

The background of the cover features two circular cutouts. The left cutout shows a large industrial structure, likely a mine headframe, illuminated with bright yellow lights at night. The right cutout shows a close-up of a smiling male worker wearing a white hard hat, safety glasses, and a blue and yellow high-visibility jacket. The Sibanye logo is overlaid on the right cutout.

Sibanye
we are one

INTEGRATED ANNUAL REPORT

2016

This report should be read in conjunction with the **Summarised Report 2016 and Notice of Annual General Meeting**, the **Mineral Resources and Mineral Reserves Report 2016**, the **Annual Financial Report 2016** and the **Company Financial Statements 2016**. See **About Sibanye's reports** on page 2.

**SUMMARISED REPORT
2016 AND NOTICE OF
ANNUAL GENERAL MEETING**



**MINERAL RESOURCES
AND MINERAL RESERVES
REPORT 2016**



**ANNUAL FINANCIAL
REPORT 2016**



**COMPANY FINANCIAL
STATEMENTS 2016**



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
30 March 2017

Neal Froneman
Chief Executive Officer
30 March 2017



Clicking on this symbol where it appears in this report will take you through to additional information on the Sibanye website

The following supplementary documents are available online

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www.sibanyegold.co.za

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ABOUT SIBANYE'S REPORTS

Our 2016 suite of reports, covering the financial year from 1 January 2016 to 31 December 2016, comprises the following:

- Integrated Annual Report 2016
- Summarised Report 2016 and Notice of Annual General Meeting
- Mineral Resources and Mineral Reserves Report 2016
- Annual Financial Report 2016
- Company Financial Statements 2016

These reports collectively cover the operational, financial and non-financial performance of the operations and activities of Sibanye Gold Limited (Sibanye or the Group) and provide stakeholders with transparent insight into our strategy, our business and our performance over the past year. No separate sustainable development report is produced as this information is presented in the integrated report. These reports also take note of any material events that have arisen between year-end and the date of their approval by the Board. In addition, we produce the Form 20-F, that is filed with the US Securities and Exchange Commission (SEC). In producing this suite of reports and the Form 20-F, Sibanye complies with the requirements of the exchanges on which it is listed, namely the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE).



This symbol indicates that additional information is available on a particular topic on the Sibanye website

SCOPE AND BOUNDARY OF REPORTS

During the course of 2016, Sibanye revised its organisational structure and the management of its business in order to ensure continued delivery on its strategic objectives. Following this restructuring, Sibanye comprises two operating divisions:

- **Gold Division**, incorporating the gold mining operations and projects
- **Platinum Division**, incorporating the platinum group metal (PGM) mining operations and projects

Annual comparative data is provided where applicable from 2013, the year Sibanye was established and listed as a separate entity on the Johannesburg Stock Exchange (JSE). For the 2016 financial year, annual data is provided where possible by division and at group level.

Please note that the annual data provided at group-level for 2013 to 2015 is comparable to data for the Gold Division in 2016. Where data for previous years, has been restated, this is indicated.

The data reported for the Platinum Division for the 2016 financial year includes the assets of Aquarius Platinum Limited (Aquarius) acquired with effect from 12 April 2016, while the assets acquired from Anglo American Platinum Limited (now Sibanye's Rustenburg Operations) are included from 1 November 2016. The data for the Platinum Division is thus effectively for the nine months from April 2016 to December 2016, unless otherwise indicated.

REPORTING PHILOSOPHY

In this integrated report, our primary report, the information provided is intended to inform stakeholders about Sibanye's operating and financial performance and progress made in delivering on its strategy. While the principal audience for our integrated report is investors and shareholders, we acknowledge that there are other stakeholders who have varied and specific information requirements, many of which we aim to fulfil. This is particularly so since we do not produce a separate sustainable development report. Instead all non-financial reporting is either included in this integrated report or is available on the website, where referenced.

We have endeavoured to build on the information provided in last year's integrated report. This report discusses what we did in 2016 to create value, to improve lives and to achieve our strategic objectives. In so doing, we give an account of the impact of our activities and, more importantly, of those factors and risks, both in the external environment and internally, that have had an impact on our ability to achieve our strategic objectives and to create superior value in the past year. The process to determine the most material of these is described on page 26. Sibanye considers an issue to be material if it substantially affects our ability to create and sustain value in the short, medium and long term.

APPROVAL AND ASSURANCE

Sibanye's internal audit function provides an independent evaluation of the Group's internal control processes and systems that have been devised to mitigate business risks and has ensured the accuracy of the information presented in these reports.

Independent external 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 117.

FEEDBACK

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

James Wellsted

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REPORTING COMPLIANCE

The following frameworks, guidelines and requirements have been applied, where relevant in compiling this integrated report and the entire suite of 2016 reports:

- International Integrated Reporting Framework
- Global Reporting Initiative (GRI) G4
- King Report on Governance for South Africa 2009 (King III)
- South African Companies Act, 71 of 2008 (the Companies Act)
- JSE Listings Requirements
- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code)
- Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter) (2002) and related scorecard (2004)
- Amendments to the Mining Charter (2010) and related scorecard (2010)
- Social and Labour Plans (SLPs) – in terms of the requirements of the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA)
- International Council on Mining and Metals (ICMM)
- United Nations Global Compact (UNGC)
- Greenhouse Gas (GHG) Protocol
- Sustainability Accounting Standards Board's (SASB) standards
- FTSE/JSE Responsible Investment Index
- International Financial Reporting Standards (IFRS)
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides
- US Securities and Exchange Commission regulations, including the Industry Guide 7 for the Reporting of Mineral Reserves

The required disclosure is included in this integrated report or in the supplementary reports and documents available online, <http://reports.sibanyegold.co.za>

GROUP PROFILE

Sibanye is an independent mining group domiciled in South Africa, which owns and operates a portfolio of high-quality gold and platinum group metals (PGMs) operations and projects.

OUR ASSETS

At financial year end, Sibanye's gold assets included four underground and surface gold mining operations in South Africa – the Cooke, Driefontein and Kloof operations in the West Witwatersrand (West Wits) region of Gauteng and the Beatrix operation in the southern Free State. Sibanye also owns and manages significant extraction and processing facilities at its operations where gold-bearing ore is treated and beneficiated to produce gold doré. In addition, Sibanye is currently investing in a number of organic projects to sustain it in the long term.

During 2016, Sibanye acquired Aquarius Platinum Limited (effective 12 April 2016). The Aquarius assets include a 50% stake in each of the Kroondal and Mimosa mines, and associated infrastructure and concentrating facilities, as well as Platinum Mile (91.7%).

The assets acquired from Anglo American Platinum Limited (effective 1 November) are the Bathopele, Siphumelele, and Thembelani (including Khuseleka) shafts, two concentrating plants, an on-site chrome recovery plant, the western limb tailings retreatment plant and all associated surface infrastructure, referred to as the Rustenburg Operations.

Towards year end, Sibanye announced the proposed acquisition of Stillwater Mining Company (Stillwater), which has palladium and platinum producing operations in Montana in the United States.

BLACK ECONOMIC EMPOWERMENT

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 broad-based black economic empowerment (BBBEE) transaction, transferring an amount equivalent to 15% of its equity in 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 2016, 24,523 Sibanye employees were participants in the Thusano Trust, our ESOP.

With the acquisition of the Rustenburg operations, Sibanye concluded a 26% BBBEE transaction with a consortium comprising: Rustenburg Mine Employees Trust (30.4%), Rustenburg Mine Community Development Trust (24.8%), Bakgatla-Ba-Kgafela Investment Holdings (24.8%) and Siyanda Resources Proprietary Limited (20%).

LISTING 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 American Depositary Receipts (ADR) listing on the NYSE, trading under the ticker code SBGL. Each ADR is equivalent to four ordinary shares.

At 31 December 2016, Sibanye had issued share capital of 929,004,342 shares and a market capitalisation of R23.6 billion/US\$1.7 billion (2015: R20.9 billion/US\$1.3 billion).

OUR PRODUCTS

GOLD

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

PLATINUM GROUP METALS

Sibanye mines PGM-bearing ore at its newly acquired assets that is processed to produce PGMs-in-concentrate. The primary PGMs produced are platinum, palladium and rhodium, which together with the gold occurring as a co-product, are referred to as 4E (3PGM+Au).

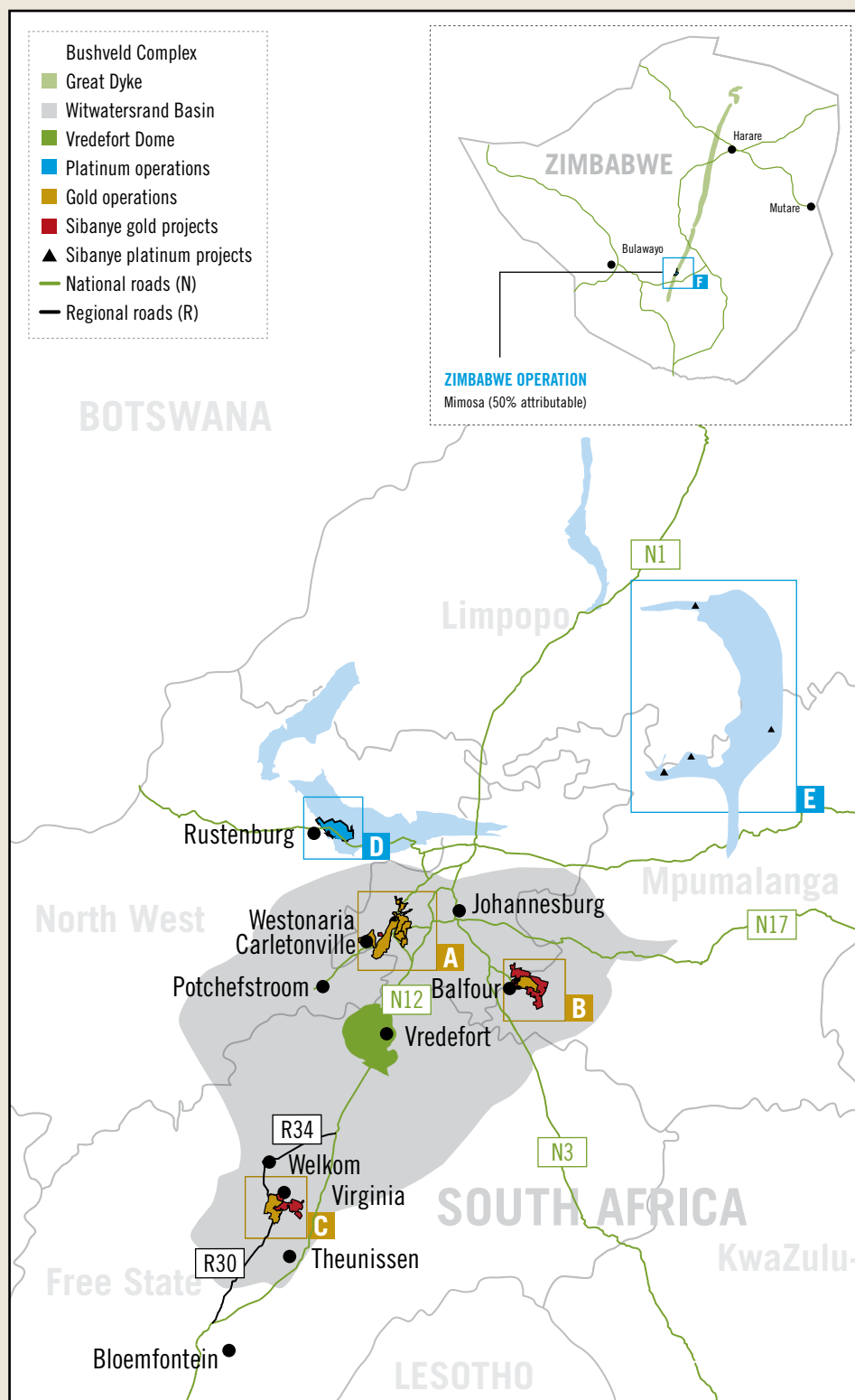
BY-PRODUCTS

Sibanye derives uranium ore as a by-product of gold production and, up until it ceased underground production from the Cooke 4 mine, produced ammonium diuranate from a dedicated uranium stream at the Ezulwini plant. The underground ore was processed to recover the uranium and then subsequently to recover gold.

At our platinum operations, the minor PGMs produced are iridium and ruthenium, which, together with the three primary PGMs, are referred to as 6E (5PGM+Au). In addition, nickel, copper and chrome, among other minerals are produced as by-products at these operations.

Our gold producing assets and projects are located throughout the Witwatersrand Basin and our platinum assets are on the southern portion of the western limb of the Bushveld Complex in South Africa, near Rustenburg, and in the south of the Great Dyke in Zimbabwe.

LOCATION OF OUR OPERATIONS AND PROJECTS



GOLD DIVISION

A WEST WITS

OPERATIONS

Kloof

Cooke

Driefontein

PROJECTS

West Rand Tailings Retreatment Project (WTRTP)

B SOUTH RAND

PROJECT

Burnstone

C FREE STATE

OPERATION

Beatrix

PROJECTS

Beisa North

Beisa South

Southern Free State (SOFs) projects

PLATINUM DIVISION

D WESTERN LIMB

OPERATIONS

Kroondal (50%)

Rustenburg

Platinum Mile (91.7%)

E EASTERN LIMB

PROJECTS

Millenium/ Blue Ridge (50%)

Sheba's Ridge

Vygenhoek

Zondernaam

F ZIMBABWE

JOINT VENTURE

Mimosa (50%)



OUR VISION AND STRATEGY EXPLAINED

OUR CORE PURPOSE

Sibanye's mining
improves lives



OUR VISION

Superior value creation for all our stakeholders through mining our multi-commodity resources in a safe and healthy environment.



Superior value is delivered by:

- maintaining a clear and consistent operational focus and applying a holistic, efficient operating model
- disciplined, efficient and cost-effective capital management to enable investment in value-accretive growth



OUR STRATEGY

By delivering on its strategy and vision to create superior value and improve lives, Sibanye expects to maintain mutually constructive relationships with all stakeholders and, ultimately, to achieve a premium market rating.

OUR VALUE PROPOSITION – DELIVERING SUPERIOR VALUE TO STAKEHOLDERS

• EMPLOYEES

Sibanye provides employment enabling those employed to earn an income, to acquire skills and advance through training and development, in an environment where their safety, health and wellbeing are priorities.

• COMMUNITIES

In turning to account our resources and reserves, Sibanye contributes to host and labour-sending communities as well as to society and the economy at large by investing in socio-economic development initiatives, employing those who reside in the vicinity of our operations and through preferential local procurement.

• GOVERNMENT

Sibanye contributes directly to the national fiscus by way of taxes and royalties paid, enabling government to provide social infrastructure and services. Sibanye also contributes indirectly through the payment, in turn, by employees of personal income tax.

• SHAREHOLDERS

Sibanye delivers value to shareholders by the payment of consistent dividends and by capital appreciation spurred by operational efficiency and organic and acquisitive growth.

Sibanye's commitment to paying industry-leading dividends underpins and informs our strategy. 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 is vital to growth
- growth (organic and acquisitive) ensures the long-term delivery of sustainable value to all stakeholders



In living our values of commitment, accountability, respect, enabling and safety, we show that we care about safe production, our stakeholders, our environment, our company and our future. Our approach is holistic with a clear focus to deliver on all strategic imperatives critical to Sibanye's long-term success.

HOW WE CREATE VALUE

SIBANYE'S

• PRIMARY BUSINESS ACTIVITIES ARE:

- Mine development and mining operations, primarily underground ore bodies
- Processing of ore mined
- Tailings retreatment
- Developing organic growth projects
- Beneficiation and further refining as required
- Sale of end products produced
- Exploring for and/or acquiring new ventures

Allied to these activities are:

- Community and social development initiatives
- Environmental management and rehabilitation

• BUSINESS MODEL:

Sibanye's business model is to optimise its operations by managing the fundamental inputs of safety cost, grade and tonnes and, by leveraging its low-cost operating expertise, to realise additional value from new acquisitions. Sustainability is achieved by investing in organic projects and making value-accretive acquisitions which support the ability to continue paying industry leading dividends. Sibanye views proactive stakeholder engagement as a critical factor in ensuring business stability and sustainability.

