees during the year under review although this is a significant improvement on the 12 fatalities reported in 2014. Our Board and management extend their deepest sympathies to the families, friends and colleagues of the deceased.

The more than 40% decline in fatalities is pleasing and reflects the lowest number on record for our mines. However, it is of concern that, in general, other safety trends have deteriorated. Management acknowledges that the deterioration in other safety trends is cause for concern but action plans have been put in place to address these issues.

All accidents are investigated and the main causes have been found to be incorrect identification of risks, not timeously and effectively correcting identified risks and not complying with mine standards. Greater attention is being paid to the impact supervisors have on the work environment.

KEY INDICATORS: SAFETY (PER MILLION HOURS WORKED)

	2015	2014	% change and status
Fatalities	7	12	▼ (42%)
FIFR	0.06	0.12	▼ (46%)
LTIFR	6.74	5.87	▲ 15%
SIFR*	4.68	3.88	▲ 21%
MTIFR**	3.60	3.37	▲ 12%
Section 54 work stoppages	109	77	▲ 42%
Production shifts lost as a result of Section 54 stoppages	70	99	▼ (29%)
Internal stoppages***	18,642	23,257	▼ (20%)

*Serious injury frequency rate

**Referred to as treat-and-return injury frequency rate (TRIFR)

***Internal stoppages are an integral part of Sibanye's risk management strategy (any person can stop a task or workplace until arrangements have been made to reduce high risk).



FATALITY-FREE MILESTONES: 2015

1 million fatality-free shifts achieved:

- Sibanye (four times)
- Driefontein
- Beatrix (twice)
- Cooke

2 million fatality free shifts achieved:

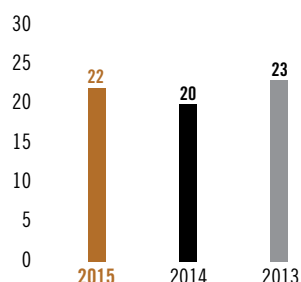
- Sibanye (twice)
- Driefontein
- Kloof

MINESAFE AWARDS 2015

- Kloof: No 2 metallurgical plant
- Driefontein: Mining Unit 1



HIV prevalence* among employees (%)



*Cohort from voluntary testing and counselling (VCT) including employees and contractors

The new Sibanye healthcare model focuses primarily on disease prevention, early detection thereof and management. Since the disposal of our healthcare assets in 2014, we have focused on efficiencies and embedding the new healthcare model.

HEALTHCARE AND OCCUPATIONAL HEALTH PERFORMANCE

Sibanye's new operational model for health is aimed at prevention, early detection and management of disease, and prevention of disability, through the provision of accessible healthcare. Early identification of health risks with early intervention and stringent application of the mandatory code of practice on minimum standards of fitness to perform work at a mine are critical.

Our health model is in its second year of a planned three-year roll out that has seen focus on optimisation, efficiencies and excellence.

As with safety risks, we reduce occupational health risks by proactively managing health risk factors. The most significant occupational diseases encountered at our operations are NIHL, chronic obstructive airways disease (COAD), cardiorespiratory TB and silicosis. The most challenging public health concerns are HIV/Aids, TB, hypertension and diabetes mellitus.

VOLUNTARY COUNSELLING AND TESTING AND TB SCREENING

In line with the Department of Health's strategic initiative to screen 90% of the population for TB and HIV, we have increased access to screening by introducing annual testing for all employees following certificate-of-fitness examinations. In all, 23,538 employees were offered VCT, of whom 8,505 were tested for HIV, while 47,465 employees and contractors were screened for TB. Employees diagnosed with communicable and non-communicable diseases are appropriately referred for further management in the Sibanye network.

SHAFT CLINICS

Recognising the shift in employees' residential preferences and the reduction in formalised hostel residents, we have improved access to quality healthcare by building five clinics close to the shafts. These clinics manage trauma, acute ailments and chronic diseases for all employees, and provide entry into the Sibanye Health network. Mining accidents are immediately assessed and referred to an appropriate facility of definitive care, which includes referral to Level 1 trauma units in the greater Johannesburg area and Bloemfontein.

DISEASE AND CASE MANAGEMENT

All employees suffering chronic diseases are registered and managed in terms of formalised disease-management programmes. In 2015, a total of 14,871 medical conditions were formally registered and managed in these programmes (including medical schemes), which ensure that employees are monitored objectively for adherence and compliance with evidence-based treatment protocols. A team of highly proficient case managers ensure that employees are referred and managed by the network specialists and provider hospitals.

TB CARE

The number of new TB cases declined in 2015 despite intensified case finding and the use of DNA molecular assay studies for diagnosis. Of significance is the reduction in multidrug-resistant TB (MDR-TB) strains from 34 cases in 2014 to 14 cases in 2015. This can be attributed, in part, to stricter controls in the TB programme. Primary MDR-TB, which accounts for around 50% of MDR cases, refers to infection of an individual with the resistant strain of TB, which can be contracted on mine and within communities. This provides a measure of the degree of transmission of the MDR-TB strain. Secondary MDR is resistant TB, which develops in patients previously treated for TB.

TRAUMA CARE MANAGEMENT

All employees are insured for work-related injuries and disease in terms of COIDA by Rand Mutual Assurance from the first day of the injury. We ensure that employees are appropriately triaged on scene and referred to a facility for definitive care. In this context, the majority of employees are referred to Level 1 or Level 2 trauma units.

HIV CARE

Early detection and management of employees affected with HIV and the suppression of viral replication remain the clinical end points of disease control. The new integrated health model allows patients to be assisted at numerous service points and, with almost 80% of employees managed on once-daily therapy, progress is being made in achieving the targets.

OCCUPATIONAL HEALTH

All employees undergo stringent medical testing annually as part of the medical-surveillance programme monitoring the health effects of hazards in the workplace.



HEALTH AND SAFETY FOCUS CONTINUED

KEY INDICATORS: HEALTH

	2015	2014		change
Medical surveillance and certificate-of-fitness examinations:				
– Total	84,022	72,132	▲	16%
– Employees	69,284	63,338	▲	9%
– Contractors	14,738	8,744	▲	69%
VCT for HIV – employees and contractors	8,505	5,590	▲	52%
Percentage of employees and contractors who have undergone VCT	18%	13%	▲	38%
Number of cases of NIHL reported ¹	105	138	▼	(24%)
Number of cases of COAD reported ²	57	45	▲	27%
Number of cases of silicosis reported ³	186	264	▼	(30%)
Number of new and retreatment cases of cardiorespiratory TB	679	715	▼	(5%)
Number of new and retreatment cases of TB treated	744	832	▼	(11%)
Number of new cases of MDR-TB treated	14	34	▼	(59%)
Total number of new recipients of HAART ⁴ (Category 3-8) ⁵	875	548	▲	60%
Total number of Category 3-8 employees on HAART	5,023	4,604	▲	9%
HAART patients alive and on treatment ⁴ (in active Sibanye employment)	5,750	5,283	▲	9%
Total number of employees leaving HAART programme ⁶	127	57	▲	123%
Lost days due to health-related absenteeism ⁷	478,568	414,424	▲	15%

¹ Diagnosis of NIHL is made on assessment of the percentage hearing loss from baseline audiograms, where NIHL is defined as a loss of hearing in excess of 10%, which manifests over a prolonged period after repeated exposure to noise levels in excess of 85dBA.

² COAD is characterised by chronically poor airflow, resulting in shortness of breath, coughing and sputum production. Long-term exposure to smoking, and particulates associated with air pollution and genetic predisposition cause an inflammatory response in the lungs, resulting in a narrowing of the small airways and breakdown of lung tissue known as emphysema or chronic bronchitis.

³ Exposure to free silica (SiO₂), also known as crystalline quartz, found across a broad range of industries, including mining, cement manufacturing and quarrying, reaches the small airways of the lungs and forms tiny nodules (pulmonary fibroses), resulting in the development of silicosis.

⁴ Highly active antiretroviral treatment (HAART) refers to the combination of drugs used to suppress HIV (includes all employees).

⁵ Entry level mining employees

⁶ Number of employees leaving HAART within 12 months of ART initiation

⁷ 2015 data includes Cooke Operations

FUTURE FOCUS

There has been renewed emphasis on supervisor safety-awareness training to positively influence employees' behaviour so as to timeously and correctly identify and deal with risks as well as to ensure compliance with mine-safety standards. We need to ensure that our focus on preventing falls of ground, in particular, remains top of mind during all planning and auditing interventions, and during the daily execution of mining activities.

Our health strategy has been designed to achieve excellence, which is accessible, equitable and quality healthcare for all employees by 2017.

We will focus on improving efficiencies in our healthcare value chain in 2016 with the delivery of improved clinical outcomes and healthy, productive employees.

PROGRESS HAS BEEN MADE IN REDUCING EXPOSURE TO SILICA DUST AND NOISE

- silicosis submissions declined to 4.91 per 1,000 (186 cases) versus 7.26 per 1,000 (264 cases) in 2014

- NIHL submissions declined to 2.82 per 1,000 (105 cases) versus 3.74 per 1,000 (138 cases) in 2014



SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT



Sibanye's community-development strategy is designed to improve living conditions and uplift communities by creating opportunities for employment, local vendors, procurement of goods and services, and directing tangible development benefits to communities.

APPROACH

The principles embedded in the SLPs, determined in conjunction with the DMR, aim to assist government in developing self-sustaining communities that are not dependent on the mines they host.

Our approach is underpinned by:

- effective engagement and relationship building, and a commitment to go beyond compliance (see Performance against Mining Charter targets at reports.sibanyegold.co.za)
- the need to use human and capital resources appropriately, and effectively in responding to identified and agreed current and future community needs
- streamlining our efforts to ensure tangible and sustainable impact that will continue beyond LoM
- engaging directly with communities to identify their specific needs, and then partnering with local government and other collaborative partners where possible.



PERFORMANCE

The most significant achievement in 2015 was approval of the revised SLPs for the Kloof and Driefontein operations, and for the Cooke Operations by the DMR (Gauteng region).

A review of the implementation and impact of our LED projects in 2014 indicated that, while our projects were aligned with the local municipalities' integrated development plans (IDPs) and had been accepted by the DMR, they did not necessarily have the desired impacts on mining communities. The magnitude of the challenges faced by communities often neutralises or negates the impact of projects or hampers their implementation. While we recognise that the responsibility to address the challenges facing our neighbouring communities cannot reside solely with Sibanye, we also recognise that communities often do not understand this. Failure to make a meaningful and visible impact could threaten our own sustainability and licence to operate.

In 2015, we sought to align our community engagement and development (CED) programme with the development priorities of local municipalities while also interacting directly with affected communities to understand their needs. The Group's own strategic imperatives were also taken into account. Our approach was to find common ground between the needs of our various stakeholders and those identified by Sibanye, which can be challenging at times. Stakeholders have different priorities and expectations while the Group's resources are limited and will never be able to address all needs.

Nonetheless, certain priorities have emerged, such as the need to establish or improve critical infrastructure – for example, healthcare clinics that assist in eradicating diseases such as TB and implementing community programmes initiated by the Department of Health. The location of these healthcare facilities, such as the facility at Blybank, has wider impact during the current SLP cycle in that the 1,500 people attended to every month have a facility on their doorstep, presenting additional advantages as savings in travel and other costs, as well as safety and immediate access.

Examples of critical infrastructure development include plans for a new school in the Eastern Cape labour-sending area. The plans have been approved to accommodate more than 1,600 learners currently housed in a dilapidated hostel without running water and proper sanitation

Our corporate approach is two-pronged, focusing on the Mining Charter and exceeding SLP implementation and performance monitoring on the one hand, and CED on the other.

Following the acquisition of the Cooke Operations in 2014, a review of community development projects revealed that more than 40 projects were at various stages of implementation. Many of these were legacy projects previously owned by three different companies, and the scope of these projects was not aligned with Cooke's current production profile or profitability. The review also showed that there were many small projects that were not sustainable in the longer term and would require continued long-term funding.



SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Following the review, advanced projects were completed and handed over to beneficiaries. The remaining projects were rationalised and streamlined.

Legacy projects will be addressed through Sibanye's corporate social investment (CSI) programme and collaboration with third parties in consultation with local municipalities. In future, Sibanye will focus on solutions that are regional, integrated and catalytic in nature with the ultimate measure of success being their ability to continue without ongoing support.

As the current SLPs are due to expire at the end of 2016, we have an opportunity to ensure that the new SLPs focus on the Sibanye strategy of:

- high-impact projects with emphasis on post-closure continuity
- a regional approach aligned with municipal spatial development frameworks (fewer but larger projects)
- encouraging collaboration and partnerships to significantly increase impact
- sustainability in line with Sibanye's operating model and operational CED priorities, guided by our growth and sustainability, which are inherent in the operating model.

Sibanye's CED unit focuses primarily on communities in host and labour-sending areas affected by our operations, and which have the potential to affect our business. We allocate expenditure to eligible communities in terms of their proximity to mining operations and the degree of mining impacts they potentially sustain.

As far as possible, we seek to contribute meaningfully in terms of size and impact to mine communities by leveraging benefits derived from partnering with our peers in the mining industry and other sectors. These partnerships are founded on common and similar challenges, which include safety, health, preferential procurement, and social and community issues.

Initiatives currently benefitting from this collaborative approach and undertaken in partnership with Gold Fields' South Deep mine and the Westonaria Community Trust are:

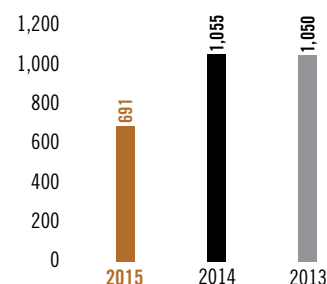
- Simunye Secondary School, Bekkersdal (redundant infrastructure has been donated by Sibanye for conversion into a high-school building for 1,500 learners)
- the Westonaria campus of Westcol Technical and Vocational Education and Training College (Sibanye is planning the construction of permanent facilities for 620 students) and Agri College
- the Gold Fields/Sibanye Gold Alliance Project focused on reinforcing commercial farming in the West Wits area as a key job-creation initiative for the region.

SOCIO-ECONOMIC DEVELOPMENT EXPENDITURE (R MILLION)

	2015	2014	2013
Local economic development/SLPs	27	24	17
Training	384	353	316
Sport, conservation and environment	1	10	9
Infrastructure development*	197	649	699
Health	6	5	5
Enterprise development	–	3	2
Education	62	10	1
Donations	14	1	1
Total	691	1,055	1,050

*Major infrastructure-development projects were completed between 2013 and 2014. Spend in 2015 included hostel upgrades at Cooke 3, hostel conversions at Cooke 2 and construction of family units at Driefontein.

Group socio-economic development expenditure (R million)



LED PROJECTS DEFINED IN SLPs

are distinguished from CSI projects:

• LED projects are socio-economic interventions that harness local resources for the purpose of broadening the economic base of host and labour-sending areas. These are typically high-value projects, such as infrastructure development (for example, the construction or rehabilitation of schools and clinics), as well as projects aimed at diversifying the economies of the areas in which we operate (to create sustainable livelihoods that will endure long after the mines have concluded their economic lives).

• CSI activities typically address broader and generally short-term community needs – often undertaken as a result of requests from local communities in the form of community development funding and donations.



GROWTH STRATEGY FOCUSED ON SOUTH AFRICA

In 2015, we announced critical acquisitions, which will make us a multi-commodity company. With our sights firmly set on South Africa, we will be expected to create superior value for a wider range of stakeholders. From a community development perspective, this will result in a more diversified stakeholder portfolio, which will present new challenges and needs, as well as interests and idiosyncrasies.