• OPERATING CONTEXT AND RISK:

In conducting our business, various factors in our external operating environment have an effect on our business and ability to create superior value. In monitoring and managing our operating environment, we have identified the top material risks, both internal and external, to our ability to create value, and steps taken to mitigate these risks.

For additional information on our operating environment and risks, see *Our material risks and opportunities*

Below we describe how Sibanye operates, the inputs that are required for the conduct of the business and how these are transformed into value for stakeholders.

RESOURCE INPUTS 2016



FINANCIAL CAPITAL

Access to financial capital and its management are critical to the sustainability of our business and superior value creation. Financial capital is necessary to:

- acquire and optimise the other inputs needed to conduct our business, such as resources and reserves
- employ and develop people
- maintain infrastructure
- procure goods and services
- finance capital expenditure, to sustain and grow the business

In 2016, R5.8 billion was invested in diversifying our commodity base and acquiring additional resources.

For further details, see the *CFO's report*

NATURAL CAPITAL

Having a pipeline of resources to mine and exploit over the longer term is fundamental to the sustainability of our business. In 2016, we acquired PGM resources to ensure the sustainability of our mining base. At year end, group Mineral Resources, including Mineral Reserves, totalled:

Gold: 102Moz

4E PGMs: 126.5Moz

For further details, see *Statement of Mineral Resources and Mineral Reserves – a summary* and the detailed statement available at <http://reports.sibanyegold.co.za>

In addition, resources such as water, electricity and land are used. See *Enhancing outcomes and impacts 2016 alongside*

HUMAN AND INTELLECTUAL CAPITAL

The success of our business depends, inter alia, on employing people with the necessary skills and capabilities. A skilled, productive, motivated workforce, in conjunction with the application of relevant technologies, enhances our operational efficiency.

People employed: 74,531 (Including contractors)

Training and development: R403 million

Research and development (technology): R16 million

For further details, see *Superior value for our workforce*

MANUFACTURED CAPITAL

Similarly, acquiring, developing and maintaining property, plant and equipment is essential to ensuring we operate cost-efficiently and generate sustainable returns

Operating costs: R20.7 billion

Maintenance of infrastructure (property plant and equipment): R1.0 billion

Discretionary* procurement: R9.9 billion

For further details, see *Creating value from our operations, projects, technology and reserves*

SOCIAL AND RELATIONSHIP CAPITAL

Honest, transparent stakeholder engagement is vital in ensuring we earn and maintain our social and legal licence to operate and in enabling us to continue operating in the long term.

Employee engagement continues to be a focus, especially at the newly-acquired platinum operations.

For further details, see *Social upliftment and community development*

* For a definition of discretionary expenditure see page 86

Value created

OUTPUTS 2016



Produced:

Gold	1.51Moz
Platinum	238,662oz
Palladium	136,156oz
4E PGM	420,763oz
Uranium	123,000lb
Nickel	2,060t
Chrome	274,109t
Sale of these metals generated revenue of:	R31.2 billion

FINANCIAL OUTCOMES 2016



Of the R31.2 billion revenue generated, value is distributed as follows:

Employees – salaries and wages paid	R9,276 million
Government – taxes and royalties paid	R1,733 million
Procurement – total discretionary	R9,914 million
Proportion BEE procurement	77%
Communities – socio-economic development	R656 million
Profit	R3,271 million
Investors – dividends declared	R1,343 million
Dividend yield ¹	5.7%

ENHANCING OUTCOMES AND IMPACTS 2016



FINANCIAL AND MANUFACTURED CAPITAL

Optimising processes to reduce costs, maintain infrastructure and invest in organic growth:

Gold Division: Total cash cost: R377,034/kg (US\$799/oz)

Gold Division: All-in sustaining cost: R450,152/kg (US\$954/oz)

Platinum Division: Operating cost: R10,296/oz (US\$701/oz)

Group: Operating margin: 34%

Market capitalisation: R23.6 billion (\$1.7 billion)

Share price: R25.39 (US\$7.06) at year end

Total shareholder returns: 36% dividend payout ratio

For further details, see *Chief Financial Officer's report and Creating value from our operations, projects, technology and reserves*

NATURAL CAPITAL

Creating value by extracting, mining and processing ore:

Volume of ore mined: 31.8Mt

Water used: 45,860MI

Electricity consumed: 4,720,323MWh

Scope 1 and 2 GHG emissions: 5.4Mt

Total closure liability: R6.1 billion

Environmental incidents (level 3 and 4): 19

For further details, see *Minimising our environmental impact*

HUMAN AND INTELLECTUAL CAPITAL

Creating employment, ensuring the safety, health and wellbeing of employees, enhancing skills development and training

Occupational health expenditure: R38.5 million

Training and skills development:

6.99 million training hours

Investment in systems and engineering to improve safety and productivity: R16 million

Fatalities: 14

LTIFR: 6.62 per million hours worked

For further details, see *Health and safety focus*

SOCIAL AND RELATIONSHIP CAPITAL

Creating employment, alleviating poverty, promoting enterprise development and social upliftment

BEE procurement spend: R7.6 billion (77% of total discretionary spend)

Socio-economic development expenditure: R656 million

Spend on approved SLP projects: R59 million

For further details, see *Social upliftment and community development*

¹ The dividend yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. Dividend yield is represented as a percentage and is calculated by dividing the dividends per share declared in a given year by the ordinary share price at the end of the year

KEY FEATURES – FOUR-YEAR REVIEW

	Unit	2016	2015	2014 ¹	2013 ¹⁷
OPERATING STATISTICS					
Gold Division					
Production					
Gold produced	kg	47,034	47,775	49,432	44,474
	000oz	1,512	1,536	1,589	1,430
Ore milled	Mt	20.2	19.9	18.2	13.6
Price and costs					
Gold price	R/kg	586,319	475,508	440,615	434,663
	US\$/oz	1,242	1,160	1,267	1,408
Operating cost	R/t	862	825	785	879
Operating profit	R million	10,155	6,337	7,469	7,358
Operating margin	%	37	28	34	38
Total cash cost ²	R/kg	377,034	347,613	295,246	273,281
	US\$/oz	799	848	849	885
All-in sustaining cost ³	R/kg	450,152	422,472	372,492	354,376
	US\$/oz	954	1,031	1,071	1,148
All-in sustaining cost margin ⁴	%	23	11	15	18
All-in cost ³	R/kg	472,585	430,746	375,854	354,376
	US\$/oz	1,002	1,051	1,080	1,148
All-in cost margin ⁴	%	19	9	15	18
Capital expenditure					
Total capital expenditure	R million	3,824	3,345	3,251	2,902
	US\$ million	261	262	300	302
Platinum Division – attributable*					
Production					
Ore milled	Mt	11.6			
Platinum produced	kg	7,423			
	oz	238,662			
4E PGM production	kg	13,087			
	oz	420,763			
Price and costs					
Average basket price	R/4Eoz	12,209			
	US\$/4Eoz	832			
Operating profit	R million	376			
Operating margin	%	10			
Operating cost	R/4Eoz	10,296			
	US\$/4Eoz	701			
Capital expenditure					
Total capital expenditure	R million	327			
	US\$ million	22			

* The Platinum Division's operating statistics are for the nine months from April 2016 to December 2016, as Aquarius was acquired on 12 April 2016 and the Rustenburg Operations on 1 November 2016

	Unit	2016	2015	2014 ¹	2013 ¹⁷
GROUP FINANCIAL STATISTICS					
Income statement (extract)					
Revenue	R million	31,241	22,717	21,781	19,331
Net operating profit	R million	6,490	2,700	4,215	4,254
Profit for the year	R million	3,271	538	1,507	1,698
Headline earnings per share	cents	270	74	170	355
Number of shares in issue at end of period	000	929,004	916,140	898,840	735,079
Statement of financial position (extract)					
Cash and cash equivalents	R million	968	717	563	1,492
Total assets	R million	41,721	28,266	27,922	19,995
Borrowings ⁸	R million	8,974	3,804	3,170	1,991
Total liabilities	R million	25,024	13,281	12,936	10,572
Statement of cash flows (extract)					
Net increase/(decrease) in cash and cash equivalents	R million	408	155	(930)	1,201
Other financial data					
EBITDA ⁹	R million	10,532	6,337	7,469	7,358
Net debt ¹⁰	R million	6,293	1,362	1,506	499
Net debt to EBITDA	ratio	0.60	0.21	0.20	0.07
Net asset value per share	R	17.97	16.36	16.67	12.80
Debt to equity ¹¹	ratio	149.9	88.6	86.3	112.2
Dividends declared per share	R	1.45	1.00	1.12	1.12
Dividend yield ¹²	%	5.7	4.4	5.0	9.1
Average exchange rate ¹³	R/US\$	14.68	12.75	10.82	9.60
Closing exchange rate ¹⁴	R/US\$	13.69	15.54	11.56	10.34
Share data					
Ordinary share price – high	R/share	70.23	32.26	29.52	16.30
Ordinary share price – low	R/share	21.98	13.66	12.34	6.73
Ordinary share price at year end	R/share	25.39	22.85	22.55	12.30
Average daily volume of shares traded	000	6,165	3,024	2,869	4,755
Market capitalisation at year end	R billion	23.6	20.9	20.3	9.0
	US\$ billion	1.72	1.34	1.76	0.87

KEY FEATURES – FOUR-YEAR REVIEW CONTINUED

Key features – four-year review continued

		2016			2015	2014 ¹	2013 ¹⁷
Unit		Group	Platinum Division*	Gold Division	Gold Division	Gold Division	Gold Division
SUSTAINABLE DEVELOPMENT STATISTICS							
Employment statistics							
No. of employees – total		74,531	28,404	39,310	46,269	44,411	36,274
Permanent employees		58,644 ¹⁹	20,912	32,712	39,725	39,232	34,168
Contractors		15,887 ¹⁹	7,492	6,598	6,544	5,179	2,106
Salaries and wages	R million	9,276	1,483	7,793	7,345	6,665	6,156
Employee costs as % of total operating costs	%	45	44	45	45	47	51
Safety							
No. of fatalities		14	2 ¹⁶	12 ¹⁶	7 ¹⁵	12 ^{5,15}	9 ¹⁵
Lost-time injury frequency rate (LTIFR) ⁶		6.62	4.84 ¹⁶	6.99 ¹⁶	6.74 ¹⁵	5.87 ¹⁵	6.13 ¹⁵
Medically treated injury frequency rate (MTIFR) ^{21, 6}		3.85	5.72 ¹⁶	3.47 ¹⁶	3.60 ¹⁵	3.37 ¹⁵	4.32 ¹⁵
Health							
No. of cases of reported:							
Silicosis		240	89 ¹⁶	151 ¹⁶	186 ¹⁵	264 ¹⁵	129 ¹⁵
Noise-induced hearing loss (NIHL)		188	62 ¹⁶	126 ¹⁶	105 ¹⁵	138 ¹⁵	88 ¹⁵
Chronic obstructive airways diseases (COAD)		46	16 ¹⁶	30 ¹⁶	57 ¹⁵	45 ¹⁵	74 ¹⁵
Cardiorespiratory tuberculosis (TB) – new and retreatment cases		618	73 ^{16,23}	545 ¹⁶	679 ¹⁵	715	598
TB incidence – new and relapse cases		707	73 ^{16,23}	634 ¹⁶	744 ¹⁵	832	727
No. of patients in active employment and on highly-active antiretroviral treatment (HAART)		9,925	3,545 ¹⁶	6,380 ¹⁶	5,750 ¹⁵	5,283	3,844
HIV prevalence among employees	%	8	4 ¹⁶	13 ¹⁶	22 ¹⁵	21	23
Environmental							
Cyanide consumption	000t	11,967		11,967	11,924	11,758	3,759
CO ₂ e emissions (Scope 1 and 2) ⁷	000t	5,432	575 ¹⁶	4,857 ¹⁶	5,016 ¹⁵	5,175 ¹⁵	4,408 ¹⁵
CO ₂ e emissions Scope 3	000t	1,029	180 ¹⁶	849 ¹⁶	867 ¹⁵	863	634
CO ₂ e emissions intensity	tCO ₂ e/t milled	0.22	0.12	0.24	0.25	0.28	0.32
Electricity consumed	000MWh	4,720	557 ¹⁶	4,163 ¹⁶	4,231 ¹⁵	4,274 ¹⁵	3,774 ¹⁵
Diesel	TJ	462	207 ¹⁶	255 ¹⁶	231 ¹⁵	225 ¹⁵	229 ¹⁵
Water withdrawal	MI	111,693	4,376 ¹⁶	107,317 ¹⁶	114,735 ¹⁵	116,851 ¹⁵	76,637 ¹⁵
Water used ²⁴	MI	45,860	4,376	41,484	41,575	na ¹⁸	na ¹⁸
Water intensity	MI/t treated	0.00171	0.00066	0.00205	0.00209	na ¹⁸	na ¹⁸
No. of environmental incidents: level 3 and above		19	13 ¹⁶	6 ¹⁶	8 ¹⁵	9 ¹⁵	1 ¹⁵
GROUP LEVEL							
HDSA representation							
Top management (Board)	%	31 ¹⁶			31 ¹⁵	42 ¹⁵	56
Senior management (Executives)	%	45 ¹⁶			43 ¹⁵	41 ¹⁵	31
Middle management (E band)	%	29	33 ¹⁶	25 ¹⁶	30 ¹⁵	25 ¹⁵	32
Junior management (D band)	%	53	58 ¹⁶	48 ¹⁶	48 ¹⁵	46 ¹⁵	47

* The Platinum Division's performance is for the nine months from April 2016 to December 2016, as Aquarius was acquired on 12 April 2016 and the Rustenburg Operations on 1 November 2016. The exception is the health data which has been reported for the full calendar year

Footnotes continued on page 13

		2016			2015	2014 ¹	2013 ¹⁷
	Unit	Group	Platinum Division*	Gold Division	Gold Division	Gold Division	Gold Division
GROUP LEVEL continued							
Social and procurement spend							
Socio-economic development	R million	656	87 ¹⁶	569 ¹⁶	691 ¹⁵	1,055 ¹⁵	1,050 ¹⁵
Approved social and labour plan (SLP) projects ²²	R million	59	12 ¹⁶	47 ¹⁶	27 ¹⁵	24 ¹⁵	12
BEE procurement ²⁰ – total	R million	7,585	2,689 ¹⁶	4,896 ¹⁶	4,700 ¹⁵	4,680 ¹⁵	2,858
% of total procurement ²⁰	%	77	90	71	72	67	56
Capital goods ²⁰	%	81	85 ¹⁶	77 ¹⁶	56 ¹⁵	54 ¹⁵	51
Services ²⁰	%	84	93 ¹⁶	79 ¹⁶	76 ¹⁵	72 ¹⁵	59
Consumables ²⁰	%	68	88 ¹⁶	62 ¹⁶	72 ¹⁵	67 ¹⁵	56
Other							
Current tax and royalties	R million	1,658			1,097	1,310	1,224
Research and development	R million	16			18	5	6

¹ KPMG Services provided limited assurance over certain non-financial data for the period 1 January 2014 to 31 December 2014 which 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) and are not IFRS measures. 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 and All-in sustaining margin is defined as revenue minus all-in sustaining 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 on 1 March 2014

⁶ Rate per million hours worked

⁷ The Scope 1 and 2 emissions include fugitive mine methane. The fugitive mine methane emissions for 2016 total 595 740t CO₂e. 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. The 2016 carbon emissions include the emissions from the operations acquired as of the time the acquisitions became effective (i.e. Aquarius operations from April 2016 and Rustenburg Operations from November 2016)

⁸ Borrowings of R7,221 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 debt:equity ratio is a debt ratio used to measure the Group's financial leverage and is calculated by dividing total liabilities by equity

¹² The dividend yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price. Dividend yield is represented as a percentage and is calculated by dividing the dividends per share declared in a given year by the ordinary share price at the end of the year

¹³ The average exchange rate during the relevant period as reported by I-Net Bridge

¹⁴ The closing exchange rate at financial year end

¹⁵ The comparative sustainable development indicators were not part of the current year's external assurance report but assurance was obtained in the prior years. Please refer to the relevant integrated report for the respective assurance report

¹⁶ The 2016 sustainable development indicators have been externally assured by KPMG. Please refer to the Assurance report on page 117

¹⁷ Sibanye was previously a wholly-owned subsidiary of Gold Fields. Sibanye separated from Gold Fields in February 2013 to become an independent, publicly traded company

¹⁸ Data not available to report

¹⁹ Includes employees and contractors of Sibanye's corporate office and other services

²⁰ Excludes expenditure on the Burnstone Project

²¹ Includes certain minor injuries

²² Includes local economic development (LED) spend on projects

²³ As tuberculosis is not reported at the Rustenburg Operations and no data was available as this operation has been declared a non-controlled operation implying that TB is not recognised as an occupational disease. This will be reviewed and clarified by Sibanye and reported on in the next reporting period

²⁴ This year we report on the volume of water used rather than on the volume recycled and reused. Sibanye operates mines that generate almost zero effluent (100%) consumed and mines that must discharge certain volumes of water in terms of their water use licences to satisfy the requirements of the environmental reserve and/or to satisfy dewatering requirements. Nevertheless, Sibanye continues to practice effective water conservation and water demand management, in accordance with the requirements each of its water use licence.