The Gold Fields/Sibanye Gold Alliance Project will form the basis of our new LED strategy to create jobs outside of mining, focusing on high-impact, large-scale and regionally based projects because of their potential impact on agriculture, infrastructure development and capacity building/skills development. Because of the larger numbers that can be impacted and the partnerships that can be formed, the alliance will be central to these growth strategies. Key agricultural projects will focus on agribusiness and processing. The development of 'agrihubs' and 'outgrowers' in a hub-and-spoke model, including 'micro greens', vegetables, poultry, school feeding schemes and livestock, will form part of a larger value chain aimed at enhancing value creation.

Infrastructure projects will be implemented within the agricultural part of the project and through our home-ownership scheme, which will be supported by the creation of enterprises related to, among others, construction, brick and paver manufacture, and school infrastructure development. Capacity-building and skills-development initiatives will range from ABET to portable-skills training, and learnerships, internships and skills transfers – all integrated in support of agribusiness, processing and infrastructure development. Partnerships with stakeholders, such as government, mining companies and businesses in other industries, will ensure greater consolidation of project funding and sustainability. Partnerships and investment gearing will help us achieve targets of 1,000 direct and 2,000 indirect jobs, as well as 1,000 houses to be built for employees to own, and the creation of opportunities for local SMMEs supporting youth and women. SMMEs also stand to benefit from the planned development of incubation centres.

FUTURE FOCUS

The new SLP cycle beginning in 2017 presents an opportunity to implement regionalised community-development projects and programmes in our areas of operation. These projects will be fewer but larger, more impactful and fully integrated to reduce inherent dependency on mining. This approach will enable better alignment with national and regional imperatives, such as the National Development Plan, Sustainable Development Goals, Special Presidential Package, spatial development frameworks, IDPs and other national developmental policy frameworks. We believe that this will align with phases 2 and 3 of the Gold Fields/Sibanye Gold Alliance Project.



MANAGE ENVIRONMENTAL IMPACT

APPROACH

Sibanye upholds the highest environmental standards and complies with all applicable legislation governing the use of resources, responsible waste management, conservation of biodiversity, and closure and post-mining land use. Employees are also kept informed, and they are encouraged to adhere to and practise our environmental policy.

PERFORMANCE

WATER MANAGEMENT

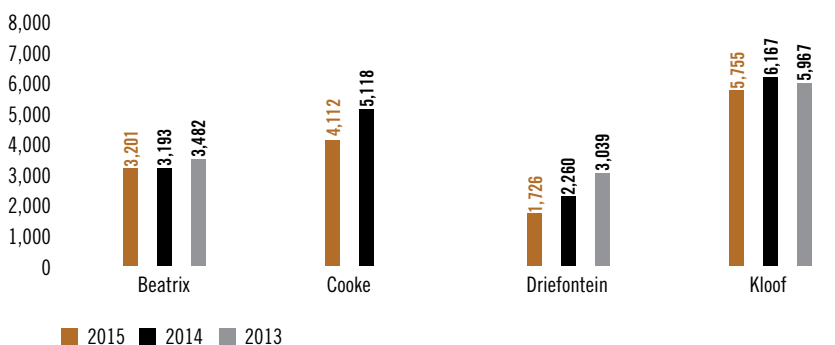
Total water withdrawal was 114,735MI in 2015 with 14,795MI (13%) from municipal sources (potable water) and 99,940MI (87%) from underground sources. While the volumes withdrawn from ground fissure water did not change significantly, notably less potable water was withdrawn from municipal sources as a result of the water-treatment plant commissioned at Driefontein.

Total water withdrawal includes groundwater extracted from underground sources and water purchased from municipalities.

Sibanye's water-management team focuses on four functional areas:

- **Compliance:** Water use-licence compliance improved as result of specialist interventions on surface and underground. The team approached the regulator to consider amendment of certain water use-licence conditions in order to align current water use licences with the proposed resource-quality objective and catchment realities. We also prepared and completed the WRTRP water use-licence application. The regulator conducted several audit inspections but no directives were issued. Assistance was provided in upgrading the Driefontein water laboratory for analysing many operational water samples.
- **Innovation and projects:** The team focused on several water-use improvement projects, including further process optimisation and refurbishment of the Driefontein North Shaft water-treatment plant. A 5MI/day crystalactor softening plant was completed at Cooke 4, and Sibanye initiated the design and construction of the 30MI/day settlers for the Trans Caledon Tunnel Authority Western Basin Water Plant Upgrade Project. The purpose of this project is to improve stability of the side walls of Dump 20 and restrict AMD into the environment. Test work was done on metal and salt reduction from underground water using lime softening and coagulation as unit processes.
- **Operational and maintenance support:** This provided support in the operation of the 20MI/day Driefontein North Shaft water plant, which achieved a 20MI/day saving in Rand Water intake. In addition, focus was on optimal operation of Sibanye's underground settlers. By splitting underground fissure water and mine process water systems, Sibanye improved water quality in the discharges. The team also continued developing compliance and operational water and salt balances for mining sections.
- **Awareness and stewardship:** Several community visits were hosted at the Western Basin surface operations, including a visit by government. Sibanye participated in several stakeholder and water-management public forum meetings. The SibanyeAMANZI strategic programme was updated and the revised strategy was presented to the Executive Committee. The focus of the SibanyeAMANZI strategy remains the improvement of water use-licence compliance, reducing the use of municipal water and water conservation/water demand management as well as reducing the cost of water management.

Total potable water consumption (MI)

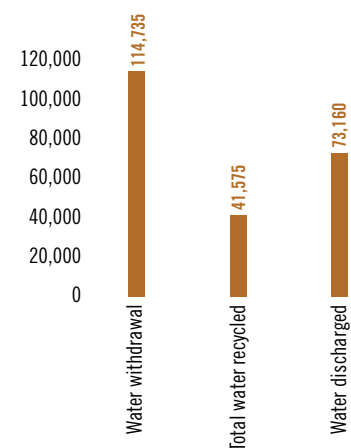


WATER USE LICENCE STATUS

Rand Uranium (Cooke 1, 2 and 3), Ezulwini (Cooke 4), Kloof, Driefontein, Beatrix and Burnstone all have current water use licences or authorisations.

Applications have been made for amendments to some of these water use licences, and feedback from the Department of Water and Sanitation (DWS) is pending.

Water use (MI)



In line with water use-licence requirements,

we reported 11 water-related incidents to the DWS in 2015. Generally, these incidents related to accidental water discharges and spills.

WASTE MANAGEMENT (Mt)

	2015	2014	2013
Tailings into TSFs	14.31	15.73	13.11
Tailings into pits	4.20	3.79	–
Waste rock	7.14	0.60	0.76
Recycled	11.34	11.96	13.29
Total mining waste	25.65	20.12	13.87

TAILINGS AND WASTE PROGRAMME

To reduce costly double handling of development or waste rock, previously hoisted separately and stored on rock dumps for future processing through dedicated surface material plants, a decision was taken in 2014 to mill and process development rock with underground ore at all operations. Significant effort has also been made to improve the quality of mining factors, such as reducing dilution by lowering stoping widths and ensuring that as much gold is recovered from the stoping area as possible by improving seepings in order to reduce or eliminate accumulations. Reducing dilution by minimising the amount of waste rock mined has significant cost benefits, including less effort on mining and processing waste material not containing gold, resulting in higher yields. Environmental gains include a smaller SRD footprint as land use is reduced, lower dust emissions and more effective management of water pollution.

There are environmental and health risks associated with the use of cyanide, the primary reagent for leaching gold from ore. The International Cyanide Management Code for the manufacture, transportation and use of cyanide in the production of gold is embedded in Sibanye's management processes and systems, and management assurance is an ongoing process. No cyanide-related incidents were reported at our operations in 2015. Sibanye purchased 11,924t of cyanide in 2015 (2014: 11,758t)

AIR QUALITY MANAGEMENT

While surface dust levels at our operations in 2015 were generally below legislated limits, some exceedances were experienced mainly as a result of the extremely dry weather in the latter part of 2015, continuing into 2016. As a result, dust suppression required additional interventions.

Using dustfall regulations listed by the American Society for Testing and Materials (ASTM) International D1739 as a reference, single and multi-directional buckets were used to collect dust throughout 2015. Wind direction also provided information on potential sources that may be contributing to dustfall at particular points. A process to determine equivalence between the ASTM method and the multi-directional buckets began in 2014, and a technical paper was presented at the National Association for Clean Air Conference in 2015 for review and discussion with delegates. Work continues in 2016.

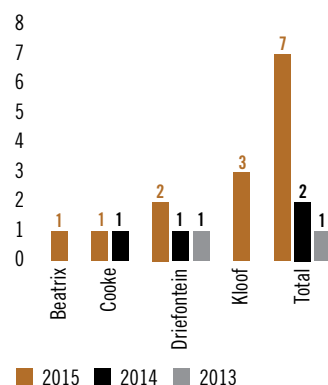
Ridge ploughing of the dormant No 1 TSF at Beatrix has been done to minimise dust blow-off. Ridge ploughing has been completed at the Cooke TSF and the roadways have been clad with rock to minimise dust liberation during tramming operations. At the Driefontein No 2 and 3 gold plants, tramming over gravel roads and rock-conveyor systems has been reviewed. The frequency of dust suppression on gravel roads has increased and some stockpiles have been decommissioned with trucks tipping directly into bins to minimise dust liberation. Installation of water sprays at the Driefontein No 2 TSF has begun with a view to commissioning in 2016. At Kloof, handling and transportation of tailings material from the dormant TSF beside Masimthembe Shaft has been reviewed. Watering down of gravel roads is more frequent and, during periods of high winds, loading and transportation activities are curtailed. It is envisaged that the WRTRP will provide a long-term solution for some of the TSFs on the West Rand. In the interim, holding patterns will be maintained.

Sibanye's listed activities affecting ambient air quality, identified by the Department of Environmental Affairs (DEA) through the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004) (Air Quality Act), include the metallurgical smelting process, lead processes in the assay laboratories and waste incinerators at sewage works. To manage these processes, isokinetic sampling is used (particles are collected in a stream moving at the same velocity within the sampling device as in the sampled stream). The sample is analysed at a laboratory to determine composition and concentration of emission gases and particulate matter. Results are used in impact assessments.

All of Sibanye's operations with activities listed in terms of the Air Quality Act have provisional atmospheric emissions licences. In 2015, the operations focused on optimising compliance in terms of these licences, including quarterly stack-emissions sampling and engaging with the West Rand District Municipality.

As Sibanye complies with the Air Quality Act, legislated air quality standards in terms of this Act take precedence over South African National Standards (SANS) compliance. In terms of draft regulations on pollution prevention plans and atmospheric-emission reporting, as well as a discussion paper on desired emission-reduction outcomes, companies like Sibanye, emitting more than 100,000t carbon dioxide equivalent (CO₂e) per annum, may be required to submit five-year pollution prevention plans to the DEA. In addition, these companies may be allocated carbon credits, which have to be managed to achieve desired emission-reduction outcomes.

Air quality complaints



All operations

completed setup and initial reporting on the National Atmospheric Emissions Inventory System in 2015. Mandatory reporting begins in 2016.



MANAGE ENVIRONMENTAL IMPACT CONTINUED

REDUCING ENERGY CONSUMPTION

Energy-efficiency initiatives have been implemented across the Group, in line with Eskom's demand-side management programme, to reduce electricity consumption by 2% to 3% annually over five years. Employees are encouraged to conserve energy and more energy-service companies are due to be employed in 2016 to increase energy-saving measures. In 2015, Sibanye realised a saving of 15.8MW (2014: 23.7MW).

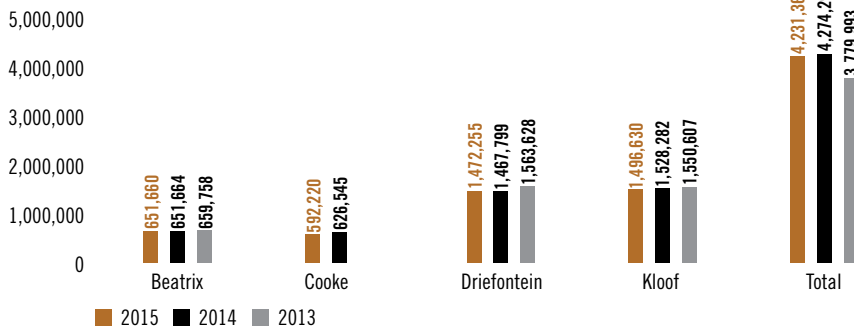
Sibanye has intensified load shifting to protect the national grid at peak times, to offset the effects of load curtailment when the national grid has been constrained and to manage peak power costs.

The Group measures, monitors and manages its energy and carbon footprints in terms of its integrated energy and carbon-management strategy. It has found that electricity consumption contributes approximately 85% to its total Scope 1 and 2 emissions (carbon footprint). The balance comprises fugitive methane emissions at Beatrix, as well as diesel, petrol, liquid petroleum gas (LPG), oxyacetylene, blasting agents and coal.

The strategy has been integrated with Sibanye's approach to energy management, given that its carbon footprint is dominated by energy use and, in particular, the use of fossil-fuelled electricity sourced from Eskom. Sibanye continues to design, develop and implement strategies that seek to reduce the energy consumption of operations and, thereby, reduce the carbon footprint of the Group, pursue any potential opportunities and use energy-efficient technologies where this is feasible.

The Beatrix carbon-reduction project, which includes secondary sealing activities underground and the use of methane gas to generate electricity, registered under the Clean Development Mechanism (CDM) of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) in 2013, accrued 34,591 certified emission reductions (CERs) in 2015 (2014: 30,051). CERs (also known as carbon credits) are emission units issued by the CDM to assist organisations in offsetting their emissions and complying with their targets.

Electricity consumption (MWh)



Burnstone electricity consumption for 2015 was 18,597MWh



ENERGY INTENSITY (GJ/TONNE MILLED)

	2015	2014	2013
Beatrix	0.73	0.69	0.70
Cooke	0.76	0.77	-
Driefontein	1.03	1.09	1.08
Kloof	1.56	1.36	1.36

EMISSIONS (tCO₂e)

	2015	2014	2013
Scope 1*	94,175	109,840	120,076
Scope 2	4,271,717	4,404,562	4,559,995
Scope 3	866,745	863,009	633,928
NOx (t)	618	19,901	14,618
SOx (t)	499	632	464

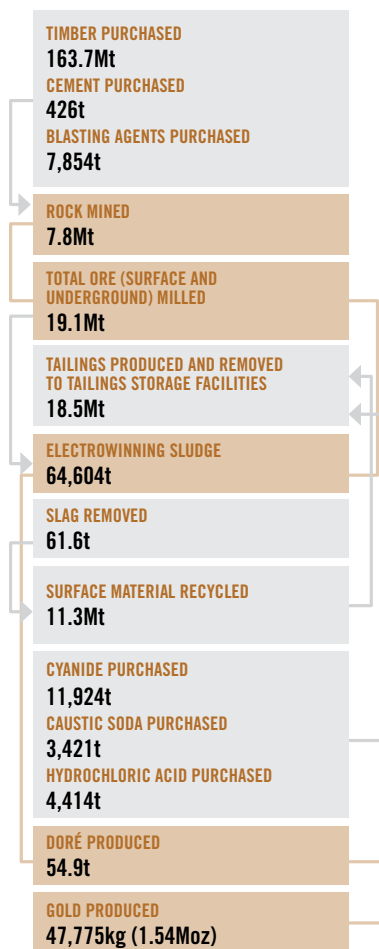
*Scope 1 emissions exclude fugitive mine methane, which amounted to 649,733tCO₂e in 2015.