PERSPECTIVE FROM THE CHAIR

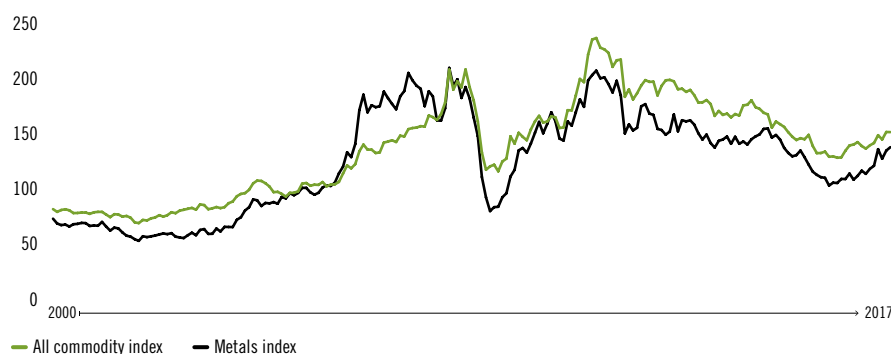
The past year has been particularly significant for Sibanye. We concluded the acquisitions of Aquarius Platinum Limited and the Rustenburg assets, establishing Sibanye as a leading PGM producer.

I am pleased to present this report to all the stakeholders at a time when we have positioned Sibanye to be a company of real stature in our sector. The past year has been particularly significant with Sibanye's entry into the PGM industry resulting in the company transitioning from a top ten gold producer to a leading precious metals enterprise. The conclusion of the acquisitions of Aquarius Platinum Limited and the Rustenburg assets, established Sibanye as a leading PGM producer.

The proposed acquisition of the low-cost, high-grade Stillwater operations and downstream processing and refining operations, is likely to cement Sibanye's position as a globally influential, top tier precious metals company, if approved by shareholders. This strategy has the full support of the Sibanye Board. We are confident that the longer-term fundamentals for platinum and palladium supply and demand remain sound and we are convinced that Sibanye's considered entry into this industry, at a favourable point in the commodity price cycle, will deliver significant value for stakeholders.

The global political and economic outlook in the beginning of 2016 was poor and with the demand outlook for commodities uncertain and little evidence of supply discipline, commodity prices in general were depressed, reaching lows not seen since 2009, just after the global financial crisis.

Economist commodity indices



Uncertainty of this nature is generally positive for gold demand, and the dollar gold price rose steadily in the first quarter of 2016, supported by a muted US economic outlook and the threat of an interest rate hike becoming more remote. Local gold producers, after years of restructuring and cost cutting, were already benefiting from higher rand gold prices following the abrupt depreciation of the rand in November and December 2015, due to unexpected political disquiet in the Finance Ministry of South Africa. These astonishing political actions, seemed to set the scene for a number of unpredictable global economic and political events, which caused considerable market instability and volatility.



Sello Moloko – Chairman

We are confident that the longer-term fundamentals for platinum and palladium supply and demand remain sound and we are convinced that Sibanye's considered entry into this industry, at a favourable point in the commodity price cycle, will deliver significant value for stakeholders.

The first of these implausible global events in 2016 was the unanticipated pro-Brexit victory in June, which threw global markets into turmoil. The resultant increase in speculative demand for gold as a hedge against uncertainty, boosted the dollar gold price to over US\$1,360/oz and the rand gold price to new all-time highs of over R650,000/kg in July 2016, significantly boosting operating margins for the local industry.

Somewhat surprisingly though, following the initial reaction to the pro-Brexit vote, the global markets appeared to shrug off any major economic consequences. The commodity prices in fact continued to build on price gains made since the beginning of the year, signalling expectations of a recovery in demand. With economic concerns abating, expectations of interest rate hikes in the US again began to weigh on the gold price, which declined steadily toward year end, dragging the platinum price with it. Even the widely unanticipated election of Donald Trump as President of the US in November 2016, which many market commentators had predicted to be positive for the gold price, did little to arrest the steady decline in the gold price and other precious metals.

South Africa has never been immune from political excitement and the groundswell of activism for change grew into 2016. The student campaigns, the Constitutional Court rulings seeking to protect the sanctity of the country's constitution and the prominent losses suffered by the ANC in local municipal elections were highlights of 2016. With the leadership shown by the National Treasury, South Africa managed to reduce the prospect of a ratings downgrade.

With the risk of a sovereign ratings downgrade diminishing and the rand strengthening against the US dollar, the rand gold price retraced most of its gains to end the year flat at R509,000/kg. With operating margins again under pressure, Sibanye's share price lost gains previously made, along with rand gold and PGM prices, and, just prior to the announcement of the Stillwater transaction, had fallen from a peak of R70 to approximately R28 a share.

While the longer-term political and economic ramifications of events such as the pro-Brexit vote in the United Kingdom and the election of Donald Trump in the United States of America, are difficult to predict and market uncertainty and volatility are likely to persist for some time, the consensus outlook for precious metal prices in the near term remains subdued. This is particularly so in rand terms, with the rand remaining surprisingly resilient and market consensus increasingly biased towards a stronger for longer local currency. The strong currency will significantly impact industry margins, particularly when considering that local mining cost inflation is higher than general CPI or PPI due to above inflation electricity cost increases and above inflation wages increases. Management at Sibanye in preparation for a strong rand environment have already deferred non-critical growth capital expenditure at some projects and are reviewing operating costs and reassessing operating plans in order to ensure sustainability.

In addition to the prevailing economic uncertainty, the business environment in South Africa has become more challenging in the last year, due to continued policy uncertainty, heightened regulatory intervention and an unsettled political environment. These political and economic challenges and their possible future impact on the operating environment need to be acknowledged and regularly considered by the board and management of Sibanye and factored into the Group strategic thinking. We remain committed to building a sustainable mining company which creates superior value for all stakeholders and we will continue to respond to challenges by managing our assets as efficiently and cost effectively as possible and, without compromising our strategic fundamentals, adapting our strategy in order to protect shareholder value.

PERSPECTIVE FROM THE CHAIR CONTINUED

We have pledged to deliver superior value to all stakeholders and we continue to engage with our employees, the unions, our host communities and the authorities, to ensure that all stakeholders benefit from our activities. We have had some notable successes, with constructive engagement with the unions averting a threatened strike early in the 2016 year, and securing the three-year gold wage agreement struck in October 2015. In October 2016 too, a three-year wage settlement was peacefully agreed in the Platinum Sector including our Rustenburg Operations, which I believe represents a maturing of the multi-union relationship in the industry and displays a refreshing pragmatism on employment and remuneration by employees as well as employers. We are also actively engaging with our communities to ensure that our social expenditure results in sustainable and value enhancing community development.

Looking forward, we continue to face policy and regulatory uncertainty, particularly the effects that the eventual passing of the Mineral and Petroleum Resources Development Act (MPRDA) Amendment Bill might have on the industry's voluntarily agreed Mining Charter and the discretionary powers proposed for the Minister of Mineral Resources. As a major employer and listed company, we need to understand the terms and cost of doing business in South Africa to make informed decisions and commit to what is fair. The Industry through the Chamber of Mines has attempted to engage constructively with the Department of Mineral Resources (DMR) on some of the more punitive and ambiguous aspects of both the MPRDA and the Mining Charter, but at this stage the outcome remains unclear.

Another issue which has arisen between the industry and the DMR has been imposition of work stoppages in terms Section 54 of the Mine Health and Safety Act, in the event of accidents or safety transgressions in localised sections of a mine. While our commitment to safety remains firm and we apply significant resources to improving safety at our operations, these stoppages can have a significant impact on the economic viability of operations and hence, on future employment. The industry continues to engage with the DMR on this issue and is hoping to agree on a set of clear procedures and guidelines governing the application of Section 54s.

The integration of the Aquarius PGM operations, since the transaction was concluded in April 2016, has proceeded according to plan. Transitions of this nature and scale are always difficult, but it has been pleasing to note that the operational excellence that characterised the Aquarius operations has been maintained under Sibanye's management. The outstanding regulatory approvals for the acquisition of the Rustenburg Operations were finally received towards the end 2016 enabling Sibanye to take operational control from 1 November. It was again pleasing to note the operational turnaround achieved at the Rustenburg Operations

R74 million IN OPERATING PROFIT

Group contribution by newly-acquired
Rustenburg Operations



during the final quarter of 2016, after a challenging first nine months. During the two months under Sibanye operational control, the Rustenburg Operations delivered to plan and contributed R74 million in operating profit to the Group after recording significant losses earlier in the year. As previously indicated, management expects to realise over R800 million of identified annual synergies as the Platinum Division is fully integrated over the next three years. The initial steps have been taken and management expects to achieve approximately R400 million of these synergies by the end of 2017.

The proposed acquisition of Stillwater Mining Company (Stillwater) was announced on 9 December 2016 following extensive due diligence by management. The Board is confident that this transaction is value accretive and will uniquely and strategically position Sibanye as an influential and globally-competitive precious metals producer. The proposed transaction is consistent with Sibanye's strategy of pursuing value-accretive growth which will sustain its status as an industry-leading dividend-paying company and offers the additional strategic benefits of commodity and geographical diversification as well as a potential market rerating over time.

Sibanye remains committed to growth in South Africa and other geographies, and is well positioned to pursue further value-accretive opportunities in the near and medium term. The Board and management of Sibanye will also be mindful of the prevailing risks however, when considering further significant long-term capital investment in the local and international mining industry.

Our primary focus in the coming year will be on bedding down our platinum acquisitions, making progress on reducing our financial leverage in line with our long-term targets and on fulfilling our vision to establish Sibanye as a premier, globally competitive precious metals mining company and in so doing to improve the lives of all. For this, our executive management team, led by Neal Froneman, are to be commended. Appreciation is also due to the entire Sibanye workforce, whose commitment to the company has been critical to what we have achieved in the past year. My thanks also go to my fellow directors on the Board, for their invaluable guidance and whole hearted support.

Sello Moloko

Chairman

30 March 2017



CHIEF EXECUTIVE'S REVIEW

Our strategic vision at Sibanye is to create superior value for all of our stakeholders, and as a company, if we are to deliver value in a sustainable manner, we need to ensure delivery through all the phases of the economic and commodity cycles.

As such, our strategy needs to be sound and consistent in order to deliver in the long term, yet flexible enough to respond to sudden changes in our operating environment.

This requires optimising our operations and ensuring that we continue to deliver on the operational deliverables of safety, volume, cost and grade and by extending, as far as is profitably possible, the lives of our operations. Sibanye's foundation remains firmly rooted in its South African gold operations and we continue to explore ways to reduce costs and ensure sustainable operational delivery, including continued capital investment in organic growth projects. It is sometimes necessary to make tough decisions however, with the restructuring or closure of loss making operations necessary, to secure a more certain future for the Group. The cessation of mining at Cooke 4 in the latter half of 2016 was one such difficult decision. This had followed unsuccessful engagement with key stakeholders in an attempt to restore the mine to profitability. Subsidising loss-making production by profitable operations is value destructive for all stakeholders and will not be done at Sibanye.

We continue to see merit in industry consolidation. Significant value can be realised by removing unnecessary overhead costs and by optimising the use of infrastructure and resources. We remain confident that this will be borne out at our Platinum Division in coming years, where we anticipate realising over R800 million in annual cost and operational synergies between the Aquarius assets (Kroondal, Mimosa and Platinum Mile) acquired in April 2016 and the Rustenburg Operations, which we assumed control of in November 2016. Despite a relatively short period under Sibanye's management, the performance from both the Aquarius assets and the Rustenburg Operations have been pleasing, and in line with our expectations.

Value-accretive acquisitive growth remains strategically important and, while the South African gold and PGM sectors continue to offer opportunities, value-accretive prospects in other commodities and geographies will be considered. The proposed US\$2.2 billion cash offer for Stillwater announced in December 2016 is consistent with this strategy. Stillwater offers high grade, low cost operations and significant low cost growth potential, as well as world class processing facilities and a strategically relevant recycling business, which is the largest in the world. The acquisition would transform Sibanye, making it globally competitive, lowering its cost of capital and providing significant upside through a potential rerating in the market.

The relative attractiveness and risk associated with investing in South Africa is also an important consideration, and heightened political and regulatory uncertainty recently has added to investment risk. It is clear that a new, more co-operative approach involving all stakeholders is required if the mining industry is to continue to play its critical role in the development and transformation of the South African economy. I will explore this in a bit more detail later in this review.

SAFETY

Sibanye's commitment to its vision of "creating superior value for all stakeholders" defines and guides all aspects of the business. Employees are key stakeholders, and the health, wellbeing and safety of Sibanye's employees is of primary importance. Workplace accidents are not an inescapable factor of mining. They are preventable and can even be eliminated through coordinated action by everyone involved within Sibanye, across all occupations.

Our gold operations showed an improved safety trend in terms of the fatal injury frequency rate (FIFR) since 2012. Our performance compared favourably with that of the US mining industry's safety benchmark.



Neil Froneman – Chief Executive Officer

Sibanye's commitment to its vision of "creating superior value for all stakeholders" defines and guides all aspects of the business.

Employees are key stakeholders, and the health, wellbeing and safety of Sibanye's employees are of primary importance. Workplace accidents are not an inescapable factor of mining.

Stillwater transaction rationale

- It is value accretive on a net asset value basis and cash flow accretive as the Blitz project ramps up
- The Blitz project brings near-term, organic and low-cost growth
- Stillwater will add two low-cost, low-risk, steady state producing PGM mines to Sibanye's portfolio
- It will position the Platinum Division further down the global cost curve, with potential for further cost reductions
- It will improve access to lower-cost global financing
- It will balance the portfolio operationally and geographically with the addition of world-class assets in an attractive mining jurisdiction
- Stillwater is:
 - a high-grade (20g/t), palladium-biased (78% palladium), long-life (+25 years), low-cost (< \$500/2E oz), mechanised operation
 - a mine-to-market PGM business
 - a large, PGM-recycling business providing a steady margin and strategic insight into the market

MORE INFORMATION ON THE BLITZ PROJECT:

The Blitz project is basically an extension of the current Stillwater mine's orebody which is scheduled to start first production in early 2018. Blitz will add 270,000 – 330,000 2E ounces to the complex and aims to reach steady state production in 2021. US\$140 million of total planned capital expenditure of US\$250 million remains to be spent.

Regrettably there was a regression in the Gold Division's safety performance during the first six months of the year, when there were eight fatalities compared with four during the comparative period in 2015. Sibanye management implemented urgent action to address this regression in safety, appointing Peter Turner, who has exemplary qualifications and significant mining experience in the role of Senior Vice President: Safety, Health and Environment. Sibanye's executive management, together with senior safety specialists, completely reviewed the Group's safety principles and, following the review, rolled out an extensive safety awareness campaign, elevating safety as a core value in the Group "CARES" values.

It was therefore pleasing to note the significant improvement in safety from August 2016, in particular at the Gold Division, which recorded a significantly improved safety performance for the second half of 2016: the FIFR improved by 50% to 0.07 per million hours worked; the SIFR by 27% to 3.72 per million hours worked; and the LTIFR by 19% to 6.25 per million hours worked. The Platinum Division ended the year as follows: FIFR 0.09, SIFR 2.88 and LTIFR 4.84.

Nonetheless, any loss of life is extremely distressing and my deepest condolences and those of Sibanye's management team go to the families, friends and colleagues of employees who passed away in 2016. Sibanye will continue to strive to achieve our goal of Zero Harm in the workplace and we have a structured, workable plan to achieve this. Further detail on the safety performance and strategy is provided on page 72 of this report.

OPERATING AND FINANCIAL SUMMARY

The Group operating result and financial performance was on the whole solid, with the Gold Division benefiting from the relatively high rand gold price for most of the year, and the newly incorporated Platinum Division performing well, resulting in record Group operating profit of R10.5 billion (US\$717 million), 66% higher than for the year ended 31 December 2015. Operating profit from the Gold Division of R10.2 billion (US\$692 million), was 60% higher than for the previous year, with the Platinum Division contributing R376 million (US\$26 million), reflecting a positive contribution from the Rustenburg Operations from 1 November 2016 and continued good performances at the Kroondal and Mimosa Operations.

Normalised earnings of R3.7 billion (US\$249 million) were also significantly higher than in 2015 (R1.2 billion (US\$96 million)), allowing the Board to declare a total dividend of 145 cents per share (R1.4 billion) for the year ended 31 December 2016, representing a dividend yield of 5%. Sibanye has declared a dividend with a yield of more than 5% every year since listing, which is more than double the average of our gold peers globally.

Production from Sibanye's Gold Division was 47,034/kg (1,512,200oz), marginally lower than in 2015. This was primarily due to safety stoppages in the first half of the year, which disrupted production and the cessation of underground mining operations at Cooke 4 mine in the second half of the year.

A stronger US dollar gold price, together with a weaker rand/dollar exchange rate, resulted in a 23% year-on-year increase in the average rand gold price from R475,508/kg (US\$1,160/oz) to R586,319/kg (US\$1,242/oz). Revenue from the Gold Division increased by 36% year-on-year, to R27.5 billion (US\$1.9 billion) from R22.7 billion (US\$1.8 billion).

Costs were well managed, with unit costs only increasing 4% to R862/t (US\$59/t), and all-in sustaining costs increasing 6.6% to R450,152/kg (US\$954/oz). Sibanye is by some margin the lowest cost producer among the majors in South Africa on both cost measures, reflecting the relative efficiency of its mining.

Integration of the Platinum Division proceeded according to plan, with the Aquarius operations, Kroondal and Mimosa, continuing to consistently outperform and the Rustenburg Operations delivering as expected for the first two months under Sibanye's management. The Platinum Division reported attributable production of 420,763oz (4E) at an average operating cost of R10,296/4Eoz (US\$701/4Eoz), resulting in a 10% operating margin, despite the average PGM basket price remaining subdued at R12,209/4Eoz (US\$832/4Eoz).

CHIEF EXECUTIVE'S REVIEW CONTINUED

Following the successful integration of the Aquarius Operations, the integration of the Rustenburg Operations is now underway and proceeding according to schedule. We have previously highlighted that we expect to realise operational synergies of approximately R800 million per annum from the combined Aquarius and Rustenburg operations over the next three years. The first steps in realising these synergies have begun, with approximately R400 million in synergies expected to be realised by year-end. In this regard, a restructuring of the Platinum Division was announced on 26 January 2017.

INTERNAL GROWTH PROJECTS

Expenditure on organic growth projects for the year ended 31 December 2016 was R762 million (US\$52 million), 70% of which was spent at the Burnstone project. As a result of the recent strength in the rand and its impact on operating margins for the gold industry, organic project capital expenditure at the non-essential projects has been reviewed. This includes reducing planned expenditure at the Burnstone project by R300 million and only committing enough capital to the UG2 project at the Rustenburg Operations to sustain current planned production levels. A decision on the West Rand Tailings Retreatment Project (WRTRP) has also been deferred while alternative financing options are evaluated. Committing to further investment in long lead time capital intensive projects in South Africa is complicated by continued delays to, and uncertainty around, policy and regulations in South Africa. Despite continued attempts by the mining industry to co-operate with the authorities and contribute to legislation and regulations which will benefit all stakeholders, while ensuring the sustainability of the industry, finding common ground has been difficult and the future remains uncertain.

A VISION FOR THE FUTURE

As an industry we have called for a re-evaluation of the mining industry and what, if any, changes are needed to ensure its sustainability and profitability so that benefits are realised by all stakeholders. The Mining Phakisa* called by the President of South Africa at the end of 2015 was, we believed, an honest attempt to bring all stakeholders together to define what was required to ensure the sustainability of the industry and the flow of benefits to stakeholders. While the Mining Phakisa has resulted in some very positive initiatives, commitment from stakeholders has been wanting. The lack of co-operation among different stakeholders continues to hamper efforts to progress many of the initiatives arising from the Phakisa.

Sibanye's future, and that of the entire South African mining industry, depends on all stakeholders working together to develop a new frame of mind based on mutual trust. This, I firmly believe, will need to be based on the mining industry itself recognising its past – the good and the bad legacies of its many decades of operation. It calls for honest introspection.

Our future success depends on mutually respectful relationships with our employees, our unions, our host communities, educational and research institutions, government and the state's regulatory authorities and requires a foundation of trust to be developed between the industry and its stakeholders.

This was the underlying precept of the Zambezi Protocol, which was the fruit of a meeting in April 2016 on the banks of the Zambezi River, convened by the Brenthurst Foundation and chaired by former Nigerian president Olusegun Obasanjo and devised to give direction to sustainable mining across the African continent. A suggested "roadmap" of how this could be achieved was developed, with the roles of each stakeholder defined to some extent.

- The first step is that we in the industry acknowledge our past, which is necessary to build a relationship of trust between the industry and other stakeholders and is a mandatory precondition for the next two steps
- The second step is that we need to agree a vision for the mining industry
- The third and final step in our roadmap, once we have an agreed vision for the industry, is the development of a social and economic compact that creates superior value for all stakeholders

Sibanye's future, and that of the entire South African mining industry, depends on all stakeholders working together to develop a new frame of mind based on mutual trust.

* Refer to the glossary, available online at <http://reports.sibanyegold.co.za>, for an explanation of the Mining Phakisa

“A modern mining industry will optimally extract and beneficiate the country's natural resources, causing no harm to people or the planet. It benefits both the local community as well as the national economy.

By means of example, some of the commitments required from key stakeholders would be:

Business: will be required to commit to open and transparent disclosure of information as the basis for meaningful engagement with all stakeholders. It will need to adhere to exemplary standards of environmental and social performance and governance, including, as priorities, aspiring to zero harm in respect of safety and health. The development of local economies and communities will be imperative, with the establishment of a sustainable local economy post mining critical. More importantly business will have to ensure that value flows equitably to all stakeholders according to an agreed and specific framework, including employee benefits, profit sharing, taxes, social expenditure and dividends to shareholders. We know that sustainable viable businesses attract investment, grow, create significant economic benefits and employ large numbers of people. They are also key drivers of transformation.

Unions: should focus on promoting their members' interests first and not a narrower political agenda. They should engage pro-actively around the sustainability of the industry and avoid actions which unnecessarily threaten the viability of employment.

Employees: will be required to apply themselves responsibly to safely deliver required operational performance, recognising the role that a strong and sustainable business plays in achieving their personal life ambitions. Employees should also align themselves to the fortunes of the business by securing an increasing portion of their remuneration through profit sharing arrangements, so that they benefit alongside shareholders and management from positive upticks in the economic cycles, but also contribute to the industry's survival through economic downturns.

Community organisations: should ideally represent the needs of their constituencies and understand and appreciate the implications of up- and down- cycles in the minerals economy, and the impact on the affordability of social programmes, as well as the shared responsibility of Government and business in delivering these.

Government: should provide clear policy and a regulatory guidelines that provide the level of certainty that is required for confident investment in mining projects. Increased incentives for investment in mining growth projects and a fair taxation regime will promote investment, both from industry as well as from local and foreign investors. Fair and efficient administrative processes will be in place, and adhered to, as enshrined in legislation without impeding business operations.

Our vision for the future is for a “modernised” industry run in a sustainable manner for the benefit of all stakeholders. This was well defined at the Joburg Mining Indaba in 2015 as follows:

“A modern mining industry will optimally extract and beneficiate the country's natural resources, causing no harm to people or the planet. It benefits both the local community as well as the national economy. It procures locally, it is a preferred employer of well skilled people and creates appropriate risk adjusted returns for investors. Regulations, taxation and incentives are consistent, transparent and recognise mining as a long- term driver of economic growth.”

From Sibanye's perspective, the concept of modernisation resonated with what we had already embraced, through our corporate vision, established in 2013, of creating superior value for all stakeholders. We continue to pursue this vision with passion, knowing that it is an imperative for the success and sustainability of our business.

RECOGNITION AND APPRECIATION

In conclusion, I extend my gratitude to all my colleagues throughout the company for their commitment and co-operation in developing Sibanye into a premier, global precious metals producer and to the members of the Board for their support and guidance over the past year.

Neal Froneman

Chief executive officer

30 March 2017

CHIEF FINANCIAL OFFICER'S REPORT

Our net asset value per share has increased by 40% since Sibanye's listing in 2013

The 2016 financial year was positively impacted by a 15% weakening in the rand/US dollar exchange rate, which declined from an average of R12.75/US\$ in 2015 to R14.68/US\$. The weaker rand/US dollar exchange rate and a 7% increase in the average US dollar gold price resulted in record operating profit and net operating profit in excess of R10.5 billion and R6.5 billion respectively. All-in sustaining costs for the Gold Division of R450,152/kg (US\$954/oz) in 2016 increased by 7% compared to R422,472/kg (US\$1,031/oz) in 2015. In comparison, the all-in sustaining cost in rands per kilogram of our major peers in South Africa increased by 25%, 13% and 8%.

Increased revenue and cost control resulted in headline earnings for 2016 of R2.5 billion which represents a 269% increase year on year. The group declared a dividend of 145 cents per share for the year, the highest since listing in February 2013. This equated to a 36% dividend payout ratio for 2016, which is consistent with our strategy of being a leading dividend payer.

A notable feature of 2016 for Sibanye was the two major platinum acquisitions – Aquarius and the Rustenburg Operations from Anglo American Platinum. These acquisitions resulted in our net debt (excluding Burnstone) increasing from R1.4 billion in 2015 to R6.3 billion in 2016. The gearing ratio of net debt:earnings before interest, tax, depreciation and amortisation (EBITDA) ended the year at 0.60:1 (2015: 0.21:1) which was well below our internal benchmark of 1:1, demonstrating Sibanye's conservative balance sheet management.

Capital expenditure for 2016 at R4.2 billion increased from R3.3 billion in 2015, mainly due to expenditure growth at Burnstone and at the Kloof and Driefontein decline projects as well as the inclusion of the Aquarius assets and Rustenburg Operations for nine months and two months respectively.

The financial outlook for 2017 will primarily centre around leveraging the acquisition synergies at both the Aquarius assets and the Rustenburg Operations, which together comprise the Platinum Division, while containing unit costs at the existing operations at or below inflation.

Our proposed transaction, announced on 9 December 2016, to acquire Stillwater Mining Company (Stillwater) for US\$2.2 billion in cash will be funded by bridge finance to be led by Citi and HSBC and which has been syndicated by a total of 16 banks. The syndication process was oversubscribed by more than US\$1 billion, indicating the appetite for the finance of the transaction as well as providing another level of due diligence for the transaction's rationale.

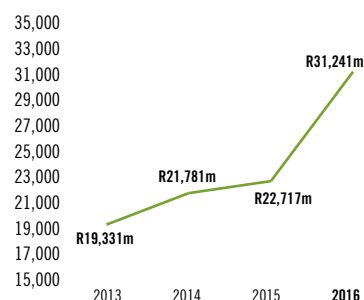
Shareholders will vote at a general meeting on 25 April 2017 to approve the transaction (majority of votes cast required) and on the increase and issue of additional share capital to enable the maximum rights offer of US\$1.3 billion to be effected (75% of votes cast required). The rights offer will be initiated shortly after the shareholders' vote, while the remainder of the finance required will be funded through a potential capital market debt issuance.

Highlights of 2016 were the conclusion of the platinum acquisitions – Aquarius and the Rustenburg Operations from Anglo American Platinum.



Charl Keyter – Chief Financial Officer

Increased revenues from year to year (R million)



SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December

R million	2016	2015
Revenue	31,241	22,717
Cost of sales	(24,751)	(20,017)
Net operating profit	6,490	2,700
Finance expense	(903)	(562)
Share-based payments	(496)	(274)
Loss on financial instruments	(1,033)	(230)
Impairments	(1,381)	–
Gain on acquisition	2,428	–
Net other	(44)	(318)
Profit before royalties and tax	5,061	1,316
Royalties	(547)	(401)
Profit before tax	4,514	915
Mining and income tax	(1,243)	(377)
Profit for the year	3,271	538
Attributable to:		
Owners of Sibanye	3,702	717
Non-controlling interests	(431)	(179)
	3,271	538
Earnings per share attributable to owners of Sibanye		
Basic earnings per share - cents	402	79
Diluted earnings per share - cents	401	78

Despite joint efforts of stakeholders, the Cooke 4 Operation was unable to meet required production and cost targets, and continued to operate at a loss. As a result a decision was taken during the six months ended 30 June 2016 to fully impair the Cooke 4 Operation's mining assets by R817 million.

Due to a decrease in the rand gold price from 30 June 2016 and continued losses, a decision was taken during the six months ended 31 December 2016, to impair the goodwill allocated to the Cooke cash-generating unit by R201 million and to impair the Cooke 1, 2 and 3 mining assets by R355 million.

The gain on acquisition of the Rustenburg Operations is attributable to Anglo American Platinum having repositioned its portfolio by, among others, exiting certain assets. The transaction to acquire the Rustenburg Operations represented an attractively-priced entry for Sibanye into the PGM sector.

R million	2016
Consideration	(3,118)
Fair value of identifiable net assets acquired	5,546
Gain on acquisition	2,428

The Group's total **revenue** increased by 38%. Revenue from the Gold Division increased by 21% driven by the average rand gold price, which increased by 23%. This was partly offset by the volume of gold sold, which decreased by 2%.

The increase in the average rand gold price from R475,508/kg in 2015 to R586,319/kg was due to the 15% weaker rand of R14.68/US\$ in 2016 compared with R12.75/US\$ in 2015 and an increase in the average realised US dollar gold price to US\$1,242/oz in 2016 from US\$1,160/oz in 2015.

Cost of sales, which consist of operating costs and amortisation and depreciation, increased by 24%, or 6% excluding the Platinum Division. The increase in operating costs, again excluding the Platinum Division, in 2016 was due to above inflation wage and consumable stores cost increases, increased electricity tariffs and increased contractor costs. These increases were partly offset by the cessation of mining at Cooke 4.

Finance expenses increased to R903 million from R562 million. This increase was mainly due to increases in interest paid of R180 million, unwinding of the Burnstone debt of R139 million and a rehabilitation obligation accretion expense of R94 million. The interest paid increased following an increase in gross debt required to fund the acquisitions of Aquarius and the Rustenburg Operations. Sibanye's average gross debt outstanding (excluding the Burnstone debt) was approximately R4.8 billion in 2016 compared with approximately R2.2 billion in 2015. The rehabilitation obligation accretion expense increased, mainly due to the acquisitions of Aquarius and the Rustenburg Operations, which added R62 million.