Emissions from 13 of the 15 categories have been included under Scope 3 as follows:

1. Purchased goods and services: emissions associated with the extraction and production of timber, cyanide, hydrochloric acid, lime, cement, caustic soda and purchased water.
2. Capital goods: emissions associated with the production of purchased company-owned vehicles.
3. Fuel- and energy-related emissions not included in Scope 1 or Scope 2: emissions associated with the extraction, production and transportation of diesel, petrol, LPG, coal (industrial), blasting agents (ANFO), oxyacetylene and grid electricity.
4. Upstream transportation and distribution: emissions associated with the transportation and distribution of purchased timber, cyanide, hydrochloric acid, lime, cement and caustic soda between suppliers and Sibanye.
5. Waste generated in operations: emissions associated with the disposal and treatment of Sibanye's solid waste and wastewater in facilities owned or operated by third parties (such as municipal landfills and wastewater-treatment facilities).
6. Business travel: emissions associated with transporting Sibanye's employees for business-related activities.
7. Employee commuting: emissions associated with the transportation of Sibanye's employees between their homes and work sites.
8. Upstream leased assets: CO₂e emissions associated with leasing helicopters.
9. Downstream transportation and distribution: CO₂e emissions associated with transporting Sibanye's gold from the mines to Rand Refinery.
10. Processing of sold products: CO₂e emissions associated with smelting and refining gold.
11. End-of-life treatment of sold products: CO₂e emissions associated with smelting gold to repurpose the product.
12. Downstream leased assets: CO₂e emissions associated with the leasing of houses to mine workers where emissions are generated from electricity use.
13. Investments: CO₂e emissions associated with investment in companies, Living Gold and Rand Refinery. Sibanye has a 50% share in Living Gold and a 33.1% share in Rand Refinery.

Scope 3 emissions from the following 2 categories have not been included:

- Franchises: Sibanye does not have any franchises.
- Use of sold products: emissions associated with the use of sold gold products are deemed insignificant as only processing and end-of-life treatment of sold products are expected to have significant associated emissions.



FUTURE FOCUS

Sibanye is set to reduce its carbon footprint and improve its carbon intensity ratio through a combination of energy-efficiency and energy-saving projects as well as the introduction of renewable energy into its energy-supply mix.

Engineering Pragma System:

aims to avoid incidents with daily inspection by pipewalkers, reporting of pipeline failure, regular maintenance and installation of flow meters – ongoing pipe-thickness testing identifies worn pipes.

REHABILITATION

Total land under Sibanye's management in 2015 and 2014 (including Cooke) was 50,316ha (2013: 36,690ha). The cumulative total of land disturbed by mining and related activities in 2015 and 2014 (including Cooke) was 17,359ha (2013: 7,449ha).

Biodiversity action plans (BAPs) are being developed for all operations. Driefontein's BAPs have been completed and implemented while a BAP for Kloof is due to be finalised in April 2016. The Kloof BAP includes a detailed land-capability study, which was extended to include the Driefontein freehold area. The Beatrix assessment is due to be completed in 2016.

Based on the outcome of a land-use survey conducted in 2013, indicating that landowners wanted to continue agricultural activities in future, Sibanye embarked on a study to determine the land capability of the Kloof and Driefontein properties in 2014. The study was finalised towards the end of 2015 and this information is being incorporated into the Kloof BAP to be included in the review of the Driefontein BAP in 2016.

As sustainable development and land management are closely related, alien vegetation is removed through LED projects at Kloof and Driefontein. This intervention was rolled out across the Group in 2015.

Potential soil contamination studies were conducted at Kloof and Driefontein, and identified areas with the highest risk of soil contamination. Phase 2 of the study will be conducted in 2016 in order to quantify contaminated soil and management plans will be compiled to address rehabilitation of these areas.

Sibanye's closure liability is assessed annually by a recognised independent consultant, and it is funded by trust funds and insurance guarantees. Closure liability as at 31 December 2015 was R3,817 million (2014: R3,549 million).

PERMITTING AND COMPLIANCE

The environmental management system is audited on a rotational basis. Each operation has an approved environmental management programme (EMP), which is a formal contract between Sibanye, as the holder of the mining right, and the regulator, the DMR, regarding the impacts that may arise from mining operations, assessment of these impacts from a risk perspective, proposed measures to mitigate the impacts and commitments or undertakings by the licence holder to implement mitigation measures.

The EMPs are reviewed in monthly site inspections, quarterly internal and external audits by independent auditors, and in annual closure-liability assessments and site inspections by the DMR. Any shortcomings will be addressed.

In addition to regulatory reporting processes, a legal register, management code of practice and sustainable-development assurance processes, Sibanye's Internal Audit department monitors legal compliance, as well as external EMP assessments.

- **Beatrix:** In 2015, the outcomes of site inspections by the DMR were predominantly positive with a high degree of compliance.
- **Cooke 1, 2 and 3:** Site inspections were also predominantly positive with a high degree of compliance in 2015. An in-house performance assessment on the EMP in August 2015 found overall compliance of 86%. The main issues of concern were waste management (separation and storage) and water management (clean and dirty water separation and stormwater infrastructure maintenance). Sibanye's Group Environmental Management function, working with mine personnel, will drive these initiatives in 2016.
- **Burnstone:** An external EMP performance assessment conducted in August 2015 found overall compliance of 74%. Hydrocarbon spill management, topsoil stockpile management and stormwater run-off management were major concerns. The project team will work with Group Environmental Management with focus on hydrocarbon spill management in 2016.
- **Kloof, Driefontein and Beatrix:** In-house EMP performance assessments are due to be conducted in the first quarter of 2016.

Sibanye reports on Level 3 (ongoing but limited impact), Level 4 (medium-term impact) and Level 5 (long-term impact) environmental incidents.

In 2015, Sibanye reported eight (2014: nine) Level 3 environmental incidents. There were three Level 3 incidents at Cooke Operations, three Level 3 incidents at Kloof and two Level 3 incidents at Driefontein. No Level 4 and 5 incidents were reported during the period under review.



TRANSFORMATION

APPROACH

Sibanye believes that transformation is a critical national imperative for ensuring the growth and sustainability of the business, and the South African economy at large. The Group believes that, by creating an enabling business environment, historically disadvantaged South Africans (HDSAs) will be empowered to participate meaningfully as employees, shareholders, communities and suppliers. This approach resonates with Sibanye's vision to 'create superior value for all stakeholders'.

Sibanye's approach entails:

- inculcating a positive mindset to drive the achievement of Mining Charter objectives
- striving to achieve commitments made in SLPs
- mitigating risks affecting social licences to operate
- embedding sustainability principles in everything the Group does.

To ensure accountability and responsibility, the Vice President: Corporate Affairs is accountable to the Sustaining our Social Licence to Operate Committee (SSLOC), part of the Executive Committee, which in turn reports to the Social and Ethics Committee of the Board on issues pertaining to Sibanye's social licence to operate and transformation. The Vice President: Corporate Affairs also chairs the SLP Working Group (comprising information owners for all Mining Charter/SLP elements). The SLP Working Group mainly drives transformation within the operations and ensures alignment with the business plan and affordability. To ensure that transformation is embedded in the business, each operation has quarterly SLP forums, chaired by the mine's Vice President and attended by members of organised labour. Progress made with each element of the Mining Charter and SLP is reviewed and discussed. Feedback on progress is also presented to the Group Leadership Forum – a high-level engagement platform between organised labour and management, including members of the Executive Committee.

Towards the end of 2014, the DMR engaged with the Chamber of Mines through the Mining Industry Growth and Development Task Team (MIGDETT) regarding the regulator's intentions to conduct Mining Charter assessments. The scope of the assessments would be broadened to cover all mining-rights holders in the country and would include the 2013 Mining Charter reports. To assist the process, a web-based system was developed to allow for companies to make online submissions, particularly given the broad scope of the assessments: 2012, 2013 and 2014 for companies that could submit them. All Sibanye operations participated in the Mining Charter assessments and achieved an 'excellent performance' rating in 2014. The 2015 Mining Charter report will be submitted to the DMR at the end of March 2016 when it is due.

While the current Mining Charter was intended to be in effect from 2009 to 2014, its remit has been extended to 2016 while the next phase is developed.



SIBANYE'S TRANSFORMATION GUIDE

mirrors Mining Charter and SLP elements, and each element is further divided into:

- Strategic intent: the strategic framework of each element is outlined
- Key targets: minimum compliance requirements in terms of SLPs are highlighted
- Risks/Issues: shortcomings and risks are flagged to overcome barriers in achieving implementation, targets and mining licence
- Mitigation: steps are identified to mitigate risks identified above
- Deliverables: key areas are listed to uphold a legally defensible position, including objectives, measures, timelines and accountability structures, with indicators selected for relevance and applicability to each SLP/Mining Charter element
- Stakeholders: key stakeholders are identified for engagement
- Inputs for reports: regular reporting required by each information owner is noted





WOMEN IN MINING/SERVICE (2015)

South African women only	
Women in core mining activities	Women in service
2,457 (6% of total employees in service)	4,122 (10% of total employees in service)
All women	
Women in core mining activities	Women in service
2,615 (7% of total employees in service)	4,332 (11% of total employees in service)
Total permanent employees	
39,725	

PERFORMANCE

OWNERSHIP

In 2010, a broad-based employee share plan, the Thusano Trust, was implemented in terms of which Gold Fields' employees acquired 10,717,207 Gold Fields shares. The share plan was implemented in line with a collective agreement between the NUM, UASA, Solidarity and Sibanye (previously GFI Mining South Africa Proprietary Limited). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. The Thusano Trust was registered as the vehicle to administer the share plan. In terms of the trust deed, the allocated shares are to be held in trust for a period of 15 years on behalf of employees. During this restrictive period, employees may not dispose of or otherwise encumber the shares. Discounting the fact that the employees cannot dispose of shares for a period of 15 years, employees acquired full rights of ownership in the shares, which entitles them to voting rights and dividends paid in relation to the shares. With the unbundling of Gold Fields, employees were allocated an equal number of Sibanye and Gold Fields shares.

By the end of 2015, 26,444 (2014: 27,959) employees were participants in the ESOP scheme.

EMPLOYMENT EQUITY – LOCALISATION AND DEMOGRAPHICS

As far as possible, Sibanye seeks to employ local people (from local communities within 50km of the operations). At the end of 2015, 33% (2014: 31%) of Sibanye's employees could be defined as local.

A large percentage of employees with core skills, experience and many years of loyal service are also drawn from labour-sending areas in rural provinces of South Africa and neighbouring countries within the Southern African Development Community (SADC). At the end of 2015, migrant employees made up around 67% (2014: 68%) of Sibanye's employee base with 28% (2014: 29%) drawn from other SADC countries. While Sibanye recognises the imperative of local recruitment, it also notes the adverse impact the shift to employing locals is likely to have on the labour-sending areas where mine remittances are often the sole source of income for communities and regional economies.

Nonetheless, Sibanye recognises the broader negative social issues arising from the migrant-labour system and is attempting to address these through various measures, including alternative working arrangements and the provision of acceptable accommodation. Different shift cycles and longer shifts should result in more time off for employees, potentially allowing them to travel home more often, as well as creating more employment opportunities and enhancing productivity on mature mines, although it is difficult to estimate the impact of these arrangements at this stage.

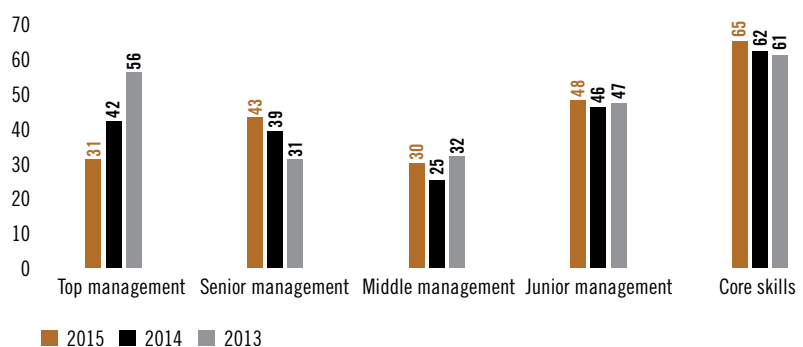
Sibanye has established a task team to develop a strategy to increase the number of women in mining and to address some of the hurdles inherent in this practice, including ensuring the personal safety and successful integration of women into established male working teams. These issues are also monitored by women in mining forums made up of female employees at each operation. These forums deal specifically with gender-related challenges and their aim is to ensure that there is complete integration of women in all working places and at management levels.

Key focus areas include gender-neutral policies and procedures, wellbeing of women (including safety and security in the workplace), creating working environments conducive to the employment, placement and development of women.

In order to increase the number of women employed in core and critical skills, changes have been made to Sibanye's recruitment strategy. This has resulted in an increase of 2% during the year. Several leadership development sessions, co-ordinated by Sibanye Gold Academy, were held for women in 2015.

Sibanye remains committed to creating and maintaining a diverse and representative workforce. In 2015, Sibanye continued to make progress towards reaching the required HDSA representation at senior, middle and junior management levels, acknowledges that more needs to be done by the Group, and it will continue to focus efforts on ensuring that there is an integrated talent-management framework that will primarily focus on education, training and development of HDSA employees as well as the external appointment of high-quality HDSA employees into key management positions.

Historically disadvantaged South Africans in management (%)





TRANSFORMATION CONTINUED

HOUSING AND LIVING CONDITIONS

Of Sibanye's 39,725 permanent employees (2014: 39,232), 32% (2014: 33%) lived in high-density residences, 20% (2014: 17%) lived in other Group accommodation, including family units built by the Group, and 48% (2014: 57%) opted to receive a living-out allowance in 2015.

The high density-residence upgrade programme has been completed at the Beatrix, Driefontein and Kloof operations, representing a total investment of R425.2 million over eight years. In line with the Mining Charter requirements, this resulted in a reduction in occupancy rate to one person per room (between six and 10 people per room at the outset of the project). Sibanye acquired the Cooke Operations in 2015 and has since spent R4.4 million upgrading Block 1 at Cooke 3. Since the occupancy rate at Cooke Operations is currently less than one person per room, the upgrades are intended to bring about qualitative improvements to living conditions and align with Sibanye's standards.

Sibanye supports the Mining Charter's aim to accommodate as many families as possible by building new family units in viable, integrated communities, given that high-density residences are not suitable for families. Of the final 50 houses planned as part of the Driefontein SLP, 34 were completed in 2015 in Blybank near the Driefontein Operation. Construction of the last 16 houses hinges on finalisation of a land-swap arrangement with the Merafong City Local Municipality.

Sibanye is also actively pursuing an employee home-ownership scheme, which will enable employees to own the houses. This programme comprises the sale of current mine-owned houses at a discount, based on years of service to the Group and the sale of new affordable houses subsidised by the Group. In 2015, to kick-start the home-ownership programme, a two-pronged approach was used for occupied and vacant mine-owned houses:

- Sibanye-owned Paterson D and E band houses were first offered to occupants with no obligation to buy and
- vacant houses in the D and E bands were first offered to Sibanye employees via a tender process and then to the open market.

Through this process, 92 Paterson D and E band houses were sold while a further 44 houses were being processed at the end of December 2015 out of the possible 265 Paterson D and E band houses owned by Sibanye in the West Wits area. This excludes houses sold to employees on Paterson C Band and those sold to Gold Fields' South Deep employees. The sale of houses continues, supported by an ongoing marketing drive. With respect to the sale of new houses, no specific targets have been set as uptake is driven by demand. Progress in the sale of new houses was preceded by extensive stakeholder engagement between management and organised labour about designs and layout of prototype showhouses. Subsequently, prototypes of two- and three-bedroomed showhouses were built in Glenharvie, near Kloof, and Virginia in the Free State. As a result of employee-driven demand, 32 houses were built for sale in Glenharvie and more will be built based on demand. The sale of these new houses continues.