Share-based payments include the **share-based payment on the BEE transaction** of R240 million, recognised as part of the Rustenburg Operations acquisition, which represents the BEE shareholders attributable value over the expected life of mine.

Cash-settled share instruments are valued at each reporting date based on the fair value of the instrument at that date. The appreciation in Sibanye's share price for the six months ended 30 June 2016 of approximately 120%, resulted in a fair value loss of R1,181 million. The 49% depreciation in the share price for the six months ended 31 December 2016 resulted in a fair value gain of R111 million.

5.7% **DIVIDEND YIELD**
returning earnings
to shareholders

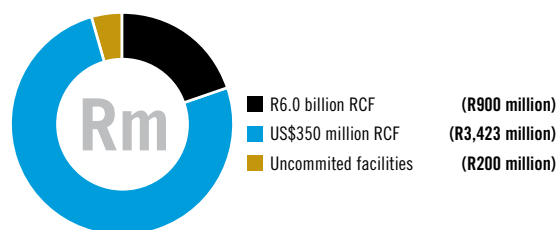
CHIEF FINANCIAL OFFICER'S REPORT CONTINUED

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

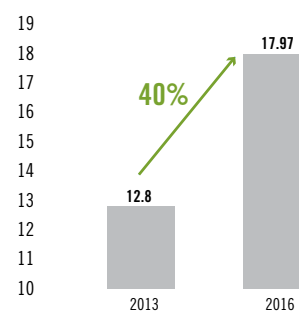
for the year ended 31 December

R million	2016	2015
ASSETS		
Non-current assets	34,018	25,515
Property, plant and equipment	27,241	22,132
Goodwill	936	737
Equity-accounted investments	2,157	168
Environmental rehabilitation obligation funds	3,101	2,414
Financial assets	355	1
Deferred tax assets	228	63
Current assets	7,703	2,751
Inventories	677	406
Trade and other receivables	5,748	1,628
Financial assets	310	–
Cash and cash equivalents	968	717
Total assets	41,721	28,266
Total equity	16,697	14,985
Non-current liabilities	18,787	7,934
Borrowings	8,222	1,808
Environmental rehabilitation obligation	3,982	2,411
Post-retirement healthcare obligation	16	16
Share-based payment obligations	246	137
Financial liabilities	1,614	–
Deferred tax liabilities	4,707	3,562
Current Liabilities	6,237	5,347
Trade and other payables	5,181	2,759
Tax and royalties payable	69	130
Borrowings	752	1,995
Share-based payment obligations	235	463
Total equity and liabilities	41,721	28,266

Undrawn facilities as at 31 December 2016



Net asset value per share since listing in 2013 (R)



During 2016, Sibanye acquired Aquarius (effective 12 April 2016). The Aquarius assets include a 50% stake in each of the Kroondal and Mimosa mines, and associated infrastructure and concentrating facilities, as well as Platinum Mile (91.7%). Mimosa is a 50:50 joint venture with Impala Platinum Holdings Limited (Implats).

The assets acquired from Anglo American Platinum Limited (effective 1 November 2016) are the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) shafts, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant and all associated surface infrastructure, referred to as the Rustenburg Operations. As part of the Rustenburg Operations' acquisition, a 26% equity stake was acquired by a BBBEE SPV and a share-based payment on BEE transaction obligation of R240 million was recognised.

R million	Aquarius acquisition	Rustenburg Operations acquisition	Total
Consideration	4,302	3,118	
Less: Fair value of identifiable net assets acquired	3,914	5,546	9,460
Property, plant and equipment	1,681	4,022	5,703
Equity-accounted investments	2,067	–	2,067
Environmental rehabilitation obligation funds	152	281	433
Non-current financial assets	108	221	329
Inventories	155	80	235
Trade and other receivables	909	2,992	3,901
Current financial assets	–	242	242
Cash and cash equivalents	494	–	494
Deferred tax	49	(899)	(850)
Environmental rehabilitation obligation	(630)	(80)	(710)
Non-current financial liabilities	(32)	–	(32)
Trade and other payables	(1,026)	(1,313)	(2,339)
Tax and royalties payable	(13)	–	(13)
Add: Non-controlling interests	13	–	
Goodwill/gain on acquisition	401	(2,428)	

Gearing and facilities

R million	2016	2015
Gross debt ¹	7,221	1,995
Cash and cash equivalents ¹	928	633
Net debt ¹	6,293	1,362
Net debt ¹ : EBITDA	0.60:1	0.21:1

¹ Excludes Burnstone

Charl Keyter

Chief financial officer

30 March 2017

MATERIAL RISKS AND OPPORTUNITIES

Sibanye considers a risk and/or an opportunity (together referred to in this report as an ‘issue’ or ‘issues’) to be material if it substantially affects the group’s ability to create and sustain value in the short, medium and long term.

In determining whether an issue is material, information is gathered from our external business environment, from interaction with stakeholders (both internally and externally) and from our internal enterprise risk management processes.

HOW WE DETERMINE MATERIAL ISSUES

When determining material issues, management considers information from the external business environment, interaction with stakeholders (both internally and externally) and from internal ERM processes. These three sources provide management with the most important issues assessed, which may impact the group in meeting strategic objectives, business objectives and creating value over time. Management evaluates the potential impact and likelihood should the issue materialise from multiple perspectives, including strategic, financial and operational viewpoints. This results in the most material issues being prioritised with appropriate response plans.

DETERMINING OUR MATERIAL ISSUES:

01

INITIAL INPUT

BUSINESS ENVIRONMENT

Analysis of factors in external environment affecting Sibanye’s ability to deliver on objectives



STAKEHOLDER ENGAGEMENT

Analysis of issues raised through stakeholder engagement



ENTERPRISE RISK MANAGEMENT

Analysis of information from internal business processes

Most important issues assessed in terms of ability to impact value creation over time

02

EVALUATE INPUT

QUANTITATIVE

Review of issues based on strategic, financial, non-financial and operational aspects



QUALITATIVE

Review of issues based on implications for reputation, licence to operate and compliance concerns

03

REVIEW AND PRIORITISE

Application of filters for risk determination and allocation of responsibilities to ensure control and further mitigation

04

DETERMINE MATERIAL ISSUES

Significant material issues agreed and appropriate responses determined

OUR TOP 10 MATERIAL ISSUES

RANKING 2016 (2015)	TOP 10 MATERIAL ISSUES	MOVEMENT IN RISK
1 (8)	Delivery of operational plans	↑
2 (2)	Health and safety compliance	↔
3 (7)	Optimisation of business case efficiencies for acquisitions	↑
4 (14)	Combating and addressing product theft and illegal mining	↑
5 (3)	Regulatory compliance with commitments in line with the Mineral and Petroleum Resources Development Act, the Mining Charter and related social and labour plans	↓
6 (8)	Operating cost management	↑
7 (9)	Macro-economic trend management (commodity demand, price volatility, rand-dollar exchange rate and credit rating)	↑
8 (3)	Political stability	↓
9 (1)	Labour relations environment	↓
10 (11)	Functional infrastructure	↑

Legend ↑ Increased ranking ↓ Decreased ranking ↔ Unchanged

The detail related to each risk, its context, potential consequences and what action Sibanye has taken in mitigation, is given on the following pages. This is followed by analysis of the external business environment, the enterprise risk management process and stakeholder engagement to provide more context on how Sibanye's material issues are determined.

MATERIAL RISKS AND OPPORTUNITIES CONTINUED

TOP 10 MATERIAL ISSUES

Risk	Context and related opportunity	Potential consequences	Response/mitigation	For further information:
1. Delivery of operational plans	Achieving operational plans and targets is essential to Sibanye's sustained profitability and ability to create value.	<ul style="list-style-type: none"> • Failure to achieve production and operating targets affects profitability and value creation for stakeholders • Strict management of costs is essential to maintaining positive operating margins and profitability 	<ul style="list-style-type: none"> • Regular monitoring of all internal and external variables that may have an adverse impact in Sibanye's ability to meet operational plans and targets, ultimately creating value. These variables include, among others, productivity targets, face length availability and mining flexibility, commodity grade mined and unit costs – also refer to risk 6 • Strategic and operational business plans are adjusted and aligned to changes in variables 	<p>Chief Executive's review</p> <p>Chief Financial Officer's review</p> <p>Creating value from our operations, projects, technology and resources</p>
2. Health and safety compliance	Underground mining exposes miners to, among others, heat, dust, noise and injury from fall of ground. Stringent health and safety laws and regulations are in place. Safety accidents, and related investigations and stoppages adversely affect production and costs, while the industry is still experiencing the negative effects of the HIV/AIDS pandemic.	<ul style="list-style-type: none"> • Non-compliance with applicable health and safety laws and regulations results in safety-related work stoppages, fines and penalties, impacting profitability • Loss of investor confidence as investors do not want to invest in companies that cannot manage their health and safety matters effectively • Employee morale and confidence in management affected, which in turn affects productivity 	<ul style="list-style-type: none"> • Integrated safety and health plans and systems in place • Safety is included in the values underpinning Sibanye's business • Dedicated CEO's safety sub-committee established • Line management accountability increased with renewed commitment to improve safety performance and ensure rigorous compliance with laws, regulations, standards and procedures • Ongoing monitoring and root cause analysis of safety incidents conducted to ensure that root causes are addressed • Application of engineering and technology to make the workplace safer 	<p>Chief Executive's review</p> <p>Health and safety focus</p> <p>Creating value from our operations, projects, technology and resources</p>

TOP 10 MATERIAL ISSUES continued

Risk	Context and related opportunity	Potential consequences	Response/mitigation	For further information:
3. Optimisation of business case efficiencies for acquisitions	The platinum assets acquired in 2016 will enable Sibanye to leverage its core competencies in deep-level hard rock mining, diversify its business activities and reduce its dependence on a single commodity.	There will be financial and reputational implications should the company be unable to optimise operating efficiencies at the acquired operations	<ul style="list-style-type: none"> Integration plan implemented to effectively and efficiently integrate the recently acquired platinum operations. Progress being closely monitored to ensure achievement of synergies, operational and strategic targets Platinum operations have an experienced and competent management structure Dedicated employee and primary stakeholder engagement undertaken and concerns addressed to ensure operational continuity and minimise uncertainty 	<p>Chief Executive's review</p> <p>Chief Financial Officer's review</p> <p>Creating value from our operations, projects, technology and resources</p>
4. Combating and addressing product theft and illegal mining	Illegal mining impacts Sibanye on the surface and in its underground working areas. These activities are difficult to control, are disruptive and expose the business to liability. This negatively impacts employees, production and profitability. Theft includes gold-bearing material, explosives, copper from the plants and shafts.	<ul style="list-style-type: none"> Theft and illegal mining are disruptive on surface and underground, exposing the company to financial loss, and negatively impacting employees, production, costs, margins and profitability Illegal mining underground also affects safety, infrastructure and operating schedules 	<ul style="list-style-type: none"> Enhanced security systems implemented involving increased security guard complements, stricter access controls and the use of biometrics Severe disciplinary action is taken against employees found to be involved A dedicated task team appointed to implement a plan to address the illegal mining at Sibanye's operations 	<p>Chamber of Mines fact sheet on illegal mining www.chamberofmines.org.za/work/illegal-mining.co.za</p>



MATERIAL RISKS AND OPPORTUNITIES CONTINUED

TOP 10 MATERIAL ISSUES continued

Risk	Context and related opportunity	Potential consequences	Response/mitigation	For further information:
5. Regulatory compliance with commitments in line with the Mineral and Petroleum Resources Development Act, the Mining Charter and related social and labour plans	The South African mining sector is governed by legislation to redress the social and economic imbalances of the past. Mineral rights are subject to legislation. The MPRDA and 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.	<ul style="list-style-type: none"> • Failure to deliver on the requirements, targets and related commitments could result in the suspension or withdrawal of Sibanye's mining licences and prospecting rights • Ability to deliver on Sibanye's strategic objectives can be impeded by unexpected and ill-considered legislative and regulatory changes • The new Mining Charter's release date is unknown and compliance with new/amended provisions may be a challenge 	<ul style="list-style-type: none"> • Maintaining sound relations with the regulator, the DMR, is important particularly regarding licensing conditions. Engagement relates to directives and instructions issued, suspensions and cancellation of mining rights • Awaiting outcome of declaratory order regarding ownership clause in the Mining Charter • Complying with the Mining Charter (2014) as it currently stands • Close monitoring, auditing of compliance and reporting on progress made in achieving targets agreed in the social and labour plans relating to transformation, mine community development among others 	<p>Chief Executive's review</p> <p>Superior value for our workforce</p> <p>Health and safety focus</p> <p>Social upliftment and community development</p> <p>Managing our environmental impact</p> <p>Corporate governance</p>
6. Operating cost management	Increasing costs – of power and labour in particular – affect operating margins, inhibit cash flow, profitability and consequently Sibanye's ability to pay dividends.	<ul style="list-style-type: none"> • Excessive increases in costs could have dire consequences for delivery on operational plans, operating margins and the profitability of individual shafts, resulting in closure, loss of jobs (retrenchments) and a reduction in reserves 	<ul style="list-style-type: none"> • Strategic and operational planning processes implemented • Strict management, monitoring and control of costs • Planning based on conservative assumptions • Frequent, regular review of costs, strategic and operational plans • Focused engagement with suppliers regarding costs and strategic procurement initiatives 	<p>Chief Executive's review</p> <p>Chief Financial Officer's review</p> <p>Creating value from our operations, projects, technology and resources</p>

TOP 10 MATERIAL ISSUES continued

Risk	Context and related opportunity	Potential consequences	Response/mitigation	For further information:
7. Macro-economic trend management (commodity demand, price volatility, rand-dollar exchange rate and credit rating)	Revenue earned is largely determined by commodity prices set in US dollars and the rand-dollar exchange rate. These prices are subject to global market fluctuations. Changes in these parameters can pose either a risk or an opportunity. The newly acquired platinum operations give commodity prices exposure to both gold and platinum.	<ul style="list-style-type: none"> Operational and business planning could be based on unrealistic commodity prices and exchange rates leading to losses 	<p>To counter the effects of market volatility, Sibanye's business and operating model focuses on:</p> <ul style="list-style-type: none"> Optimising capital expenditure Reducing costs and pay limits Optimising LoM plans Closely monitoring commodity prices, exchange rates, the global economy and related events and trends likely to have an impact Reviewing business and operational plans in line with global economic trends at monthly operational meetings 	<p>Chief Executive's review</p> <p>Chief Financial Officer's review</p>
8. Political stability	As a company domiciled in South Africa, political uncertainty and volatility could have a negative impact on Sibanye's investment and credit ratings.	<ul style="list-style-type: none"> Increased legislative burden and related uncertainty can impact delivery on operational targets, profitability and capacity to meet socio-economic commitments Accompanying demands for resource nationalisation and related politicisation have implications for the country's ratings 	<ul style="list-style-type: none"> Comprehensive detailed compliance systems are in place to monitor regulatory and legislative changes Related training and reviews undertaken to ensure compliance Strategic planning processes in place Regular engagement with the regulators and national authorities Improved stakeholder relations through effective communication and engagement 	<p>Chief Executive's review</p> <p>Macro-economic environment</p>



MATERIAL RISKS AND OPPORTUNITIES CONTINUED

TOP 10 MATERIAL ISSUES continued

Risk	Context and related opportunity	Potential consequences	Response/mitigation	For further information:
9. Labour relations environment	<ul style="list-style-type: none"> Labour unrest can result in work stoppages, impact operational efficiency, company performance and negatively affect financial performance Despite having experienced less labour unrest in 2016 than in 2015, it remains a material risk Integration of the platinum workforce presents a new dynamic in this relationship Good relations with employees and their unions help to minimise the risk of labour disputes and unrest, inter-union rivalry and work stoppages 	Union rivalry and unrealistic wage demands lead to labour unrests and industrial action that affect Sibanye's productivity, operational efficiencies and performance.	<ul style="list-style-type: none"> Consistent, regular, honest engagement with employees and unions Three-year wage agreement in place at gold operations, in effect until 2018 Two-year wage agreement secured at Rustenburg operations Kroondal's wage agreement expires in 2017 Continuous monitoring of industrial relations at Sibanye and within the broader mining sector to identify reasons for any discontent and potential labour unrest 	<p>Chief Executive's review</p> <p>Creating value from our operations, projects, technology and resources</p> <p>Superior value for our workforce</p>
10. Functional infrastructure	<p>Fully functioning mining and engineering infrastructure are essential to Sibanye's business.</p> <p>Ageing and inadequately maintained infrastructure can result in unplanned breakdowns and stoppages resulting in production targets not being met and increased costs.</p>	<ul style="list-style-type: none"> Incidents resulting in operational stoppages affect production, increase costs, compromise safety and negatively affect Sibanye's ability to deliver on its strategic and operational targets 	<ul style="list-style-type: none"> A maintenance risk register is updated and reviewed regularly Regular inspections are conducted of shaft infrastructure and other essential equipment to ensure that proactive steps can be taken to identify and address any potential weaknesses Capital expenditure is allocated to ensure that infrastructure is in good repair and that operations are not compromised 	<p>Chief Executive's review</p> <p>Creating value from our operations, projects, technology and resources</p>

For further details on Sibanye's risks, refer to the Form 20-F filed with the SEC for detailed information on the risk factors impacting Sibanye's performance.

STILLWATER TRANSACTION

The proposed transaction to acquire Stillwater was announced on 9 December 2016. The particular risks and opportunities pertaining to this acquisition have not been specifically included in the material issues table above. Shareholders will have the opportunity to vote in favour of the transaction (majority of votes cast required) and the increase of authorised and issued capital for the proposed rights offer (75% of votes cast required) during a general meeting scheduled for 25 April 2017. Refer to the *Chief Executive's review* on page 18 of this report which highlight the opportunities that Stillwater brings to the Sibanye Group. More information on the transaction is also available at www.sibanyegold.co.za/investors/transactions/stillwater-acquisition.

An analysis of the business environment, our enterprise risk management and stakeholder engagement are presented below to provide the context in which Sibanye's material issues are determined.

THE MACRO ECONOMIC ENVIRONMENT*

GLOBAL FACTORS THAT COULD AFFECT SIBANYE'S PROSPECTS

The external business environment has a significant impact on how Sibanye does business and on profitability. We can have little influence on the global macro economic environment, such as the gold market, but we can mitigate other external impacts on our business by managing stakeholder expectations and ensuring our social licence to operate. Transparent and consistent engagement with all stakeholders is key in this regard.

The past year was characterised by political uncertainty and flat growth. Having begun the year at US\$1,077/oz, gold prices reflected this uncertainty, peaking in July following the results of the British referendum, Brexit, at US\$1,366/oz. The price had retreated to US\$1,145/oz by year-end on the new US president's growth-boosting rhetoric, based on which the dollar has strengthened on heightened expectations of an increase in US interest rates. Nevertheless, the fundamentals of supply and demand in the gold market remain in place.

Global political uncertainty is expected to continue in 2017, given elections in France, the Netherlands and Germany, and gold prices are likely to remain volatile, given the "safe-haven" nature of the commodity. Compounding this uncertainty are expectations regarding US interest rate hikes that may negatively impact gold prices as investors favour higher yielding assets.

Following President Trump's surprise election victory in the US, few details are known about his policy agenda, his priorities, and whether or not he can deliver. Increasingly protectionist measures proposed by President Trump may create friction between the US and its trading partners. In time, this may create further uncertainty. However, White House tax reform and a rising interest rate cycle are likely to be positive for riskier asset classes. In the meantime, equities and gold have performed strongly but a clearer idea of President Trump's long-term agenda is required to form a constructive view on gold prices going forward. US policy framework is likely to be the key driver of emerging market sentiment in 2017, affecting equities and precious metals markets.

Aside from the US, the greatest political risk is linked to the European Union (EU) where growth is forecast to improve slightly to 1.5% in 2017. The British Brexit vote galvanised initial rumblings of political upheaval in the EU over the course of 2016. Populist uprising in the region is expected to influence markets into 2017 and investors remain nervous about Eurozone politics. Brexit, the second worst GBP crisis in four decades, has shaken investor confidence across the region and materially increased the potential for the EU to break up.

SOUTH AFRICA'S MACRO-ECONOMIC ENVIRONMENT

South African economic growth has contracted sharply over the past couple of years due to the underperformance of the primary and secondary sectors, the effect of the severe and prolonged drought on agricultural output, stagnation of manufacturing output, resulting in consolidation and rationalisation in the mining sector. GDP growth for 2016 was 0.4%, improving to 1.0% in 2017 and 1.5% in 2018.

STAKEHOLDER ENGAGEMENT AND RISK MITIGATION

Stakeholder engagement is a two-way process. While engagement is essential in identifying potential material issues, it is also a critical mitigation tool. Effective stakeholder engagement can mitigate many such issues facing the company by reducing their impact and likelihood. The optimising of opportunities depends on our maintaining good and credible relations with stakeholders. Constructive, meaningful relationships with stakeholders are critical to retaining our social licence to operate. Among others:

- Successful integration of our acquisitions depends on good relationships with employees, unions and the local community, among others (see issue 3)
- To minimise safety-related work stoppages in terms of section 54, we need to have positive relationships with the Department of Mineral Resources and health and safety inspectors (see issue 2)
- Good relations with employees and unions will enable us to better manage and limit any industrial action (see risk 9)
- Close collaboration with local municipalities and other community structures is an important aspect of socio-economic development project planning and implementation

Prioritising proactive, tailored and consistent engagement with concerned, key stakeholders helps to pre-empt any negative consequences. A comprehensive communications strategy is in place to oversee stakeholder engagement and manage expectations.

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.

* Source: JP Morgan

MATERIAL RISKS AND OPPORTUNITIES CONTINUED

STAKEHOLDERS AND RELATED CONCERNS		
Stakeholders	Related issues	Sibanye's response and form of engagement
Investors and market analysts	<p>Stakeholder concerns:</p> <ul style="list-style-type: none"> • Achievement of operational, financial and strategic targets, costs and operational performance • Consistent and transparent growth strategy • Acquisitions – progress made on their integration and optimisation of processes • Safety performance • Labour unrest and productivity • Mining licences – regulatory compliance and delivery on commitments • Infrastructure maintenance and related capital expenditure • Stillwater acquisition • Political and country risk and impact on Sibanye's ability to conduct its business profitably and sustainably • Impact of global macro-economic trends • Impact of theft and illegal mining <p>Sibanye's concerns:</p> <ul style="list-style-type: none"> • Achieving operational and growth targets • Maintaining premium rating and ability to create value and pay dividends 	<p>Regular, structured engagement, including six-monthly operational and financial updates at which investors can engage directly with management (webcast and conference calls). A biennial investor day was held during 2016</p> <p>Attendance at investor conferences and one-on-one meetings as and when necessary</p> <p>Also communicate by email and telephonically</p> <p>Regular site visits conducted</p> <p>All investor-related engagement complies with the regulations of our exchange listings</p>
Suppliers and contractors	<p>Stakeholder concerns:</p> <ul style="list-style-type: none"> • Long-term sustainability of Sibanye's business which is a function of: <ul style="list-style-type: none"> – Achieving operational, financial and strategic targets – Operational and cost performance as they relate to the sustainability of the business <p>Sibanye's concerns:</p> <ul style="list-style-type: none"> • Productivity, contractors specifically, • Containing increases in costs • Mining licence commitments in terms of preferential procurement and Mining Charter targets, especially as related to the development and growth of SMMEs and skills enhancement 	<p>Categorised into three groups:</p> <ul style="list-style-type: none"> • Strategic, with whom engagement is high-level and interactive • Tactical, where engagement is conducted at an operational level and managed by supply chain in line with our procurement policy • Local, includes SMMEs, and involves close, active engagement aimed at developing and supporting these suppliers to enable them to grow and play an active, sizeable role in our supply chain



STAKEHOLDERS AND RELATED CONCERNS

Stakeholders	Related issues	Sibanye's response and form of engagement
Chamber of Mines and peers	<p>Sibanye's concerns:</p> <ul style="list-style-type: none"> • Impending release of new Mining Charter, and in particular the ownership and other legislation that is pending such as the proposed carbon tax • Safety and health • Industry-wide labour relations • Community engagement • Wage negotiations • Illegal mining and theft, as an industry-wide issue 	<p>A member of the Chamber of Mines, which expedites peer engagement, lobbies national government on behalf of industry and protects its collective interests</p> <p>Co-operation with peers on non-competitive issues of common interest in the broader mining sector and with fellow gold and platinum mining companies in particular</p> <p>On behalf of the industry, including Sibanye, the Chamber petitioned the High Court for a declaratory order on the empowerment clause in the Mining Charter</p> <p>Sibanye participates in the mining aspect of government's Mining Phakisa* project</p>
Employees and organised labour	<p>Stakeholder concerns:</p> <ul style="list-style-type: none"> • Increased wages and benefits • Sustainable employment and job security • Accommodation and living conditions • Skills development • Indebtedness <p>Sibanye's concerns:</p> <ul style="list-style-type: none"> • Safety and health • Costs and operational performance – achieving targets as this relates to the sustainability of the business and capacity to pay higher wages and bonuses • Optimisation of processes • Labour unrest, inter-union rivalry and productivity • Skills retention 	<p>Engagement varies, based on the nature of the issue and level of employee and is generally constructive, values-based and collaborative</p> <ul style="list-style-type: none"> • Great effort is made to ensure direct lines of communication • Allied to this is formal engagement with organised labour. • Care for Imali • Housing programme • Safety and Health policy and related framework

* Refer to the glossary, available online at <http://reports.sibanyegold.co.za>, for an explanation of the Mining Phakisa



MATERIAL RISKS AND OPPORTUNITIES CONTINUED

STAKEHOLDERS AND RELATED CONCERNS continued

Stakeholders	Related issues	Sibanye's response and form of engagement
Communities and consultative forums Includes municipalities communities and multi-stakeholder forums, as well as NGOs, in close proximity to and affected by our operations as well as in labour-sending areas, where municipalities and development agencies are engaged	Stakeholder concerns: <ul style="list-style-type: none"> • Community expectations, especially those in the vicinity of our Rustenburg operations • Employment opportunities • Local procurement and enterprise development • Local economic development • Legacy health issues (silicosis) • Environmental impacts of mining Sibanye's concerns: <ul style="list-style-type: none"> • Illegal mining • Skills 	<ul style="list-style-type: none"> • Particular focus on engagement with the Rustenburg communities • Communities are a key partner in delivery on SLP commitments relating to mine community development and supply chain opportunities • Projects planned in consultation with local municipalities who are apprised of progress and updates • Identifying, discussing and resolving issues affecting communities • Establishing forums to engage with elected community representatives to address issues raised by the community
Regulators, national, provincial and local government Involves all levels of government and various government departments at a regional level - environmental affairs, water and sanitation, labour, health and education, among others. At national level, engagement is as-and-when-necessary	Stakeholder/Sibanye concerns: <ul style="list-style-type: none"> • Employee safety and health • Costs and operational performance – health of company • Integration of acquisitions • Labour relations, wage negotiations and productivity • Regulatory compliance, specifically with SLP commitments and Mining Charter requirements targets, including among others, procurement, transformation, mine community development, housing and living conditions • Legacy health issues • Environmental compliance 	<ul style="list-style-type: none"> • Maintaining regular, transparent engagement at all levels of interaction with the authorities and regulators



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 policies, practices and systems are reviewed annually by the Board's Risk Committee and approved by the Board. The risk management process is embodied in Sibanye's enterprise risk management (ERM) framework, which is aligned with the King III code of corporate governance and International Organization for Standardization (ISO) 31000 standards, and are embedded within the operations of the company.

BOARD RESPONSIBILITY

The Board is satisfied that governance, risk management, 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 were managed within approved risk-tolerance and risk-appetite levels. Primary controls have been implemented and continuous review undertaken to refine and improve them.

RISK MANAGEMENT

The risk management process is a systematic application of management policies, procedures and practices in communicating, consulting and establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk. The risk policy, plan and charter set out the requirements for effective oversight of risks, including the identification, assessment, evaluation, treatment and reporting of risks. Sibanye's ERM process combines operational and strategic risk processes.



CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY

OPERATIONS

APPROACH

Efficient management of its operations has enabled Sibanye to pay industry-leading dividends to shareholders and deliver significant value to other stakeholders since it listed in 2013 (details on value add to other stakeholders is available in the section *Social upliftment and community development* on page 82). The integration of the platinum operations acquired in 2016 will enable sustainable delivery of further value and allow the Group to capitalise on further value-accretive opportunities in the mining sector.

Sibanye's operating model is based on implementing 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.

PERFORMANCE

Sibanye has successfully restructured and optimised its gold operations since 2013, significantly extending their economic lives. Initial restructuring resulted in a meaningful increase in production and decrease in operating costs. Further cost reductions at these assets are likely to be more incremental.

Capital investment in the sustainability of our operations continues. The decline projects at Driefontein and Kloof will extend the life of these mines and sustain production in the longer term.

The integration of the platinum operations (Kroondal, Mimosa, Platinum Mile as well as the Rustenburg assets) is a primary focus. Our operating model is based primarily on initially reducing then managing those costs that are under our control, thereby lowering pay limits (or the break-even grade at which the operations can be profitably mined). This contributes to greater operational flexibility and improved cash margins. Key elements of the optimisation process include continuous re-engineering of the business, and the introduction and adherence to planned return cut-off, ore reserve-management principles.

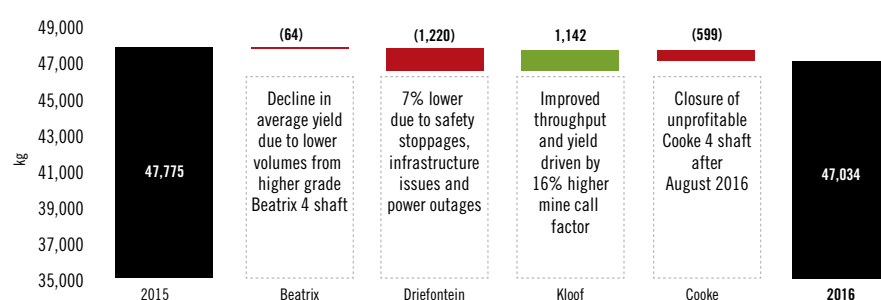
The daily efforts of our workforce and other stakeholders are key to our success. Our focus on employee safety and health is set out from page 71 while our approach to employee engagement can be found on page 35.

GOLD DIVISION

Overall, operational performance in 2016 was solid. Gold production in 2016 remained stable year-on-year despite numerous safety stoppages in the first half of the year and the closure of the unprofitable Cooke 4 shaft after August 2016, which resulted in a 599kg reduction in gold produced by the Cooke operations year on year.

Kloof produced 1,142kg more gold than in 2015 by improving throughput and yield following a renewed focus on mining quality factors, which resulted in a 16% higher mine call factor. At Driefontein, production was 7% lower year-on-year due to safety stoppages, infrastructure issues and power outages. Beatrix production was lower due to the lower volumes from the higher-grade Beatrix 4 shaft being processed.

Annual gold production variance (kg)

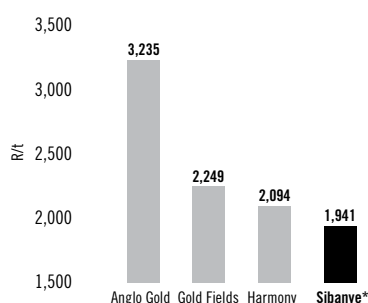


Mining is our core business activity. The performance of our operations is key to our vision to create superior value for all stakeholders. Our future lies in our reserves and resources while our investment in technology aims to deliver a profitable long-term future by allowing the safe extraction of previously inaccessible resources.