The aim of the affordable home-ownership programme is to provide affordable and sustainable homes to Sibanye's lower-level employees. Primarily, this programme focuses on in-house project management and construction to keep costs low and local people are employed where possible. Sibanye aims to build houses that can be funded from living-out allowances with minimal subsidisation by the Group.





PROCUREMENT

Sibanye has performed well in meeting the procurement targets set out in the Mining Charter, except for capital goods procured by Cooke 1, 2 and 3 due to the operations ceasing all capital expenditure in the second quarter of 2015.

In support of local entrepreneurs, an online registration system has been developed and implemented for all prospective suppliers. The team also assisted local communities by being visible to local vendors at various workshops organised by the DMR and/or the local/district municipalities. Establishment of community access centres, in conjunction with the Small Enterprise Development Agency, has provided a platform to improve communication with potential local vendors.

Sibanye's total procurement spend with BEE entities was R4.70 billion (2014: R4.68 billion) in 2015.

BEE PROCUREMENT IN 2015 (%)

	Capital goods Target: 40%	Consumable goods Target: 50%	Services Target: 70%	Multinational companies
Beatrix	59	74	74	No imports
Cooke 4	52	64	82	No imports
Cooke 1, 2 and 3	33	60	70	No imports
Driefontein	52	74	78	No imports
Kloof	66	80	78	No imports
Group	56	72	76	No imports

ENTERPRISE DEVELOPMENT

In respect of transformation, Sibanye achieved the following in the past year:

- establishment of an electronic portal that has provided SMMEs with a link to register as vendors, including Burnstone operations
- more SMMEs participated in the tender processes in 2015 – for instance, SMMEs built showhouses at Glenharvie and Virginia, and have been awarded tenders to upgrade facilities used by Protection Services.

FUTURE FOCUS

The procurement strategy is being revised in order to integrate an approach that will culminate in a progression plan that supports compliance objectives, with specific intent to increase the proportion of procurement spend on HDSA enterprises. To date, the development of business acumen among BBBEE service providers, which will impact the mining operations of Beatrix in the form of joint ventures (JVs) or business alignment, has been identified. The following opportunities and options are being investigated:

- Creation of JVs and/or business alignment with current suppliers through contract apportionment – successful SMMEs will be given an opportunity to enter into a JV or business alignment with larger suppliers through allocation of part of a contract with built-in exit strategies.
- Greater focus on including local HDSA SMMEs in the formal tender process – this will apply to all HDSA suppliers but will focus on activities that do not pose a risk to the mining process. This implies that HDSA companies offering goods and services required by Sibanye will be included in tenders to increase competition and expose these companies to the tender processes while providing them with opportunities to compete actively.
- Local community access centres currently assist local SMMEs to register their service offerings with Sibanye along with other entities within the local communities but a FS of this concept will be performed to ensure that local businesses manage the facilities sustainably.

Sibanye's performance against Mining Charter targets – in terms of annual reporting to the DMR, HDSA ownership, housing and living conditions, procurement and enterprise development, employment equity, human resource development, mine community development, as well as safety and health, and the environment – is available online at reports.sibanyegold.co.za



SECURE ALTERNATIVE ENERGY SOURCES

APPROACH

Shortly after listing in 2013, Sibanye indicated its intention to explore alternative sources of long-term electricity supply in response to this material risk. Sibanye intends to reduce its dependency on Eskom over the next few years as this will make a material difference to production costs.

Photovoltaic generation from sites adjacent to Sibanye's mining operations represents a partial solution to securing alternative electricity supply. This technology can be implemented over a relatively short time while baseload solutions will be required to complement photovoltaic power for a more comprehensive approach.

PERFORMANCE

INDEPENDENT COAL-BASED ENERGY SUPPLY

Sibanye has completed several studies of other energy sources it considers reliable and over which we will be able to exercise some control. An in-depth investigation into coal-fired power stations, varying in size from 200MW to 600MW, was completed in 2014. A critical aspect of the study was the need to ensure reliable, quality coal sources. Sibanye is also engaging with technology partners to develop a deeper insight into independent power generation.

Sibanye has been exploring various alternative sources of long-term stable energy supply in response to the inconsistent and increasingly expensive power supplied by Eskom. To this end, projects have been identified as possible platforms to facilitate the Group's electricity-supply objectives and development of a viable IPP platform. Ultimately, security of supply and enhanced cost control would continue to support Sibanye's bottom line and hence the Group's ability to pay industry-leading dividends.

SOLAR ENERGY PROJECT

A PFS completed in 2014 confirmed that solar power would be an economically competitive solution, and could ameliorate the effects of interruptions in Eskom supply on operations. The photovoltaic project is in development phase with focus currently on acquiring the required environmental permitting for the entire project, including the selected site adjacent to the Driefontein and Kloof operations, engineering design and establishing the most appropriate business arrangements to optimise commercial benefits. The 150MW photovoltaic project remains on track to begin generating electricity towards the end of 2017.

FUTURE FOCUS

While coal-fired power generation is regarded as the most likely alternative, the feasibility of a range of other baseload-supply options, including renewable electricity sources, are being evaluated.



MODERNISATION AND TECHNOLOGICAL INNOVATION



APPROACH

Sibanye recognises that radical transformation is necessary in the mining industry in order for mechanisation and modernisation to succeed. There is a need for generally higher levels of skill and a new way of thinking – the mining industry needs to have learning as the norm and to focus on improved rates of productivity. Sibanye is committed to seeking and achieving technological breakthroughs in mining processes, and believes there is the will and the ability to solve any technical issues, particularly when developing methods to bring about modernisation in deeper mines.

To achieve this, Sibanye participates fully in R&D in pursuit of technological innovations that could safely unlock the Mineral Resource and Mineral Reserve potential of its operations in high-grade remnants and pillars, current mining horizons and at depths in excess of current operations. Sibanye considers the development of technology as a fundamental strategy and has identified Safe Technology as a strategic imperative.

PERFORMANCE

A dedicated Safe Technology function was established within Sibanye in July 2014 with the responsibility to explore ways in which to modernise the operations by using new technologies to improve working conditions and to make the working environment safer for employees while, at the same time, improving productivity and reducing costs. An interim strategy was developed, which considered ways in which new technology can have an impact on LoM projections, ore-body complexity, productivity profiles and cost pressures, as well as the growing portfolio of capital-expansion projects in order to improve productivity.

The three main strategy pillars are:

- **Legacy mining pillar:** reclamation of gold lost or left behind during mining operations in the form of fines, ultra-fines, crush and stability pillars.
- **Current mining process improvement:** reducing employees' exposure to danger areas while increasing output and decreasing costs.
- **Future-state mining methods:** facilitating a 24-hour mining cycle, maximising utilisation of assets, and facilitating the conversion of resource to reserve of deeper level and secondary ore bodies.

In early 2015, the interim strategy was reviewed, deemed appropriate and remains the cornerstone of the department. The strategy has steered the Safe Technology focus towards areas that could accomplish short- and long-term improvements in safety and efficiency in current mining operations and productivity – commensurate with innovation in new product development and gold-extraction methods.

Throughout 2015, the focus of the Safe Technology portfolio was to further refine its strategy, and progress immediate operational needs, namely:

- research into industry-leading practices and strategies
- obtaining insight from institutions such as universities or research organisations on potential progressive technological advancements
- regular counsel by original equipment manufacturers (OEMs) and selected industry technology experts
- engage with government through the Chamber of Mines Innovation team in order to leverage funding mechanisms in support of mining modernisation and innovation
- initiate micro and macro projects in line with the strategy.

The Safe Technology team capitalises on Sibanye's internal wealth of knowledge and experience in investigating, developing and driving innovation, and has established symbiotic relationships with counterparts in the industry, innovative developers and OEMs to ensure that safety technology adds value.



MODERNISATION AND TECHNOLOGICAL INNOVATION CONTINUED

MACRO AND MICRO PROJECTS

Safe Technology's endeavours are further categorised into macro or micro projects. Micro projects are generally in alignment with Safe Technology's current mining process-improvement strategy, initiated either by the Safe Technology department or put forward by the operations. These include smaller safety-enhancing and production-optimisation projects such as:

- roof-bolting optimisation and standardisation
- localised hydropower mining
- winch signalling
- automated cleaning methods
- continuous dust monitoring and suppression
- structural inspection and maintenance management system (SIMMS) optimisation
- diesel particulate matter reduction and control
- personnel locating systems.

Macro projects are aligned with Safe Technology's old-gold recovery and future-state mining methods, and are initiated and driven by the Safe Technology department with operational assistance from selected mining units. All macro projects represent a significant departure from conventional mining methods, and aim to incorporate industry and often world-leading technologies.

In line with the future-state mining method, a paradigm shift in hard-rock mining is required for Sibanye to remain competitive locally and globally. Sibanye has, therefore, embarked on a stope-mechanisation programme to enable it to reduce costs and pay limits with non-explosive, continuous production. Work includes facilitating the conceptualisation and design of two primary mining platforms, the MT100 and MT1000, and the commissioning of prototypes for delivery in the first quarter of 2016.

The MT100 is a multi-track machine, with four adjustable flippers, capable of carrying payloads of up to 200kg. The unit is supplied with two separate attachments. The dozing attachment will be used to perform cleaning operations, previously facilitated by scraper winches. The sweeping attachment consists of a rotary brush and will be used to perform ultra-fine sweeping in-stope.

The MT1000 is a multi-track with four adjustable directional flippers, capable of carrying payloads of up to 1,000kg. The unit will also be supplied with two separate attachments. The Multi-Drill attachment is designed with four hydropower drills and will facilitate rapid face drilling (90 minutes per 30m panel). The Drill-and-Break attachment consists of a hydropower drill, coupled and indexed with a high-powered rock breaker, which will facilitate a non-explosive mining method, enabling a 24/7 mining cycle.

Although referred to as prototypes, much time has been spent on industrialising the design, taking into account the supply of material and manufacturing processes required to produce these machines so as to greatly reduce production time should the trials be deemed successful.

Another example of a ground-breaking development is Sibanye's hybrid locomotive. Based on the original Sibanye locomotive, the unit will continue to use highly efficient asynchronous permanent magnet motors, with an increased voltage, enabling the use of smaller, less costly and more readily available motors that are capable of regenerating approximately 30% of the energy expended in a tramming cycle. Energy storage will be facilitated by lithium-ferrite phosphate (LiFePO₄) batteries, which present reduced weight and substantially increased life when compared to the current lead-acid equivalent. A generator set will charge the batteries when required and thus alleviate the need for up to three lead-acid batteries per locomotive, presenting a substantial reduction in capital.

The locomotive is designed to be a direct replacement for conventional diesel locomotives without having to construct capital-intensive battery bays and associated infrastructure. The first hybrid locomotive will also be delivered in the first quarter of 2016.

Concurrently, Sibanye has continued to collaborate with its peers in the mining industry regarding technology development through inter-company, regulatory, administrative and institutional relationships as well as partnerships.

Other macro projects include:

- mechanised wide-raise development in production trials at Kloof's Ikamva Shaft
- mechanised and rapid infrastructure development using tunnel boring machines (TBMs) currently in the latter stages of establishment with operation expected by the end of Q2 2016
- production trials of strike-and-dip pillar reef-boring with positive initial results.



■ MT100 Sweeping Machine



■ Multi-Drill MT1000

FUTURE FOCUS

In 2016, the focus will be on consolidating and refining successful projects so as to commercialise concepts for roll-out to the operations, and to deploy 2015's prototype developments for assessment and conclusion. Having already industrialised the design of MT100, MT1000 and the Sibanye hybrid locomotive, the next step is to qualify the technology, through a comprehensive testing process, for roll-out on a larger scale.

Furthermore, Sibanye will continue to design, develop and implement new innovative strategies and technologies in an attempt to reduce energy consumption at the operations through the use of energy-efficient technologies and, where feasible, reduce carbon footprint. These strategies include the use of renewable energy, such as solar power, methane gas and climate change-mitigation initiatives. Sibanye will also continue to concentrate efforts in the area of water-technology innovation to reduce consumption and environmental impact through increased recycling.

ACQUISITIONS AND FUNDING MODEL



APPROACH

While the high-quality gold operations underpin Sibanye's ability to deliver a sustainable dividend to shareholders and gold production will always be an important component of the asset portfolio, delivery on the dividend strategy is not necessarily restricted to the gold sector. Sibanye is confident that its operating model and structures can be applied to unlock value in other sectors in the same way it has created value at Sibanye.

In this regard, in February 2014, Sibanye announced interest in participating in any potential restructuring in the South African platinum industry should there be opportunities for value creation in terms of earnings and cash flow on a per-share basis in the near to medium term.

The technical similarities between the tabular intermediate to deep, hard-rock mining in South African gold and platinum mines makes the platinum sector a natural extension for application of Sibanye's core mining competences. Sibanye's operating model, which has delivered an operational turnaround at its mature deep-level gold mining operations, can be applied to deliver similar value from platinum-mining operations.

Funding of acquisitions may be achieved through gearing, equity raising and internal cash generation.

PERFORMANCE

RUSTENBURG MINING AND CONCENTRATING OPERATIONS

On 9 September 2015, the proposed acquisition of Anglo American Platinum's Rustenburg mining and concentrating operations was announced. In terms of the acquisition, Sibanye will acquire the Bathopele, Siphumelele (including Khomanani) and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure, and related assets and liabilities on a going-concern basis, including normalised levels of working capital.

Consistent with Sibanye's transformation objectives, a consortium of broad-based BBBEE stakeholders will be included in the transaction, which will result in Sibanye owning 74% of the Rustenburg Operations and the BBBEE stakeholders owning 26%.

The transaction represents a meaningful entry for Sibanye into the PGMs sector and secures annual production of PGMs (4E) of more than 800,000oz and a large high-quality resource of over 88Moz of PGMs (4E), which affords the potential for substantial LoM extensions and/or growth. The transaction is consistent with Sibanye's strategy to grow its business to enhance and sustain its position in paying an industry-leading dividend.

AQUARIUS

On 6 October 2015, Sibanye announced a cash offer for the entire issued share capital of Aquarius. The transaction has a strong strategic and financial rationale for Sibanye, both on a stand-alone basis and particularly when considered in conjunction with the proposed acquisition of the Rustenburg Operations.

Aquarius owns stakes in the Kroondal mine and the Platinum Mile retreatment facilities near Rustenburg in South Africa and, in a joint venture with Impala Platinum Holdings Limited, the Mimosa mine in Zimbabwe. The Aquarius operations are efficiently managed, mechanised and low-cost and would consolidate Sibanye's position in the South African PGM sector. There is potential to realise significant additional value by optimising inherent regional and operational synergies between Aquarius' Kroondal mine and the adjacent Rustenburg Operations. The transaction provides an entry point into Zimbabwe, which hosts the second largest platinum reserves in the world.

Aquarius is a significant primary producer of PGMs with attributable production of 349,426oz of PGMs (including 193,422oz of platinum) for its financial year ended 30 June 2015, attributable 4E reserves of 6.94Moz and attributable 4E resources (including reserves) of 15.71Moz as of 30 June 2015.

Through these transactions, Sibanye will become a leading global multi-commodity company predominantly active in the precious metals industry. Sibanye will be the eighth largest gold producer globally, the largest gold producer from South Africa and the fourth largest global PGM producer.

FUTURE FOCUS

In 2016, the priority will be to conclude the transactions announced in 2015 but Sibanye will continue to assess opportunities to develop the business in a manner that enhances value for stakeholders and supports the dividend strategy. The near-term focus will include consolidation and growth in the sectors in which Sibanye is currently operating or expanding into as well as value-accretive growth into other commodity sectors.

Sibanye is in an excellent position to maintain the performance at existing operations and grow the Group through smart, value-accretive acquisitions.



LEADERSHIP

CORPORATE GOVERNANCE

The Group has adopted high standards of accountability, transparency and integrity in the running of the business, and in reporting to shareholders and other stakeholders.

The approach to corporate governance is guided by the principles of fairness, accountability, responsibility and transparency. Special attention has been given to providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group's operations and results; reporting to shareholders on an integrated basis on Sibanye's financial and sustainable performance; ensuring appropriate business and financial risk management; ensuring that no director, management official or other employee of the Sibanye Group deals directly or indirectly in Sibanye shares on the basis of unpublished price-sensitive information regarding the Sibanye Group, or otherwise during any prohibited period; and recognition of the Group's social responsibility to provide assistance and development support to the communities in which it operates and to deserving institutions at large.

The full corporate governance report is incorporated in the **Annual Financial Report 2015** that has been published in conjunction with this **Sibanye Gold Integrated Annual Report 2015**.

BOARD OF DIRECTORS

The Company's Memorandum of Incorporation (MOI) requires no fewer than four and no more than 15 members on the Board of Directors. The Board currently comprises 13 members – eight of these are independent non-executive directors, three non-independent non-executive directors and the two executive directors holding the positions of CEO and CFO. The Board, advised by the Nominating and Governance Committee, ensures that the candidates for election as independent non-executive directors are reputable, competent and experienced and are willing to devote the necessary time to the role.

The Board of Directors' Charter (Charter) outlines the objectives and responsibilities of the Board and all Board sub-committees operate in accordance with written terms of reference, which are regularly reviewed by the Board. The Board takes ultimate responsibility for the Group's adherence to sound corporate governance standards and sees to it that all business judgements are made with reasonable care, skill and diligence.

The roles of the Chairman of the Board and the CEO are separate.

The executive directors and the Company Secretary keep the Board informed of all developments in the Group.

The Board met seven times during the year under review.

The current membership of all the Board sub-committees is reflected in the full corporate governance report of the **Annual Financial Report 2015**.





MONITORING PERFORMANCE

In line with recommendations of King III, the Board carried out a rigorous evaluation of the independence of directors and conducted an internal assessment of the effectiveness of the Board and Board sub-committees.

The Chairman is appointed annually by the Board which, with the assistance of the Nominating and Governance Committee, carried out a rigorous review of the Chairman's performance and independence during 2015. The Board concluded that there were no factors that impaired his independence and appointed the Chairman for another year.

The performance of the Company Secretary was evaluated by the Board. The Board was satisfied with his competence, qualifications, experience and maintaining an arms-length relationship with the Board.

ROTATION AND RETIREMENT FROM THE BOARD

In accordance with the MOI, one third of the directors shall retire from office at each AGM. The first to retire are those directors appointed as additional members of the Board, followed by the longest-serving members. The Board, assisted by the Nominating and Governance Committee, can recommend the eligibility of retiring directors (subject to availability and their contribution to the business) for re-appointment. Retiring directors can be immediately re-elected by the shareholders at the AGM.

BOARD OF DIRECTORS' CHARTER

In 2015, the Board reviewed and re-assessed the adequacy of the Charter. This document compels directors to promote the vision of the Group, while upholding sound principles of corporate governance. Directors' responsibilities under the Charter include:

- determining the Group's Code of Ethics and conducting the Group's affairs in a professional manner, upholding the core values of integrity, transparency and enterprise;
- evaluating, determining and ensuring the implementation of corporate strategy and policy;
- determining compensation, development, skills development and other relevant policies for employees;
- developing and setting best-practice disclosure and reporting practices that meet the needs of all stakeholders;
- authorising and controlling capital expenditure and reviewing investment capital and funding proposals;
- constantly updating the risk management systems, including setting management expenditure authorisation levels and exposure limit guidelines; and
- reviewing executive succession planning and endorsing senior executive appointments, organisational changes and general remuneration policies.

The complete Charter is available on Sibanye's website.





BOARD AND EXECUTIVE COMMITTEE

BOARD

1



Sello Moloko

2



Neal Froneman

3



Charl Keyter

4



Christopher Chadwick

5



Robert Chan

6



Ji Yu Yuan

7



Timothy Cumming

8



Barry Davison

9



Richard Menell

10



Nkosemtu Nika

11



Keith Rayner

12



Susan van der Merwe

13



Jerry Vilakazi

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

1 SELLO MOLOKO (50)

**BSc (Hons) and Postgraduate Certificate in Education, University of Leicester
Advanced Management Programme,
University of Pennsylvania Wharton School**

Appointed non-executive chairman of the Board on 1 January 2013.

Chairman:

Nominating and Governance Committee

Member:

- Remuneration Committee
- Social and Ethics Committee
- Safety, Health and Sustainable Development Committee

EXECUTIVE DIRECTORS

2 NEAL FRONEMAN (56)

CHIEF EXECUTIVE OFFICER

**BSc Mech Eng (Ind Opt), University of the Witwatersrand
BCompt, University of South Africa
PrEng**

Appointed an executive director and CEO on 1 January 2013.

Chairman: Executive Committee

Member: Safety, Health and Sustainable Development Committee

3 CHARL KEYTER (42)

CHIEF FINANCIAL OFFICER

**BCom, University of Johannesburg
MBA, North-West University
ACMA and CGMA**

Appointed a director on 9 November 2012, and executive director and CFO on 1 January 2013.

Member: Executive Committee

NON-INDEPENDENT EXECUTIVE DIRECTORS

4 CHRISTOPHER CHADWICK (47)

**BCompt (Hons) (CTA), University of South Africa
CA (SA)**

Appointed as a non-executive director on 16 May 2014.

Member:

- Safety, Health and Sustainable Development Committee
- Risk Committee

5 ROBERT CHAN (69)

**BSc (Economics) (Hons), University of London
MBA, University of Liverpool**

Appointed as a non-executive director on 16 May 2014.

Member:

- Risk Committee
- Social and Ethics Committee

6 JIYU YUAN (54)

Mining Engineering, Xi'an University of Architecture and Technology

Appointed as a non-independent non-executive director on 12 May 2015

Member: Risk Committee

INDEPENDENT NON-EXECUTIVE DIRECTORS

7 TIMOTHY CUMMING (58)

**BSc (Hons) (Engineering), University of Cape Town
BA (PPE)
MA (Oxford)**

Appointed as a non-executive director on 21 February 2013.

Chairman: Remuneration Committee

Member:

- Risk Committee
- Social and Ethics Committee

8 BARRY DAVISON (70)

**BA (Law and Economics), University of the Witwatersrand
Graduate Commerce Diploma,
Birmingham University
CIS Diploma in Advanced Financial
Management and Advanced Executive
Programme, University of South Africa**

Appointed as a non-executive director on 21 February 2013.

Chairman: Safety, Health and Sustainable Development Committee

Member:

- Remuneration Committee
- Nominating and Governance Committee
- Social and Ethics Committee

9 RICHARD MENELL (60)

**MA (Natural Sciences, Geology),
Trinity College, University of Cambridge
MSc (Mineral Exploration and Management),
Stanford University**

Appointed as a non-executive director on 1 January 2013.

Chairman: Risk Committee

Member:

- Audit Committee
- Social and Ethics Committee
- Nominating and Governance Committee
- Safety, Health and Sustainable Development Committee

10 NKOSEMTU NIKA (58)

**BCom, University of Fort Hare
BCompt (Hons), University of South Africa
Advanced Management Programme, INSEAD
CA (SA)**

Appointed as a non-executive director on 21 February 2013.

Member:

- Audit Committee
- Nominating and Governance Committee
- Remuneration Committee

11 KEITH RAYNER (59)

**BCom, Rhodes University
CTA
CA (SA)**

Appointed as a non-executive director on 1 January 2013.

Chairman: Audit Committee

Member:

- Risk Committee
- Social and Ethics Committee
- Remuneration Committee

12 SUSAN VAN DER MERWE (61)

BA, University of Cape Town

Appointed as a non-executive director on 21 February 2013.

Member:

- Audit Committee
- Safety, Health and Sustainable Development Committee

13 JERRY VILAKAZI (55)

**BA, University of South Africa
MA, Thames Valley University
MA, University of London
MBA, California Coast University**

Appointed as a non-executive director on 1 January 2013.

Chairman: Social and Ethics Committee

Member: Nominating and Governance Committee



Detailed curriculum vitae of Board members are available on Sibanye's website at:
www.sibanyegold.co.za/the-group/board-of-directors

TERMS OF OFFICE:

The following directors retire by rotation at the upcoming annual general meeting on 24 May 2016, and have indicated they are available for election or re-election: Barry Davison, Nkosemtu Nika, Neal Froneman, Susan van der Merwe and Jiyu Yuan.

Christopher Chadwick, Robert Chan, Timothy Cumming, Charl Keyter and Sello Moloko retire by rotation in 2017.



LEADERSHIP

BOARD AND EXECUTIVE COMMITTEE **CONTINUED**

BOARD COMMITTEES

The Board has formed the following committees in compliance with good corporate governance:

- Audit Committee;
- Risk Committee;
- Remuneration Committee;
- Nominating and Governance Committee;
- Safety, Health and Sustainable Development Committee; and
- Social and Ethics Committee (to comply with the statutory requirements of the Companies Act).

All these committees are composed of a majority of independent non-executive directors except for the Safety, Health and Sustainable Development Committee of which the CEO is also a member, and the Risk Committee of which Christopher Chadwick, Jiyu Yuan and Robert Chan are also members. The committees are all chaired by an independent non-executive director and operate in accordance with written terms of reference which have been approved by the Board.

THE AUDIT COMMITTEE

This committee monitors and reviews Sibanye's accounting controls and procedures, including the effectiveness of its information systems and other systems of internal control; the effectiveness of the internal audit function; reports of both external and internal auditors; interim reports, the Form 20-F; the consolidated annual financial statements; the accounting policies of Sibanye and any proposed revisions thereto; external audit findings and reports, and the approval thereof; and compliance with applicable legislation and requirements of regulatory authorities and Sibanye's Code of Ethics.

The full duties and responsibilities of the Audit Committee and the Report of the Audit Committee appear in the Annual Financial Report 2015. The Committee assessed its performance and effectiveness during the period under review and was found to be functioning satisfactorily and discharging its duties.

THE RISK COMMITTEE

This committee is responsible for ensuring that management implements appropriate risk management processes and controls. The total process of risk management, which includes the related systems of internal control, is the responsibility of the Board. Management is accountable to the Board for designing, implementing and monitoring an integrated process of risk management into the daily activities of Sibanye. The Board, through the Risk Committee, ensures that management implements appropriate risk management processes and controls. The responsibilities of the committee include:

- reviewing the effectiveness and efficiency of the Enterprise Risk Management system within the Company and being assured that material risks are identified and that appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Company policies;
- reviewing the adequacy of the risk management charter, policy and plan;
- reviewing the parameters of the Company's risk/reward strategy, in terms of the risk appetite and tolerance relative to reward and ensuring that risks are quantified where practicable;
- regularly receiving a register of the Company's key risks and potential material risk exposures from management, reviewing and approving mitigations strategies, and reporting to the Board any material changes and/or divergence to the risk profile of the Company;
- monitoring the implementation of operational and corporate risk management plans;
- reviewing the insurance and other risk transfer arrangements, and considering whether appropriate coverage is in place;
- reviewing the business contingency planning process within the Group and being assured that material risks are identified and that appropriate contingency plans are in place;
- conducting a formal risk assessment at least once a year, which should be continually reviewed, updated and applied; and
- ensuring that a combined assurance model is applied to provide a coordinated approach to assurance activities.





THE NOMINATING AND GOVERNANCE COMMITTEE

This committee is responsible for ensuring that new directors undergo an appropriate induction process; recommending to the Board the need for Board participation in continuing education programmes; identifying and recommending to the Board successors to the Chairman and CEO; developing the approach of Sibanye to matters of corporate governance; and making recommendations to the Board concerning such matters.

THE REMUNERATION COMMITTEE

This committee is responsible for determining Sibanye's remuneration policy and the practices needed to attract, retain and motivate high-performing executives who are demonstrably aligned with Sibanye's corporate objectives and business strategy; and for ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account. The Remuneration Committee also reviews, on behalf of the Board, both the remuneration levels of senior executives and management share-incentive schemes and the related performance criteria and measurements. To perform these functions the Remuneration Committee meets quarterly, or more frequently if required.

The Group's remuneration policies, as well as details of directors' fees and equity-settled instruments appear in the Remuneration Report of the Annual Financial Report 2015.

THE SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

This committee reviews adherence to occupational health, safety and environmental standards by Sibanye. The committee seeks to minimise mining-related accidents, to ensure that Sibanye's operations are in compliance with all environmental regulations and to establish policy in respect of HIV/Aids and health matters.

THE SOCIAL AND ETHICS COMMITTEE

This committee is responsible for discharging its statutorily imposed duties as outlined in section 72 of the Companies Act and the applicable regulations, which include monitoring Sibanye's activities in relation to relevant legislation, other legal requirements and prevailing codes of best practice regarding:

- the social and economic development;
- good corporate citizenship;
- the environment, health and public safety and the impact on Sibanye's activities, products and services;
- consumer relations; and
- labour and employment legislation.

The Social and Ethics Committee must bring any matters relating to this monitoring to the attention of the Board and report to shareholders at the AGM. The Board seeks the assistance of the Social and Ethics Committee in ensuring that Sibanye complies with best practice recommendations in respect of social and ethical management.





BOARD AND EXECUTIVE COMMITTEE CONTINUED

EXECUTIVE COMMITTEE

Sibanye's Executive Committee meets on a regular basis to discuss and make decisions on the strategic and operating issues facing Sibanye.

Assuming that Sibanye completes the acquisitions of Aquarius and the Rustenburg Operations, Sibanye intends to restructure its operations into two operating divisions: a gold and uranium division and a platinum division, each of which would be managed by a divisional CEO with a supporting executive management team. With effect from 1 January 2016, the membership of Sibanye's Executive Committee is as follows:

NEAL FRONEMAN (56)

CHIEF EXECUTIVE OFFICER

**BSc Mech Eng (Ind Opt), University of the Witwatersrand
BCompt, University of South Africa
PrEng**

CHARL KEYTER (42)

CHIEF FINANCIAL OFFICER

**BCom, University of Johannesburg
MBA, North-West University
ACMA and CGMA**

HARTLEY DIKGALE (55)

EXECUTIVE VICE PRESIDENT:

CORPORATE AFFAIRS

**Bluris, University of the North
LLB, HDip (Company Law), University of the Witwatersrand
LLM, Vista University**

DAWIE MOSTERT (46)

EXECUTIVE VICE PRESIDENT:

COMMERCIAL SERVICES

**Diploma in Labour Relations
MDP (Adv Labour Law)
MBA, University of South Africa**

WAYNE ROBINSON (53)

DIVISIONAL CEO: GOLD AND

URANIUM DIVISION

**BSc (Mechanical Engineering),
University of Natal
BSc (Mining Engineering),
University of the Witwatersrand
PrEng
South African Mine Manager's Certificate of
Competency (Metalliferous)
South African Mechanical Engineer's
Certificate of Competency**

RICHARD STEWART (40)

EXECUTIVE VICE PRESIDENT:

BUSINESS DEVELOPMENT

**BSc (Hons), PhD (Geology), University of
the Witwatersrand
MBA, Warwick Business School (UK)
PrSciNat**

ROBERT VAN NIEKERK (51)

EXECUTIVE VICE PRESIDENT:

ORGANISATIONAL EFFECTIVENESS

**National Higher Diploma (Metalliferous
Mining), Technikon Witwatersrand
BSc (Mining Engineering), University of
the Witwatersrand
South African Mine Manager's Certificate
of Competency**

JOHN WALLINGTON (58)

EXECUTIVE VICE PRESIDENT:

COAL AND ENERGY

**BSc (Mining Engineering), University of
the Witwatersrand
South African Mine Manager's Certificate
of Competency
Senior Executive Management Programme,
London School of Business**

Prior to the reorganisation of Sibanye's Executive Committee, Shadwick Bessit, Cain Farrel, Nash Lutchman, Adam Mutshinya, Thabisile Phumo (appointed on 1 June 2015), Dick Plaistowe (retired on 30 September 2015), Peter Turner and James Wellsted were prescribed officers and members of Sibanye's Executive Committee.