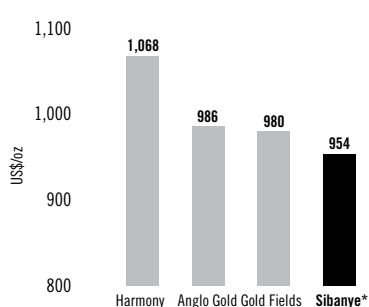


Operating costs – South African underground gold mines (R/t)



Source for annual peers information at 31 December 2016: Nedbank

All-in sustaining cost comparison – South African gold producers (US\$/oz)



Source: Company reports for twelve months ended 31 December 2016

* Gold Division

Given the safety incidents, stoppages and engineering challenges that impacted performance at the gold operations during the year, Sibanye did not achieve its original targets for costs and gold production.

In the Gold Division, costs were well contained during the year with the division being the lowest cost gold producer in South Africa, with an average operating cost of R862/t and an average all-in sustaining cost of R450,152/kg (US\$954/oz).

In the Gold Division, two thirds – R2,394 million (2015: R2,305 million) – of total capital expenditure by the division of R3,824 million (2015: R3,345 million) was spent on ore reserve development to maintain operational flexibility, in line with our operating model, while R684 million (2015: R669 million) was expended on sustaining operations and infrastructural maintenance (one of our material issues).

Following a review of capital requirements, planned capital expenditure for Burnstone was reduced by around R300 million for 2017.

ESTABLISHING THE PLATINUM DIVISION

Since taking ownership, the platinum operations bought from Aquarius (Kroondal, Mimosa and Platinum Mile) continued to perform optimally as did the Rustenburg operations, for the two months of ownership in 2016. The Platinum Division posted an operating profit of R74 million for the two months.

The integration of the platinum assets has thus far been encouraging, with the Aquarius assets continuing to operate according to expectation since their acquisition. The Rustenburg Operations, acquired effective 1 November 2016, recorded a pleasing operational turnaround in the last quarter of the year after a difficult first nine months, prior to their acquisition.

Overall, the Platinum Division delivered attributable production of 420,763oz (4E) at an average operating cost of R10,260/4Eoz (US\$701/4Eoz), or an average operating margin of 10%, for the nine months from April to December 2016. The division generated operating profit of R376 million¹ (US\$26 million) in 2016. Mimosa, which is equity-accounted, generated an operating profit of R254 million.

The Group has previously indicated that it expects to realise operational synergies of approximately R800 million annually from the combined Aquarius and Rustenburg operations over a three-year period. The first steps in achieving these synergies have begun with approximately R400 million in synergies expected to be achieved by 2017 year-end.

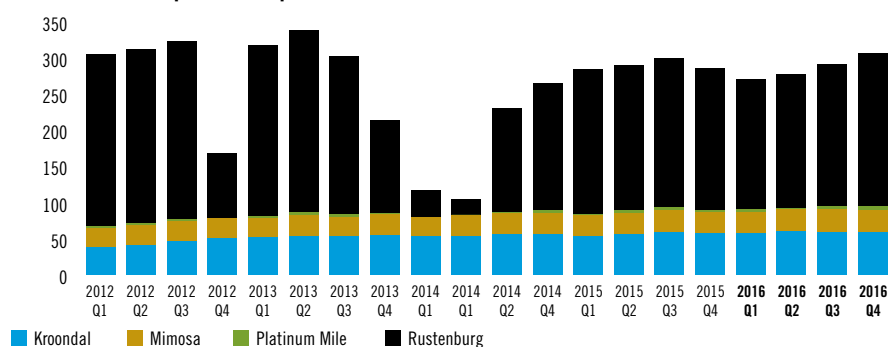
A Section 189 process at the Platinum Division was announced on 26 January 2017.

Steps taken at the Rustenburg Operation to achieve near-term profitability include:

- Aligning development to maintain current production levels
- Implementing operational and cost efficiency improvements
- Implementing previously identified synergies with shared services and breaking down mine boundaries

In the Platinum Division, R327 million of sustaining capital was spent. The division's growth capital is being reviewed as we assess its requirements. Expenditure at the Rustenburg Operations has been reduced in line with planned production levels, with total planned capital expenditure for the division of R900 million estimated for 2017.

Attributable PGM production profile – 4E ounces²



¹ Excludes R254million (US\$17million) equity-accounted operating profit from Mimosa

² Estimated Rustenburg historic 4E production based on Anglo American Platinum's public disclosure of refined Pt production at Rustenburg Operations

CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY CONTINUED

Key statistics by operation

2016

		Group	Gold Division	Driefontein	Kloof	Beatrix	Cooke	Corporate and reconciling items
OPERATING RESULTS								
Ore milled	000t		20,181	5,971	4,676	4,333	5,201	
Underground			8,084	2,055	2,009	2,862	1,158	
Surface			12,097	3,916	2,667	1,471	4,043	
Yield	g/t		2.33	2.70	3.25	2.32	1.09	
Underground			5.21	6.77	6.82	3.35	4.19	
Surface			0.41	0.56	0.56	0.30	0.20	
Gold produced	kg		47,034	16,130	15,210	10,041	5,653	
Underground			42,078	13,920	13,704	9,601	4,853	
Surface			4,956	2,210	1,506	440	800	
Gold sold	kg		46,905	16,046	15,176	10,041	5,642	
Underground			41,960	13,836	13,670	9,601	4,853	
Surface			4,945	2,210	1,506	440	789	
Revenue	R/kg		586,319	585,884	585,853	585,997	595,923	
Total cash cost	R/kg		377,034	355,416	340,762	381,625	527,916	
All-in cost	R/kg		472,585	424,872	435,609	453,232	595,959	
All-in cost margin	%		19	28	26	23	(1)	
Operating cost	R/t		862	937	1,080	866	575	
Underground			1,941	2,374	2,300	1,246	2,268	
Surface			140	182	162	126	90	
FINANCIAL RESULTS (R million)								
Revenue		31,240.7	27,501.3	9,401.1	8,890.9	5,883.9	3,362.2	(36.8)
Underground		28,026.5	24,608.4	8,105.3	8,012.6	5,626.9	2,900.4	(36.8)
Surface		3,214.2	2,892.9	1,295.8	878.3	257.0	461.8	–
Operating costs		(20,709.1)	(17,346.0)	(5,566.6)	(5,041.0)	(3,753.4)	(2,985.0)	–
Underground		(18,800.6)	(15,655.1)	(4,852.1)	(4,609.4)	(3,567.4)	(2,626.2)	–
Surface		(1,908.5)	(1,690.9)	(714.5)	(431.6)	(186.0)	(358.8)	–
Operating profit		10,531.6	10,155.3	3,834.5	3,849.9	2,130.5	377.2	(36.8)
Underground		9,225.9	8,953.3	3,253.2	3,403.2	2,059.5	274.2	(36.8)
Surface		1,305.7	1,202.0	581.3	446.7	71.0	103.0	–
Amortisation and depreciation		(4,041.9)	(3,814.7)	(1,012.9)	(1,190.7)	(818.0)	(770.8)	(22.3)
Net operating profit		6,489.7	6,340.6	2,821.6	2,659.2	1,312.5	(393.6)	(59.1)
Capital expenditure – total		(4,151.2)	(3,824.2)	(1,051.6)	(1,304.2)	(628.4)	(249.2)	(590.8)
Sustaining capital		(1,010.5)	(683.5)	(218.5)	(261.2)	(84.8)	(48.9)	(70.1)
Ore reserve development		(2,394.4)	(2,394.4)	(779.0)	(912.9)	(542.9)	(159.6)	–
Growth projects		(746.3)	(746.3)	(54.1)	(130.1)	(0.7)	(40.7)	(520.7)

		Platinum Division ¹	Kroondal	Platinum Mile	Mimosa	Rustenburg	Corporate and reconciling items
OPERATING RESULTS							
Ore milled	000t	11,611	2,732	5,669	1,012	2,198	
Underground		4,948	2,732		1,012	1,204	
Surface		6,663	–	5,669	–	994	
Yield	g/t	1.72	2.48	0.65	3.57	2.69	
Underground		2.99	2.48		–	3.65	
Surface		0.78	–	0.65	3.57	1.53	
4E PGM sold							
Underground	kg	13,087	5,543	425	2,833	4,286	
Surface		12,092	5,543		2,833	3,716	
Revenue	R/kg	995	–	425	–	570	
		287,339	355,999	308,471	431,768	386,374	
Operating cost							
Underground	R/t	373	619	16	958	720	
Surface		832	619	–	958	1,209	
		33	–	16	–	128	
FINANCIAL RESULTS (R million)							
Revenue		3,739.4	1,973.3	131.1	1,223.2	1,656.0	(1,244.2)
Underground		3,418.1	1,973.3	–	1,223.2	1,465.8	(1,244.2)
Surface		321.3	–	131.1	–	190.2	–
Operating costs		(3,363.1)	(1,689.8)	(90.8)	(969.0)	(1,582.5)	969.0
Underground		(3,145.5)	(1,689.8)	–	(969.0)	(1,455.7)	969.0
Surface		(217.6)	–	(90.8)	–	(126.8)	–
Operating profit		376.3	283.5	40.3	254.2	73.5	(275.2)
Underground		272.6	283.5	–	254.2	10.1	(275.2)
Surface		103.7	–	40.3	–	63.4	–
Amortisation and depreciation		(227.2)	(136.2)	(1.2)	(223.7)	(58.6)	192.5
Net operating profit		149.1	147.3	39.1	30.5	14.9	(82.7)
Capital expenditure – total		(327.0)	(175.8)	(1.3)	(159.8)	(148.7)	158.6
Sustaining capital		(327.0)	(175.8)	(1.3)	(159.8)	(148.7)	158.6
Ore reserve development		–	–	–	–	–	–
Growth projects		–	–	–	–	–	–

¹ The Platinum Division's results for the year ended 31 December 2016 include the Aquarius assets for nine months following their acquisition in April 2016 and the Rustenburg Operations for two months, November and December 2016

CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY CONTINUED

Key statistics by operation continued

2015

		Group	Driefontein	Kloof	Beatrix	Cooke	Corporate and reconciling items
Operating results							
Ore milled	000t	19,861	5,772	3,977	4,319	5,793	
Underground		8,584	2,412	1,979	2,723	1,470	
Surface		11,277	3,360	1,998	1,596	4,323	
Yield	g/t	2.41	3.01	3.54	2.34	1.08	
Underground		5.02	6.36	6.49	3.51	3.65	
Surface		0.41	0.60	0.61	0.34	0.21	
Gold produced/sold	kg	47,775	17,350	14,068	10,105	6,252	
Underground		43,109	15,345	12,848	9,557	5,359	
Surface		4,666	2,005	1,220	548	893	
Gold price	R/kg	475,508	474,697	475,647	476,546	475,768	
Total cash cost	R/kg	347,613	309,764	342,764	340,792	474,584	
All-in cost	R/kg	430,746	374,790	430,751	408,422	544,658	
All-in cost margin	%	9	21	9	14	(14)	
Operating cost	R/t	825	907	1,201	785	514	
Underground		1,741	1,941	2,251	1,169	1,782	
Surface		128	165	161	129	83	
FINANCIAL RESULTS (R million)							
Revenue		22,717.4	8,236.0	6,691.4	4,815.5	2,974.5	–
Underground		20,515.0	7,284.1	6,112.8	4,555.7	2,562.4	–
Surface		2,202.4	951.9	578.6	259.8	412.1	–
Operating costs		(16,380.4)	(5,234.2)	(4,777.2)	(3,391.0)	(2,978.0)	–
Underground		(14,940.8)	(4,681.2)	(4,454.9)	(3,184.5)	(2,620.2)	–
Surface		(1,439.6)	(553.0)	(322.3)	(206.5)	(357.8)	–
Operating profit		6,337.0	3,001.8	1,914.2	1,424.5	(3.5)	–
Underground		5,574.2	2,602.9	1,657.9	1,371.2	(57.8)	–
Surface		762.8	398.9	256.3	53.3	54.3	–
Amortisation and depreciation		(3,636.6)	(1,142.6)	(1,029.3)	(739.4)	(704.6)	(20.7)
Net operating profit		2,700.4	1,859.2	884.9	685.1	(708.1)	(20.7)
Capital expenditure – total		(3,344.8)	(994.2)	(1,129.9)	(596.5)	(337.4)	(286.8)
Sustaining capital		(668.9)	(249.2)	(225.6)	(86.1)	(92.9)	(15.1)
Ore reserve development		(2,304.9)	(727.0)	(840.6)	(510.4)	(226.9)	–
Growth projects		(371.0)	(18.0)	(63.7)	–	(17.6)	(271.7)

FUTURE FOCUS

The operational focus in 2017 will be on ensuring that we achieve our production and safety targets. Integration of the Rustenburg assets into the Platinum Division, and implementation of Sibanye's operating model and our values-based culture will continue. Realisation of cost and operational synergies in the Platinum Division will be a priority.

Gold production for the year ending 31 December 2017 is forecast at between 47,000kg and 48,000kg (1.51Moz and 1.54Moz) with total cash cost forecast between R385,000/kg and R395,000/kg (US\$890/oz to US\$910/oz) and an all-in sustaining cost of between R470,000/kg and R480,000/kg (US\$1,080/oz and US\$1,105/oz). Total capital expenditure for 2017, including Burnstone, is currently planned at approximately R4.0 billion (US\$300 million). The dollar costs are based on an average exchange rate of R13.50/US\$.

The Platinum Division is forecast to produce between 1.05Moz and 1.10Moz (4E) in 2017. The operating cost forecast for Kroondal is R10,500/4Eoz (US\$780/4Eoz), for Mimosa at R11,400/4Eoz (US\$845/4Eoz), for Platinum Mile R8,500/4Eoz (US\$615/4Eoz) and for Rustenburg R11,800/4Eoz (US\$875/4Eoz).

The total operating cost for the Platinum Division is forecast at between R11,150/4Eoz and R11,450/4Eoz (US\$825/4Eoz and US\$850/4Eoz).

Expected capital expenditure for 2017 is planned at approximately R900 million (US\$67 million) or between R780/4Eoz and R850/4Eoz. Marketable (saleable) chrome production from Rustenburg is forecast to be approximately 400,000t.



CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY CONTINUED

PROJECTS

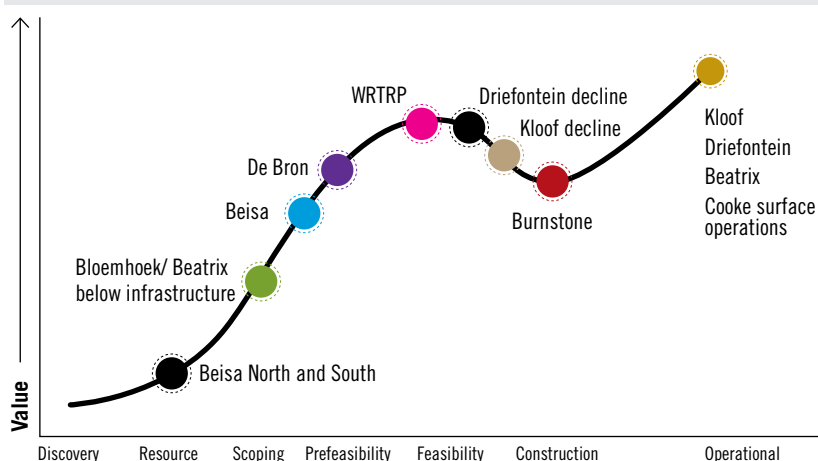
We invest and consider investing in projects which meet or exceed a real internal rate of return of

15%

Expenditure on organic growth projects in 2016 was R746 million (US\$52 million), 70% of which was spent at the Burnstone project.