During the year, Pieter Henning and Justin Froneman were appointed CFO: Gold and Uranium Division and CFO: Platinum Division, respectively. Justin's appointment followed a structured approach supervised by the Group CFO and approved by the Audit Committee, the Remuneration Committee and the Board. The CEO recused himself from all discussions relating to Justin's appointment.



Detailed curriculum vitae of Executive Committee members are available on Sibanye's website at www.sibanyegold.co.za/the-group/governance/executive-committee

SUMMARISED REMUNERATION REPORT

This is a summarised version of the Remuneration Committee's Remuneration Report of the Annual Financial Report 2015.

2015 REMUNERATION POLICY

The key principles of Sibanye's remuneration policy are to:

- support the execution of the Group's business strategy;
- provide competitive rewards to attract, motivate and retain highly skilled executives and staff;
- motivate and reinforce individual, team and business performance; and
- ensure Sibanye's remuneration arrangements are reasonably equitable and facilitate the deployment of people across the Group's operations.

The reward strategy is also underpinned by sound remuneration management and governance principles which are promoted across Sibanye in order to ensure the consistent application of the strategy and its policies. The Group's reward strategy includes the following elements:

- guaranteed remuneration;
- benefits;
- cash bonus and bonus shares (short-term incentives); and
- performance shares (long-term incentives).

REMUNERATION MIX

Sibanye's remuneration model and practices are aimed at attracting and retaining motivated, high-calibre employees and aligning their interests with the shareholders. Such alignment is achieved through an appropriate mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The mix of guaranteed pay and variable pay differs according to the level of the employee within the Group. Typically, more senior employees' remuneration will consist of a higher portion of variable pay as a percentage of their total remuneration.

The following remuneration mix for the period under review was approved by the Remuneration Committee.

Role	Total	Guaranteed pay	Cash bonus	Bonus shares	Performance shares
CEO	100%	36%	24%	16%	24%
CFO	100%	39%	23%	15%	23%
SVP	100%	43%	21.5%	14%	21.5%

GUARANTEED REMUNERATION

Sibanye endeavours to reward its people fairly and consistently according to their role and individual contribution to the Group. To achieve reasonable external parity and a competitive total remuneration position, Sibanye surveys the relevant data on comparable pay practices regularly. The Committee also pays attention to the matter of internal parity of pay differentials across executives and role types within the Company.

The benchmark for guaranteed remuneration is the market median level per category within the relevant gold mining companies and other comparable mining companies together with consideration of internal parity comparisons.

Guaranteed remuneration levels are reviewed annually by the Remuneration Committee, taking into account the Group's performance, change in responsibility, levels of remuneration increases based on market trends and inflation. The Remuneration Committee also considers the impact of any guaranteed remuneration increase on the total remuneration package.



LEADERSHIP

SUMMARISED REMUNERATION REPORT CONTINUED

ANNUAL BONUS

Executive directors are able to earn bonuses of 60% (for the CFO) and 65% (for the CEO) of their guaranteed pay for on-target performance, which is determined by a combination of Group and individual performance outcomes. The annual bonus could increase above 60% and 65% if stretch targets are achieved whereby the maximum variable pay potential is capped at two times the on-target bonus percentage.

The targets for annual bonus are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives and the remaining 10% on individual objectives.

In 2015 annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of Group and Operational objectives taking account of the Group's business plans.

The CEO and CFO were also assessed on individual objectives. These are set every year for each executive director based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. The individual objectives are typically centred on three themes: Operational Excellence, Growing Sibanye and Securing Sibanye's Future.

For the year ended 31 December 2015, the Group performance measures for executive directors and senior executives were:

Corporate performance 2015		Weight %	Actual	Target	Achieved %
Safety	Reduce FIFR	10	0.065	0.090	200%
	Reduce LTIFR	5	6.74	5.27	0%
	Reduce SIFR	5	4.68	3.15	0%
Volume	Primary on-reef development (m)	10	19,543	19,222	133%
	Primary off-reef development (m)	10	48,581	47,246	157%
Cost	Cost of ore milled – R/ton (underground)	25	1,740	1,771	135%
Quality	Grade and quality – gold produced (kg) ¹	35	48,638	52,000	57%
		100			103%

¹ The organisational performance is based on allowance for 710kg gold production at Kloof that was lost due to three fires that are considered to be events outside direct management control as well as 152kg of gold that was lost at our surface operations across Beatrix, Driefontein and Kloof due to the need to reduce electricity consumption in response to load curtailment requirements imposed by Eskom.

In turn, the CEO develops specific individual objectives with his own direct reports at the beginning of each year. These objectives are then reviewed with the Remuneration Committee and form the basis upon which the other executives' performance, together with the Operational performance outcomes, will be reviewed at the end of the year.

Based on the bonuses determined for each executive for the year ended 31 December 2015, the annual bonus as a percentage of guaranteed pay paid to executive directors and prescribed officers of Sibanye in February 2016 was:

Name	2015 Annual incentive as percentage of guaranteed pay
Executive directors	
Neal Froneman	70.8%
Charl Keyter	64.1%
Prescribed officers	
Shadwick Bessit	52.4%
Hartley Dikgale	52.4%
Cain Farrel	41.9%
Nash Lutchman	52.4%
Dawie Mostert	53.2%
Adam Mutshinya	52.2%
Thabisile Phumo ¹	52.7%
Dick Plaistowe ²	51.2%
Wayne Robinson	52.7%
Richard Stewart	53.7%
Peter Turner	52.7%
Robert van Niekerk	52.9%
James Wellsted	52.7%

¹ Appointed as a prescribed officer on 1 June 2015

² Retired as a prescribed officer on 30 September 2015

SCHEDULE OF FEES AND REMUNERATION

The table below sets out the remuneration of executives and non-executive directors, and prescribed officers.

NON-EXECUTIVE DIRECTORS' FEES, EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS' REMUNERATION

The directors and prescribed officers of Sibanye were paid the following remuneration during the year ended 31 December 2015:

	Directors' fees (R'000)	Committee fees (R'000)	Salary (R'000)	Annual bonus accrued for the period ended 31 December 2015 paid in 2016 (R'000)	Shares proceeds and dividends on Bonus Shares (R'000)	Pension scheme total contributions (R'000)	Expense allowance (R'000)	For the period ended 31 December 2015 (R'000)	For the period ended 31 December 2014 (R'000)
Executive directors									
Neal Froneman	–	–	7,136	5,660	6,165	793	132	19,886	12,868
Charl Keyter	–	–	3,861	2,896	5,736	549	77	13,119	7,427
Prescribed officers									
Shadwick Bessit	–	–	3,278	2,012	5,122	571	–	10,983	6,029
Hartley Dikgale	–	–	2,569	1,409	1,223	167	–	5,368	3,926
Cain Farrel	–	–	1,815	938	3,078	404	–	6,235	3,880
Nash Lutchman	–	–	2,016	1,184	2,829	280	–	6,309	3,237
Dawie Mostert	–	–	2,501	1,573	1,461	439	–	5,974	4,170
Adam Mutshinya	–	–	2,271	1,398	878	399	–	4,946	4,570
Thabisile Phumo ¹	–	–	1,306	749	133	124	–	2,312	–
Dick Plaistowe ²	–	–	3,016	1,123	876	–	–	5,015	2,842
Wayne Robinson	–	–	3,584	1,962	357	277	–	6,180	3,636
Marius Saaiman ³	–	–	824	–	–	70	–	894	4,130
Richard Stewart	–	–	2,876	1,671	296	309	–	5,152	3,003
Peter Turner	–	–	5,231	3,212	17,334	908	–	26,685	13,541
Robert van Niekerk	–	–	3,633	2,119	9,585	397	–	15,734	9,126
James Wellsted	–	–	2,473	1,541	412	435	–	4,861	4,282
Non-executive directors									
Robert Chan	816	231	–	–	–	–	–	1,047	553
Chris Chadwick	816	231	–	–	–	–	–	1,047	633
Timothy Cumming	816	413	–	–	–	–	49	1,278	1,190
Barry Davison	816	528	–	–	–	–	43	1,387	1,255
Richard Menell	816	681	–	–	–	–	38	1,535	1,351
Sello Moloko	1,544	–	–	–	–	–	–	1,544	1,539
Nkosemntu Nika	816	384	–	–	–	–	–	1,200	1,115
Keith Rayner	816	604	–	–	–	–	–	1,420	1,253
Zola Skweyiya ⁴	330	93	–	–	–	–	–	423	931
Susan van der Merwe	816	269	–	–	–	–	–	1,085	1,054
Jerry Vilakazi	816	297	–	–	–	–	–	1,113	1,082
Jiyu Yuan ⁵	529	75	–	–	–	–	–	604	–
Total	9,747	3,806	48,390	29,447	55,485	6,122	339	153,336	98,623

¹ Appointed as a prescribed officer on 1 June 2015

² Retired on 30 September 2015

³ Resigned on 31 March 2015

⁴ Resigned as a non-executive director on 21 May 2015

⁵ Appointed as a non-executive director on 12 May 2015

STATEMENT OF ASSURANCE

INDEPENDENT ASSURANCE REPORT ON SELECTED SUSTAINABILITY PERFORMANCE INDICATORS

TO THE DIRECTORS OF SIBANYE GOLD LIMITED

We have undertaken a limited assurance engagement on selected sustainability performance indicators, as described below, and presented in the Sibanye Gold Limited (SGL) Integrated Annual Report for the year ended 31 December 2015 (the Report). This engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with relevant experience in sustainability reporting.

SUBJECT MATTER

We are required to provide limited assurance on the selected sustainability performance indicators set out in the table below. The assured data is presented in the table on page 83.

Selected sustainability performance indicators	Unit
(a) Prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines (GRI G4 Guidelines)	
Environment	
Total CO ₂ equivalent emissions, Scope 1-2	Tonnes
Total CO ₂ equivalent emissions, Scope 3	Tonnes
Electricity	MWh
Number of environmental incidents – Level 3 and above	Number
Total water withdrawal	ML
Diesel	TJ
Health	
Number of cases of silicosis reported	Number of cases
Number of cases of noise-induced hearing loss (NIHL) reported	Number of cases
Number of cases of chronic obstructive airways diseases (COAD) reported	Number of cases
Cardiorespiratory tuberculosis (TB) total (new and retreatment cases)	Number of cases
TB incidence (new and relapse cases)	Number of cases
Highly active antiretroviral treatment (HAART) patients alive and on treatment (in active SGL employment)	Number of patients
HIV prevalence among employees	Percentage (%)
% workforce tested positive, negative and unknown for HIV	Percentage employees and contractors tested for HIV (%)
Safety	
Lost-time injury frequency rate (LTIFR)	Rate per million hours worked
Medically treated injury frequency rate (MTIFR)	Rate per million hours worked
Number of fatalities	Number
Social	
Total socio-economic development (SED) spend in Rands	R million
Selected sustainability performance indicators	
(b) Prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2002) and related scorecard (2004)	
Rand value spent on approved social and labour plan (SLP) projects	R million
Selected sustainability performance indicators	
(c) Prepared in compliance with the Amendment to the BBSEEC (2010) and related scorecard (2010)	
Employment equity	
Percentage HDSAs in management who are classified as designated groups and who are employed at management levels (excluding foreign nationals and white males) at:	Total percentage (%)
• Top management (Board)	
• Senior (Executive Committee)	
• Middle (E Band)	
• Junior (D Band)	
Procurement and enterprise development	
Total procurement spend from black economic empowerment (BEE) entities	R million
BEE procurement spend: Capital goods	Percentage (%)
BEE procurement spend: Services	Percentage (%)
BEE procurement spend: Consumable goods	Percentage (%)

DIRECTORS RESPONSIBILITY FOR THE REPORT

The Directors are responsible for the selection, preparation and presentation of the selected sustainability performance indicators. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the selection and application of the following reporting criteria used in the preparation and presentation of the respective selected sustainability performance indicators:

- (a) the GRI G4 Guidelines;
- (b) the BBSEEC (2002) and related Scorecard (2004); and
- (c) the Amendments to the BBSEEC (2010) and related Scorecard (2010).

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and all other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

KPMG Services Proprietary Limited applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express limited assurance conclusion on the selected sustainability performance indicators in (a), (b) and (c) based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. The Standard requires us to plan and perform our engagement to obtain limited assurance about whether the selected sustainability performance indicators are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of SGL's use of the reporting criteria set out above as the basis of preparation for the selected sustainability performance indicators, assessing the risks of material misstatement of the selected sustainability performance indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and data owners to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability performance indicators;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the sustainability performance indicators;
- Undertook site visits at Beatrix, Kloof, Driefontein, Cooke and Libanon Business Park; and
- Evaluated whether the selected sustainability performance indicators presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at SGL.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether SGL's selected sustainability performance information as set out in (a), (b) and (c) have been prepared, in all material respects, in accordance with the relevant reporting criteria.

STATEMENT OF ASSURANCE **CONTINUED**

LIMITED ASSURANCE CONCLUSIONS

In relation to the Report for the year ended 31 December 2015, we report

(a) On the selected sustainability performance indicators prepared in accordance with the GRI G4 Guidelines

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability performance indicators in (a) above are not prepared, in all material respects, in accordance with the GRI G4 Guidelines.

(b) On the selected sustainability performance indicators prepared in compliance with the BBSEEC (2002) and related Scorecard (2004)

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability performance indicators in (b) above are not prepared, in all material respects, in compliance with the BBSEEC (2002) and related Scorecard (2004).

(c) On the selected sustainability performance indicators prepared in compliance with the Amendment to the BBSEEC (2010) and related Scorecard (2010)

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability performance indicators in (c) above are not prepared, in all material respects, in compliance with the Amendment to the BBSEEC (2010) and related Scorecard (2010).

OTHER MATTERS

The maintenance and integrity of the SGL's Website is the responsibility of SGL management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on the SGL Website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express limited assurance conclusions on the selected sustainability performance indicators to the Directors of SGL in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than SGL, for our work, for this report, or for the conclusion we have reached.

KPMG Services Proprietary Limited

PD Naidoo

Director

Johannesburg

18 March 2016

KPMG Crescent

85 Empire Road

Parktown

Johannesburg 2193

J Erasmus

Director

Johannesburg

18 March 2016

KPMG Crescent

85 Empire Road

Parktown

Johannesburg 2193

ASSURED DATA

Key sustainability performance data selected by Sibanye for assurance by KPMG Services

Selected sustainability performance indicators	Unit	SGL data
(a) Prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines (GRI G4 Guidelines)		
Environment		
Total CO ₂ equivalent emissions, Scope 1-2	Tonnes	5,015,626
Total CO ₂ equivalent emissions, Scope 3	Tonnes	866,745
Electricity	MWh	4,231,362.59
Number of environmental incidents – Level 3 and above	Number	8
Total water withdrawal	ML	114,735.03
Diesel	TJ	231
Health		
Number of cases of silicosis reported	Number of cases	186
Number of cases of NIHL reported	Number of cases	105
Number of cases of COAD reported	Number of cases	57
Cardiorespiratory TB total (new and retreatment cases)	Number of cases	679
TB incidence (new and relapse cases)	Number of cases	744
HAART patients alive and on treatment (in active SGL employment)	Number of patients	5,750
HIV prevalence among employees	Percentage VCT cohort including employees and contractors (%)	21.98
		21.98 tested positive
		78 tested negative
% workforce tested positive, negative and unknown for HIV	Percentage employees and contractors tested for HIV	0.01 unknown
Safety		
LTIFR	Rate per million hours worked	6.74
MTIFR	Rate per million hours worked	3.6
Number of fatalities	Number	7
Social		
Total SED spend in Rands	R million	691.496
(b) Prepared in compliance with the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2002) and related scorecard (2004)		
Rand value spent on approved SLP projects	R million	27.094
(c) Prepared in compliance with the amendment to the BBSEEC (2010) and related scorecard (2010)		
Employment equity		
Percentage HDSAs in management who are classified as designated groups and who are employed at management levels (excluding foreign nationals and white males)	Total percentage at Top management (Board) Senior management (Executive Committee) Middle management (E Band) Junior management (D Band)	Top management: 31 Executive Committee: 43 Middle management: 30 Junior management: 48
Procurement and enterprise development		
Total procurement spend from BEE entities	R million	4,700
BEE procurement spend: Capital goods	Percentage (%)	56
BEE procurement spend: Services	Percentage (%)	76
BEE procurement spend: Consumable goods	Percentage (%)	72

For the parameters assured, total Scope 1 and 2 emissions, diesel, electricity and safety, the Burnstone project data was included.
For all other parameters, the Burnstone project data was excluded.
Safety data reported by Sibanye also includes Burnstone project data.

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

Sibanye's Mineral Resources and Mineral Reserves are reported in accordance with the SAMREC Code, and are considered to be fully compliant in all material respects with the requirements of the code.

The statement of 31 December 2015 outlines the Mineral Resources and Mineral Reserves at each of our operating mines and growth projects, and compares to the last full declaration made as at 31 December 2014, and therefore includes a 12-month production depletion period. The Mineral Resources and Mineral Reserves are underpinned by appropriate Mineral Resource Management processes and protocols that ensure adequate corporate governance.

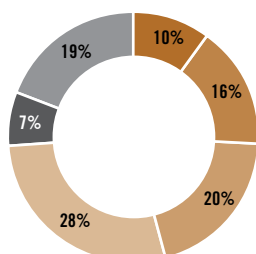
This section is a condensed overview of the Sibanye Gold Mineral Resource and Mineral Reserve Supplement 2015. This supplement contains a comprehensive review of our Mineral Resources and Mineral Reserves as at 31 December 2015, and outlines in detail the location, geology, mining, processing, operational statistics and changes at each of Sibanye's mining operations and projects.

The commodity prices used for the Mineral Reserve declaration are in accordance with the SEC guidelines and approximate the historic two- to three-year average commodity prices. As a result, a gold price of R430,000/kg and a uranium price of R1,140/kg has been used. The Mineral Resources were declared at a premium of 10% over the Mineral Reserve price. All stated Mineral Resources and Mineral Reserves are net of 12 months' production depletion since the 2014 declaration.

Gold and uranium Mineral Resources and Mineral Reserves

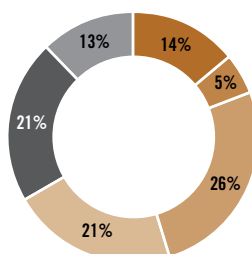
GOLD

Mineral Resources (98.8Moz)



Beatrix	9.6Moz	Cooke	15.9Moz
Driefontein	19.8Moz	Kloof	28.2Moz
WRTRP	6.5Moz	Projects	18.8Moz

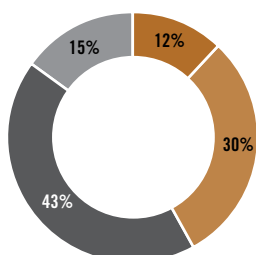
Mineral Reserves (31.0Moz)



Beatrix	4.3Moz	Cooke	1.5Moz
Driefontein	8.2Moz	Kloof	6.5Moz
WRTRP	6.5Moz	Projects	3.9Moz

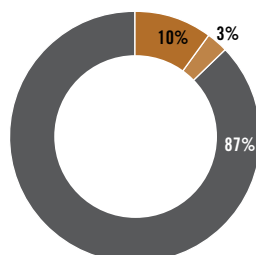
URANIUM

Mineral Resources (229.9Mlb)



Beatrix	27.0Mlb	Cooke	68.4Mlb
WRTRP	99.1Mlb	Projects	35.4Mlb

Mineral Reserves (113.8Mlb)



Beatrix	11.7Mlb	Cooke	3.1Mlb
WRTRP	99.1Mlb	Projects	0Mlb

CLASSIFIED GOLD MINERAL RESOURCE AND MINERAL RESERVE STATEMENT¹

Mineral Resources					Mineral Reserves				
Gold classification per operation/project	31 Dec 2015			31 Dec 2014	Gold classification per operation/project	31 Dec 2015			31 Dec 2014
	Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)		Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
OPERATIONS					OPERATIONS				
BEATRIX					BEATRIX				
Measured AI	26.6	5.7	4.857	3.792	Proved AI	20.1	3.7	2.389	1.706
Indicated AI ²	22.2	5.2	3.677	5.332	Probable AI ²	18.1	3.2	1.875	1.892
Inferred AI	0.0	3.3	0.004	0.004					
Total AI	48.8	5.4	8.538	9.128	Total AI	38.2	3.5	4.264	3.598
Indicated BI ³	6.9	4.4	0.991	0.660					
Beatrix – total underground	55.8	5.3	9.530	9.788	Beatrix – total underground	38.2	3.5	4.264	3.598
COOKE					COOKE				
Measured AI	8.5	5.7	1.566	3.175	Proved AI	6.8	4.7	1.014	1.555
Indicated AI	34.7	7.1	7.969	7.659	Probable AI	3.1	4.6	0.457	0.286
Inferred AI	11.9	6.1	2.326	1.643					
Total AI	55.1	6.7	11.862	12.477	Total AI	9.8	4.7	1.471	1.841
Inferred BI ⁴	40.7	3.1	3.998	3.998					
Cooke – total underground	95.8	5.1	15.860	16.475	Cooke – total underground	9.8	4.7	1.471	1.841
DRIEFONTEIN					DRIEFONTEIN				
Measured AI	18.9	10.7	6.503	8.229	Proved AI	17.9	7.2	4.133	2.716
Indicated AI	7.5	12.7	3.053	4.088	Probable AI	8.6	6.7	1.846	3.387
Inferred AI	0.7	14.6	0.314	0.550					
Total AI	27.0	11.4	9.870	12.867	Total AI	26.4	7.0	5.980	6.103
Indicated BI ⁵	28.0	10.9	9.821	9.684	Probable BI ⁵	9.1	7.3	2.122	1.126
Inferred BI ⁵				0.204					
Total BI	28.0	10.9	9.821	9.888	Total BI	9.1	7.3	2.122	1.126
Driefontein – total underground	55.0	11.1	19.691	22.755	Driefontein – total underground	35.5	7.1	8.102	7.228
KLOOF					KLOOF				
Measured AI	14.4	13.4	6.196	9.618	Proved AI	19.6	7.7	4.857	2.932
Indicated AI	1.2	12.4	0.468	0.775	Probable AI	4.6	6.9	1.024	3.243
Total AI	15.5	13.3	6.664	10.393	Total AI	24.2	7.6	5.881	6.175
Indicated BI ⁶	24.6	14.2	11.246	8.538	Indicated BI ⁶	2.1	7.4	0.502	0.532
Inferred BI ⁶	16.4	19.2	10.112	10.175					
Total BI	41.0	16.2	21.359	18.713	Total BI	2.1	7.4	0.502	0.532
Kloof – total underground	56.6	15.4	28.023	29.106	Kloof – total underground	26.3	7.5	6.383	6.706
Operations – total underground	263.2	8.6	73.103	78.124	Operations – total underground	109.8	5.7	20.219	19.374

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

Mineral Resources					Mineral Reserves				
Gold classification per operation/project	31 Dec 2015			31 Dec 2014	Gold classification per operation/project	31 Dec 2015			31 Dec 2014
	Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)		Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
Surface Rock Dumps (SRD) and Tailings Storage Facilities (TSF)					Surface Rock Dumps (SRD) and Tailings Storage Facilities (TSF)				
Beatrix (Indicated)	5.3	0.4	0.062	0.071	Beatrix (Probable)	5.3	0.4	0.062	0.071
Randfontein surface (Measured)	4.7	0.3	0.052	0.086	Randfontein surface (Proved)	4.7	0.3	0.052	0.086
Randfontein surface (Indicated)				0.028	Randfontein surface (Probable)				0.028
Driefontein (Indicated)	4.6	0.6	0.094	0.125	Driefontein (Probable)	4.6	0.6	0.094	0.125
Kloof (Indicated)	9.5	0.5	0.163	0.223	Kloof (Probable)	9.5	0.5	0.163	0.194
Operations – total surface (SRD and TSF)	24.1	0.5	0.372	0.533	Operations – total surface (SRD and TSF)	24.1	0.5	0.372	0.504
Total operations (incl. SRD and TSF – excl. Projects)					Total operations (incl. SRD and TSF – excl. Projects)				
Beatrix	61.1	4.9	9.592	9.859	Beatrix	43.5	3.1	4.326	3.669
Cooke	100.5	4.9	15.911	16.589	Cooke	14.5	3.3	1.523	1.955
Driefontein	59.6	10.3	19.786	22.880	Driefontein	40.1	6.4	8.196	7.354
Kloof	66.1	13.3	28.186	29.329	Kloof	35.8	5.7	6.546	6.900
Operations – total (incl. SRD and TSF)	287.3	8.0	73.475	78.657	Operations – total (incl. SRD and TSF)	134.0	4.8	20.591	19.878
PROJECTS					PROJECTS				
BEISA NORTH					BEISA NORTH				
Inferred	14.8	3.4	1.619	1.619					
Beisa North – total underground	14.8	3.4	1.619	1.619	Beisa North – total underground				
BLOEMHOEK					BLOEMHOEK				
Indicated	27.4	4.7	4.163	4.163					
Inferred	0.9	4.9	0.135	0.135					
Bloemhoek – total underground	28.3	4.7	4.297	4.297	Bloemhoek – total underground				
BURNSTONE					BURNSTONE				
Indicated	25.4	5.3	4.350	4.350	Probable	13.0	4.3	1.799	
Inferred	28.7	4.9	4.540	4.540					
Burnstone – total underground	54.1	5.1	8.890	8.890	Burnstone – total underground	13.0	4.3	1.799	
DE BRON MERRIESPRUIT					DE BRON MERRIESPRUIT				
Indicated	23.0	4.5	3.307	3.307	Probable	15.4	4.3	2.112	2.088
Inferred	5.3	4.2	0.715	0.715					
De Bron Merriespruit – total underground	28.3	4.4	4.022	4.022	De Bron Merriespruit – total underground	15.4	4.3	2.112	2.088
Projects – total underground	125.5	4.7	18.828	18.828	Projects – total underground	28.4	4.3	3.911	2.088

Mineral Resources					Mineral Reserves				
Gold classification per operation/project	31 Dec 2015			31 Dec 2014	Gold classification per operation/project	31 Dec 2015			31 Dec 2014
	Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)		Tons (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
WRTRP					WRTRP				
Measured	662.5	0.3	5.962	5.935	Proved				
Indicated	52.3	0.3	0.524	0.524	Probable	714.8	0.3	6.486	6.459
WRTRP – total surface	714.8	0.3	6.486	6.459	WRTRP – total surface	714.8	0.3	6.486	6.459
Projects – total surface	714.8	0.3	6.486	6.459	Projects – total surface	714.8	0.3	6.486	6.459
Projects – total underground and surface	840.3	0.9	25.314	25.287	Projects – total underground and surface	743.2	0.4	10.397	8.547
Grand total – underground and surface	1127.6	2.7	98.790	103.944	Grand total – underground and surface	877.1	1.1	30.988	28.425

AI: Above Infrastructure

BI: Below Infrastructure

Mineral Resources are inclusive of Mineral Reserves

All tons (t) are expressed in metric units

Rounding-off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

Cut-off grades have been calculated in accordance with the SEC Guidelines for mineral pricing and approximate the historic two- to three-year average commodity prices.

Mineral Resources were declared at a premium of 10% over the Mineral Reserve metal price.

Gold Mineral Resources were determined at R470,000/kg and the Gold Mineral Reserves at R430,000/kg.

¹ Managed, unless otherwise stated

² Beatrix Indicated Mineral Resources AI and Probable Mineral Reserves includes the Beisa Project

³ Beatrix Indicated Mineral Resources BI refers to material below 26 Level (1,341mbs)

⁴ Cooke Inferred Mineral Resources BI refers to material within Cooke 4 Shaft prospecting right (Zuurbekom)

⁵ Driefontein Indicated and Inferred Mineral Resources and Probable Mineral Reserves BI refers to material below 50 Level (3,300mbs)

⁶ Kloof Indicated and Inferred Mineral Resources and Probable Mineral Reserves BI refers to material below 45 Level (3,347mbs)

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

CLASSIFIED URANIUM MINERAL RESOURCE AND MINERAL RESERVE STATEMENT¹

Mineral Resources					Mineral Reserves				
Uranium classification per operation/project	31 Dec 2015			31 Dec 2014	Uranium classification per operation/project	31 Dec 2015			31 Dec 2014
	Tons (Mt)	Grade (kg/t)	U ₃ O ₈ (Mlb)	U ₃ O ₈ (Mlb)		Tons (Mt)	Grade (kg/t)	U ₃ O ₈ (Mlb)	U ₃ O ₈ (Mlb)
OPERATIONS					OPERATIONS				
BEATRIX²					BEATRIX²				
Measured AI	3.6	1.086	8.548	8.548	Proved AI				
Indicated AI	7.8	1.069	18.330	18.330	Probable AI	7.4	0.715	11.654	
Inferred AI	0.0	1.101	0.090	0.090					
Beatrix (Beisa) – total underground	11.4	1.074	26.968	26.968	Beatrix (Beisa) – total underground	7.4	0.715	11.654	
COOKE					COOKE				
Measured AI	4.9	0.447	4.873	5.697	Proved AI	2.7	0.348	2.056	3.388
Indicated AI	11.0	0.476	11.546	15.987	Probable AI	1.5	0.314	1.017	0.439
Inferred AI	6.7	0.546	8.020	0.717					
Total AI	22.6	0.490	24.439	22.401	Total AI	4.2	0.336	3.073	3.827
Inferred BI ³	35.9	0.555	43.984	43.984					
Cooke – total underground	58.5	0.530	68.423	66.385	Cooke – total underground	4.2	0.336	3.073	3.827
Operations – total underground	69.9	0.619	95.391	93.353	Operations – total underground	11.5	0.579	14.727	3.827
PROJECTS					PROJECTS				
BEISA NORTH					BEISA NORTH				
Inferred	14.8	1.084	35.373	35.373					
Beisa North – total underground	14.8	1.084	35.373	35.373	Beisa North – total underground				
Projects – total underground	14.8	1.084	35.373	35.373	Projects – total underground				
WRTRP					WRTRP				
Measured	654.3	0.062	89.151	88.717	Proved				
Indicated	52.3	0.086	9.936	9.936	Probable	706.6	0.064	99.088	98.653
WRTRP – total surface	706.6	0.064	99.088	98.653	WRTRP – total surface	706.6	0.064	99.088	98.653
Projects – total surface	706.6	0.064	99.088	98.653	Projects – total surface	706.6	0.064	99.088	98.653
Projects – total underground and surface	721.4	0.085	134.461	134.026	Projects – total underground and surface	706.6	0.064	99.088	98.653
Grand total – underground and surface	791.3	0.132	229.852	227.379	Grand total – underground and surface	718.1	0.072	113.814	102.480

AI: Above Infrastructure

All tons (t) relate to metric units

Mineral Resources are inclusive of Mineral Reserves

Rounding-off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

For uranium Mineral Reserves, a long-term contract price of R1,140/kg was used.

¹ Managed, unless otherwise stated

² Beatrix includes uranium Mineral Resources and Mineral Reserves from the Beisa complex

³ Cooke Inferred Mineral Resources BI refers to material within the Cooke 4 Shaft prospecting right (Zuurbekom)

KEY ASPECTS

that impacted the 31 December 2015 Statement of Mineral Resources and Mineral Reserves were:

- Gold Mineral Reserves, including projects, for the Group increased by 9% to 31.0Moz from 28.4Moz declared at 31 December 2014 despite depletion of 1.6Moz in 2015.
- Uranium Mineral Reserves for the Group increased by 11% to 113.8Mlb with a maiden Mineral Reserve declared at Beatrix's Beisa Project.
- Gold Mineral Reserves at Group operations, excluding projects, increased by 0.7Moz or 4% to 20.6Moz, from 19.9Moz declared at December 2014, despite depletion of 1.6Moz in 2015.
- The Group again made significant gains in the exploration of 'secondary reefs' at Kloof and Driefontein, specifically in the Middelvlei and Kloof Reef horizons. There is also a comprehensive review and investigation programme in place to identify previously unmined areas with economic potential ('white areas'). These interventions resulted in additional Mineral Reserves of 1.4Moz.
- A maiden gold Mineral Reserve of 1.8Moz was declared at the Burnstone Project, following the completion of a FS for the project, and the initiation of the full-scale development of the operation.
- Maiden gold and uranium Mineral Reserves of 0.5Moz and 11.7Mlb respectively were declared at the Beisa Project at Beatrix West, following optimisation of the PFS, which was conducted in 2014.

GOLD MINERAL RESOURCE RECONCILIATION

Factors	Gold (Moz)
31 December 2014	103.944
2015 depletion	(1.984)
Post-depletion	101.960
Changes in geology structure at operations	0.641
Changes in estimation models at operations due to additional sampling	(0.053)
Changes in geostatistical modelling parameters at operations	0.874
Specific inclusions:	
Deposition to active TSFs which form part of the WRTRP	0.027
Additional surface sources (SRDs) at Driefontein, Kloof and Beatrix	0.024
Specific exclusions:	
Resource blocks clean-up	(0.608)
Uneconomical areas excluded	(3.308)
Exclusion of inaccessible areas at Cooke 4 Shaft	(0.767)
31 December 2015	98.790

Rounding off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

GOLD MINERAL RESERVE RECONCILIATION

Factors	Gold (Moz)
31 December 2014	28.425
2015 depletion	(1.577)
Post-depletion	26.848
Changes in geology structure at operations	(0.081)
Changes in estimation models at operations	(0.845)
Technical factors [Mine Call Factor (MCF), % waste mining, etc]	0.452
Specific inclusions:	
Driefontein 5 Shaft drop-down project extension beyond inner core	1.016
Beisa Project maiden Mineral Reserve	0.495
Revised mining method applied to De Bron Merriespruit Project	0.024
Burnstone Project maiden Mineral Reserve	1.799
Beatrix South G-Block Project	0.108
White areas and general additions mainly at Driefontein 8 Shaft and Beatrix West	1.073
Secondary reefs at Driefontein 8 Shaft and Kloof 8 Shaft	0.362
Deposition to active TSFs which form part of the WRTRP	0.027
Additional SRDs at Driefontein, Kloof and Beatrix	0.054
Specific exclusions:	
Beatrix South 2 Shaft decommissioned	(0.113)
Uneconomic areas excluded, mainly from Cooke	(0.230)
31 December 2015	30.988

Rounding off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

URANIUM MINERAL RESOURCE RECONCILIATION

Factors	U ₃ O ₈ (Mlb)
31 December 2014	227.379
2015 depletion	(0.187)
Post-depletion	227.193
Changes in estimation models at operations due to additional sampling	0.427
Specific inclusions:	
Deposition to active TSFs which form part of the WRTRP	0.435
Specific exclusions:	
Uneconomical areas excluded	3.899
Resource blocks clean-up	(2.102)
31 December 2015	229.852

Rounding off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

URANIUM MINERAL RESERVE RECONCILIATION

Factors	U ₃ O ₈ (Mlb)
31 December 2014	102.480
2015 depletion	(0.291)
Post-depletion	102.189
Changes in estimation models at operations	0.341
Exclusions at Cooke 3 Shaft and Cooke 4 Shaft due to tail management	(0.804)
Specific inclusions:	
Beisa Project maiden Mineral Reserve	11.654
Deposition to active TSFs which form part of the WRTRP	0.435
31 December 2015	113.814

Rounding off of figures may result in minor computational discrepancies. Where this happens, it is not deemed significant.

ABRIDGED REVIEW PER OPERATION

BEATRIX

The Beatrix Operation is a low-cost, high productivity asset with a life of mine (LoM) extending to 2029, with 9.6Moz gold and 27.0Mlb uranium Mineral Resources. The underground production is supplemented by processing of historic rock dumps, with an estimated gold Mineral Reserve 0.1Moz. Gold Mineral Reserves increased by 18% to 4.3Moz net of production depletion in 2015 due to an extended life at Beatrix West and South, and due to the inclusion of white areas. In addition, a maiden 0.5Moz gold Mineral Reserve and 11.7Mlb uranium Mineral Reserve has been declared at the Beisa Project.

DRIEFONTEIN

The Driefontein Operation is a high-yield, medium to long-term operation with gold Mineral Resources of 19.8Moz and gold Mineral Reserves of 8.2Moz and a LoM extending to 2042, following the inclusion of the 2.1Moz below infrastructure decline project at number 5 Shaft. The underground production is supplemented by processing of an estimated 0.1Moz of gold Mineral Reserves contained in historic rock dumps. The gold Mineral Reserves increased by 11% net of depletion from the previous year, mainly due to the extension of the area accessible through the Driefontein 5 Shaft below infrastructure project, which will provide access to an additional 2.1Moz, with first production scheduled in 2024, as well as previously excluded secondary reefs and white areas at 8 Shaft which are able to be economically and safely extracted.

KLOOF

The Kloof Operation is a high-yield medium to long-term operation, with gold Mineral Resources of 28.2Moz and gold Mineral Reserves of 6.5Moz. The Kloof operation LoM has been extended by three years to 2033, following the inclusion of the below infrastructure project at number 4 Shaft, which will provide access to an additional 0.5Moz gold Mineral Reserve, and is scheduled for first gold production by 2021. The underground production is supplemented by processing of historic rock dumps with an estimated gold Mineral Resource of 0.2Moz. The Mineral Reserves decreased by 5% year-on-year, with production depletion partly offset by additional Mineral Reserves from secondary reefs and white areas.

COOKE

The Cooke Operation is a short- to medium-term asset, producing both gold and uranium. The current LoM is estimated to extend to 2023. The operation has gold Mineral Resources of approximately 15.9Moz and gold Mineral Reserves of 1.5Moz. Uranium Mineral Resources at the operation are 68.4Mlb and the uranium Mineral Reserves 3.1Mlb. The gold and uranium Mineral Reserves have decreased year-on-year, mainly due to an increase in the pay limit, as well as the suspension of exploration development. The underground production is supplemented by processing historic tailings storage facilities (containing an estimated gold Mineral Reserve of 0.1Moz).

ABRIDGED REVIEW PER PROJECT

BURNSTONE PROJECT

A maiden gold Mineral Reserve of 1.8Moz was declared at the Burnstone project, following the completion of a FS for the project, and the initiation of the full scale development of the operation. The project envisages steady state production of approximately 120,000oz per annum from 2021 over a 23-year LoM.

WEST RAND TAILINGS RETREATMENT PROJECT

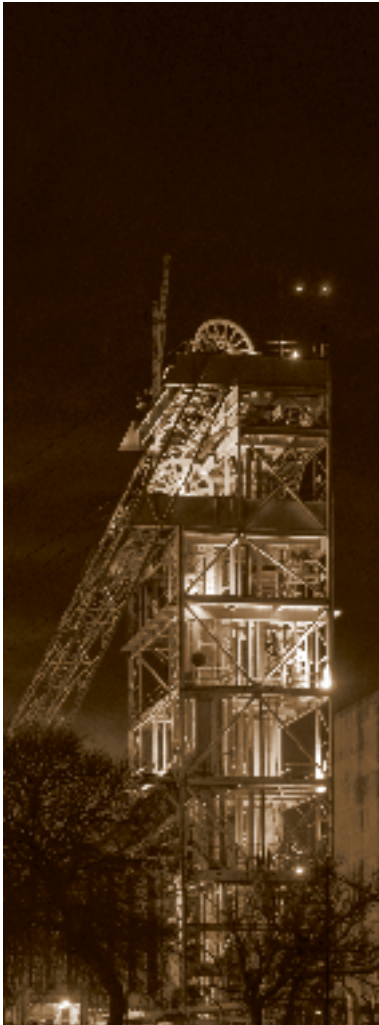
The WRTRP will process the historical tailings storage facilities of the Driefontein, Kloof and Cooke operations for gold and uranium. The DFS for this project has been completed, and the project has an estimated gold and uranium Mineral Reserve of 6.5Moz and 99.1Mlb respectively.

DE BRON MERRIESPRUIT PROJECT

The gold Mineral Reserves for the De Bron Merriespruit Project are based on the original FS previously conducted by Wits Gold in 2013. However, the production design and schedule was modified during 2015 in line with geological and estimation models which were restated following the acquisition of Wits Gold in 2014. The Mineral Reserves for this project remain at 2.1Moz.

THE BLOEMHOEK PROJECT

The Bloemhoek Project, which is adjacent to Beatrix North operation, has Mineral Resources of 4.3Moz. A study to access a portion of this area with a decline system from Beatrix North has commenced, and is due for completion in 2016. Concurrently, an exploration-drilling programme designed to improve geological confidence, in the immediate vicinity of the planned decline system, will also be completed.



CORPORATE GOVERNANCE

Sibanye reports its Mineral Resources and Mineral Reserves in accordance with the SAMREC Code, the updated Section 12 of the JSE Listings Requirements and the SEC Industry Guide 7, aligned with guiding principles of the SOX. Guided by commitment to corporate governance, the statement has been reviewed by Group Technical Services, and the statement for the operations were independently reviewed by Amec Foster Wheeler (Mineral Resources) and by Mineral Corporation Consultancy Proprietary Ltd (Mineral Reserves), and has been found to be compliant with the relevant codes with no material shortcomings.

The Mineral Resources and Mineral Reserves are estimates at a point in time, and will be affected by fluctuations in the gold price, US dollar currency exchange rates, operating costs, mining permits, changes in legislation and operating factors. Although all permits may not be finalised and in place at the time of reporting, there is no reason to expect that these will not be granted. However, the length of the approval process for such permits may have an impact on the schedules stated.

All statement figures are managed, and Mineral Resources are reported inclusive of Mineral Reserves, while production volumes are reported in metric tons (t). Gold and uranium are reported separately, therefore no gold equivalents are stated to avoid potential anomalies as a result of year-on-year metal price differentials. All financial models used to determine the Mineral Reserves are based on current tax regulations at 31 December 2015.

The lead competent person designated in terms of the SAMREC Code, who takes responsibility for the consolidation and reporting of Sibanye's Mineral Resources and Mineral Reserves, and of the overall regulatory compliance of these figures, is Gerhard Janse van Vuuren, who gave his consent for the disclosure of the 2015 Mineral Resources and Mineral Reserves Statement. Gerhard [BTech (MRM), GDE (Mining Eng), MBA and MSCC] is registered with Plato (PMS No 243) and has 28 years' experience relative to the type and style of mineral deposit under consideration. He is the current Vice President: Mine Technical Services and is a full-time employee of Sibanye.

The respective business unit-based Mineral Resource managers, relevant project managers and the respective Mineral Resource Management discipline heads have been designated as the competent persons in terms of the SAMREC Code, and take responsibility for the reporting of Mineral Resources and Mineral Reserves for their respective area(s). Additional information regarding these personnel, as well as the teams involved with the compilation of the Mineral Resource and Mineral Reserve declaration is incorporated in the Mineral Resources and Mineral Reserves Supplement that has been published in conjunction with this Sibanye Gold Integrated Annual Report 2015.



SHAREHOLDING INFORMATION

BENEFICIAL SHAREHOLDER CATEGORIES

CATEGORY

31 December 2015	Number of holders	% of total shareholders	Number of shares	% of issued capital
American depositary receipts	66	0.45	259,139,730	28.29
Other managed funds	94	0.64	217,430,853	23.73
Unit trusts/Mutual funds	213	1.44	167,113,943	18.24
Pension funds	193	1.30	153,511,160	16.76
Custodians	57	0.39	33,125,212	3.62
Private investor	106	0.72	27,000,178	2.95
Sovereign wealth	8	0.05	17,015,745	1.86
Trading position	23	0.16	15,149,812	1.65
Insurance companies	17	0.11	11,671,107	1.27
Exchange traded fund	13	0.09	5,595,028	0.61
Corporate holding	3	0.02	3,174,200	0.35
Hedge fund	3	0.02	2,195,759	0.24
University	6	0.04	1,970,722	0.22
Charity	8	0.05	1,310,674	0.14
Investment trust	2	0.01	278,808	0.03
Foreign government	2	0.01	122,871	0.01
Local authority	1	0.01	95,352	0.01
Stockbrokers	1	0.01	39,466	0.00
Remainder	13,974	94.48	199,932	0.02
Total	14,790	100.00	916,140,552	100.00

FOREIGN CUSTODIANS ABOVE 3%

CUSTODIAN

31 December 2015	Number of shares	%
Bank of New York Depositary Receipts	259,139,730	18.24
State Street Bank and Trust Company	41,541,553	4.53

BENEFICIAL SHAREHOLDINGS ABOVE 3%

BENEFICIAL SHAREHOLDINGS

31 December 2015	Number of shares	%
Gold One	185,386,079	20.24
Government Employees Pension Fund (PIC)	77,297,776	8.44

INVESTMENT MANAGEMENT SHAREHOLDINGS ABOVE 3%

INVESTMENT MANAGER

31 December 2015	Number of shares	%
Public Investment Corporation (SOC) Limited	76,599,424	8.36
Allan Gray Proprietary Limited	75,903,026	8.29
Van Eck Associates Corporation	65,030,159	7.10
Dimensional Fund Advisors	43,107,899	4.71
Old Mutual Plc	34,870,880	3.81
Investec	29,818,210	3.25

ADMINISTRATION AND CORPORATE INFORMATION

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Issuer code: SGL

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NYSE: SBGL

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