As a result of the recent strength in the rand and its impact on operating margins for the gold industry, organic project capital expenditure has been reviewed. This includes a review of the planned 2017 capital profile at the UG2 project at Rustenburg, the Burnstone project and the West Rand Tailings Retreatment Project (WTRTP). Certain projects may be deferred or placed on care and maintenance until commodity prices sustainably improve and/or exchange rate volatility has subsided.

PROJECT PIPELINE



BURNSTONE

Burnstone is located in the South Rand Goldfield of the Witwatersrand Basin near the town of Balfour, approximately 75km east of Johannesburg in the Mpumalanga province of South Africa.

Sibanye acquired the Burnstone assets in April 2014, comprising two shaft complexes, namely the surface portal and mechanised vehicle access decline and the vertical shaft (shaft bottom at 495m below surface), as well as a 125,000tpm gold processing plant, the tailings storage facility and surface infrastructure to support a producing operation, albeit with areas still to be constructed.

Burnstone had previously produced approximately 38,000oz of gold before being placed on care and maintenance in mid-2012.

The Burnstone project feasibility study was approved by the Board for project execution in November 2015. The project is planned with a five-year build-up to steady-state production by 2021, then averaging 120,000oz annually for nine years till the end of 2029. Thereafter a 10-year period of decreasing but profitable production supports an initial 26-year life-of-mine plan, yielding 2.05Moz of gold production from the feasibility resource of 5.7Moz. This initial LoM plan was limited to approximately 60% of the total Burnstone resource of 8.9Moz as the mine design and schedule in the feasibility study were limited to mineable reserves within a 3km radius of the shaft infrastructure. During the steady-state production period the potential of the 3.2Moz of resource not included in this base LoM plan will be determined.

First gold production is planned in the second half of 2018 when there is sufficient on-reef development stockpiled (2.5 years) to start up the metallurgical plant, albeit at a reduced milling capacity. The full production run rate is planned to be achieved in 2021 and the total LoM project capital is estimated at R1,852 million (in 2015 terms).

In 2015, concurrent with completing the feasibility study, R272 million was spent on completing the mine-dewatering and permanent pumping infrastructure, re-aligning the shaft steelwork for rock-hoisting, and completing approximately 2km of development to commence accessing the orebody. The development was completed utilising the existing mechanised development machines which were first refurbished before being put back into production. Three development fleets of equipment were in production by year end.





In 2016, R531 million was spent in the first full year of the feasibility study build-up where the expenditure provided for:

- 4,950m of development. In the fourth quarter, with all development fleets in production, 1,915m of the planned 2,100m was produced and the team's performance has steadily improved
- mine infrastructure running costs
- planned project capital infrastructure
- procurement of additional mechanised mining fleets and ancillary support vehicles

The budget for 2017 has been revised to R400 million – compared to an initial budget of R672 million – to deliver 6,000m of access development (this is a reduction from the feasibility study's 8,300m of access development) and to run the mine in support of this revised plan and defer certain project infrastructure.

KLOOF DECLINE

The feasibility study for the Kloof below infrastructure decline project was approved by the Board for project execution in November 2015. The life-of-mine plan yields approximately 0.57Moz of gold in addition to that currently planned without the project and extends Kloof's operating life by 2034.

During 2016, the project programme and capital expenditure were re-assessed and a specialist mining contractor was appointed to deliver an accelerated project programme to first ore production. The Board approved project capital of R904 million which made provision for the mining contractor, an increase from the previously approved R757 million (2015 base inflated to 2017 terms). The improved project programme generates earlier revenue and more than offsets the increased capital and drives improved project financial metrics.

The reef-wide raises are now scheduled to begin mid-2020 on 46 level (same as the feasibility study) but significantly almost two years earlier on 47 level, commencing March 2021 (end 2022 in the feasibility study).

With project preparation and access development to the project site on 45 level, R55 million was spent in 2015 and R121 million in 2016, including the procurement of mechanised mining equipment and mobilisation of the mining contractor.

For 2017, project expenditure of R177 million is planned for the 900m of project development and associated infrastructure construction.

DRIEFONTEIN DECLINE

The feasibility study (2015) indicated this project has the potential to extend Driefontein's operating life from 2028 to 2042, producing an additional 2.1Moz of gold in addition to that expected from the current life-of-mine plan, following the first reef intersection and raise development from mid-2020 on 52 Level and the end of 2023 on 54 Level. The feasibility study project capital is estimated at R1,126 million in 2017 terms (R1,061 million in 2015 terms).

The feasibility study for the Driefontein below infrastructure decline project was approved by the Board for project execution in November 2015. R34 million was spent on capital expenditure in 2016 with 370 metres developed.

For 2017, R125 million is approved to complete 700m of development and complete all flat conventional mine development in preparation to handover mining of the larger winder excavations, incline and the shaft-sinking project scope to a specialist mining contractor in 2018.



CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY CONTINUED

A similar process has been completed for the Driefontein decline project as for the Kloof project, where specialist mining and construction contractor tenders are being adjudicated. Improvements in the project schedule after accounting for significantly more stringent rock engineering design changes and mining extraction sequences indicate 52 level will be approximately nine months later than the feasibility study with 54 level 10 months ahead of schedule.

The potential to deliver robust financial returns, offsetting an increase in capital for a mining contractor to execute the project scope and develop the project is indicated by the tendered contractor rates and a full motivation for consideration and approval of this change of scope is to be considered in the third quarter of 2017. It is anticipated that contractor mobilisation on approval would commence in October 2017 with development starting in January 2018.

WEST RAND TAILINGS RETREATMENT PROJECT

The WRTRP is a large-scale, long-life surface tailings retreatment opportunity, the economic viability of which was secured through the acquisition of the Cooke assets by Sibanye in 2014. The combined WRTRP reserves amount to 677.3Mt of the historic Driefontein, Kloof and Cooke tailings storage facilities (TSFs), containing estimated gold and uranium mineral reserves of 6.2Moz and 97.2Mlb, respectively.

The definitive feasibility study for this project as well as the front-end engineering design was completed during the fourth quarter of 2016, rendering the WRTRP construction ready.

Key to the successful execution of this project is the permitting and construction of a high-volume capacity network of pipelines connecting reclamation stations, thickeners and processing plants for economical extraction of gold and uranium from the historical TSFs. In addition, the project must permit and construct a single large regional TSF covering 1,350ha in accordance with modern, sustainable deposition practices. Permitting for the WRTRP is well advanced, with the regulators due to award permits during the second quarter of 2017.

The scope of the initial "Get into Business" strategy included the reclamation of four key anchor resources accounting for 210Mt, ~2.3Moz Au and ~54Mlb U_3O_8 . The gold-rich Driefontein 3 and 5 TSFs and the Cooke 4 South tailings dams will be reclaimed sequentially at a rate of 1Mtpm concurrently with the uranium-rich Cooke tailings dam at a rate of 400,000tpm. The resultant tailings will be deposited onto the new regional TSF. Steady-state annual production of ~100,000oz of gold and 900,000lb of uranium is planned during the first phase, allowing for the recovery of ~2.7Moz of saleable gold and ~31.1Mlb of saleable uranium over the first 40 years of the project.





The project team will continue to drive and close out the required regulatory approvals and pilot plant implementation as we advance potential funding solutions.

A pilot plant is currently being constructed and a commissioning date of June 2017 has been proposed. The pilot plant will be established to optimise gold and uranium recoveries ahead of the large scale WRTRP implementation and substantially reduce any process related uncertainty. Execution of the WRTRP will therefore not take place until further notice.

SOUTHERN FREE STATE PROJECTS

The Southern Free State (SOFS) projects include Sibanye's Wits Gold mining right and prospecting right holdings in the Free State goldfields of the Witwatersrand Basin.

The mining right consolidating the De Bron Merriespruit, Bloemhoek, Hakkies and Robijn projects into one mining right has been approved for a period of 23 years and is in the process of being executed. This mining right is contiguous to the north-east of the Beatrix mining right. Sibanye acquired the De Bron Merriespruit and Bloemhoek projects in December 2013 on its acquisition in full of Wits Gold.

The Beisa project at Beatrix West is now included in the Mineral Reserve with gold reserves of 0.7Moz and uranium reserves of 16.1Mlb. The prefeasibility study for this project was enhanced by implementing cut-off grades and leveraging synergies with the current Beatrix West Operation. The principle driver for the Beisa project remains an increase in future in the uranium price. The environmental permitting process for the project including the updating of the Beatrix Environmental Management Programme (EMP) will be progressed through 2017.

Gold Mineral Reserves for the De Bron Merriespruit project were reviewed in December 2015 with the mine design and schedule re-planned in line with revised geological and estimation models. The revised design and updated costing supports the Mineral Reserve for this project, which remains at 2.1Moz.

The Bloemhoek project, which is adjacent to Beatrix North, has a Mineral Resource of 4.3Moz. A prefeasibility study to access the Mineral Resource below infrastructure at Beatrix North, and potentially a portion of this southerly Bloemhoek area with a decline system from Beatrix North, is due for completion mid-2017. Concurrently, an exploration-drilling programme designed to improve geological confidence in the immediate vicinity of the planned decline system will also be completed.



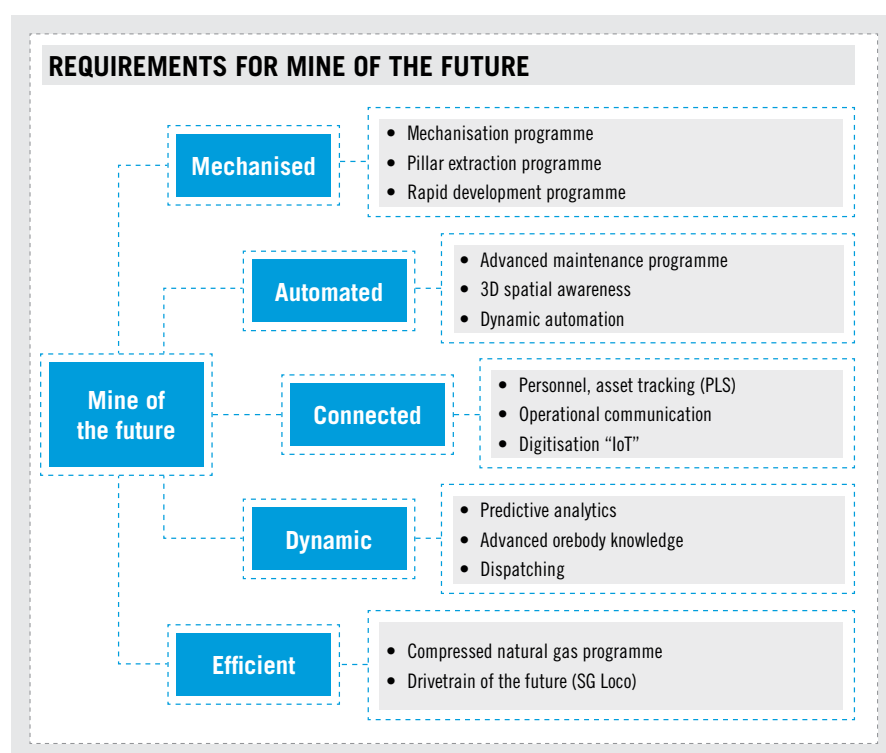
CREATING VALUE FROM OPERATIONS, PROJECTS AND TECHNOLOGY CONTINUED

TECHNOLOGICAL INNOVATION AND MODERNISATION

APPROACH

Despite an illustrious multi-decade operating history in the West Wits gold mines, there is still substantial value to be unlocked through the development and adoption of new technologies. In recognition of this, Sibanye has committed to further advance various developments and projects initiated since June 2014.

Although the overall strategy – based on three pillars, namely “capitalising on legacy mining”, “optimising current mining horizons” and “developing the future state mining method” – remains unchanged, the team has revised its vision for the mine of the future and adjusted its direction to include projects that satisfy the requirements in the diagram below.



Achieving the mine of the future will have a number of value-adding benefits:

- First and foremost, safety performance will improve markedly as employees are removed from dangerous work areas
- High-efficiency, remote and low-cost mining systems will allow access to previously inaccessible mining areas such as white areas, low-grade areas, those below-infrastructure, stability pillars and sections that are inaccessible owing to seismicity and these advanced mining systems will enable a drastic increase in the convertibility and sustainability of Sibanye’s resources
- Operational transparency, greater insights, through digitisation, would enable informed, real-time decision making and dynamic responses to changing operating conditions
- Drastically reduced environmental impact through efficient and renewable energy consumption
- Upskilled job creation
- Generation of secondary industries to manufacture and service the mechanised mining equipment, and the associated need for highly skilled workers, will contribute to local community development and have an economic multiplier effect

INNOVATION IN MINING

In addition to the work done internally, Sibanye, as a leading producer in the sector, has actively participated and assisted with the innovation aspect of government’s Mining Phakisa*. The Mining Phakisa encompasses several exciting developments, including the establishment of an innovation hub, which is a collaborative initiative involving the Chamber of Mines, government and our counterparts in the mining industry. This hub, supported by an initial R17 million grant from government, is based at the former (Chamber of Mines Research Organisation) COMRO facility. In addition, government has committed additional funding of R150 million, over three years, in support of this collaborative approach to innovation in mining.

The innovation hub has registered a number of quick win projects, facilitated by participating mining companies and illustrating the mining industry’s commitment to technological development. These projects are supported by resources from the overarching mining hub with information shared among participating companies. The aim is to maximise the value of the research and development funding committed.

* Refer to the glossary, available online at <http://reports.sibanyegold.co.za>, for an explanation of the Mining Phakisa



Compressed natural gas locomotive



MT100: Dozer attachment



MT100: Sweeper attachment

AT SIBANYE

In order to derive maximum value from the resources committed, the organisational structure will form part of the resources function and facilitate cross-divisional technology project management and information sharing between the Platinum and Gold divisions, eliminating duplication of effort and propagating divisional successes throughout the Group. The Safe Technology department will also assist with safety-related project implementation that may not form part of the original strategy such as proximity detection systems on trackless mobile machinery.

In particular, our mining innovation projects include the following:

- **Mechanised pillar extraction** aimed at enabling us to extract an estimated 2.2Moz in resources that are contained within strike and stability pillars at our gold operations
- **Advanced transport programme** to develop more cost-efficient, environmentally friendly means of transport of ore and material in particular
- **Stope mechanisation programme** to develop a suite of mechanised machinery, especially for the narrow tabular environments prevalent in both gold and conventional platinum mining, that is also capable of performing drilling and cleaning operations. Increased efficiency and accuracy of such units will improve the rate and quality of mining, reduce pay limits and allow for additional resource to reserve conversion. Most importantly, a significant advantage will be the removal of employees from dangerous work areas, thus contributing to greatly increased safety performance
- **Mine digitisation** involves capitalising on the increased availability of data to enable development of comprehensive asset and behavioural management tools to enhance the efficiency and safety of mobile machinery
- **Mining horizon improvement programme** involves several short-term projects aimed at improving current mining methods

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.

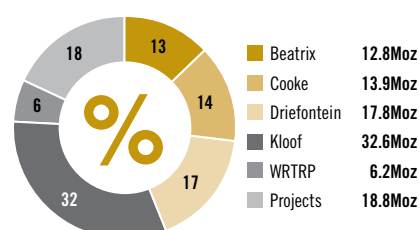
The statement of 31 December 2016 outlines the Mineral Resources and Mineral Reserves at each of our operating mines and projects, and includes the Aquarius and Rustenburg Platinum operations, which were acquired during the year. The Mineral Resources and Mineral Reserves is compared to the last full declaration made as at 31 December 2015, and therefore includes a 12-month period of production depletion due to mining activity, and the statement is underpinned by appropriate Mineral Resource Management processes and protocols that ensure adequate corporate governance.

This section is a condensed overview of Sibanye's Mineral Resource and Mineral Reserve Report 2016, which contains a comprehensive review of the Mineral Resources and Mineral Reserves as at 31 December 2016, and details the location, geology, mining, processing, operational statistics and changes at each of Sibanye's mining operations and projects. The full supplement is available online at www.sibanyegold.co.za.

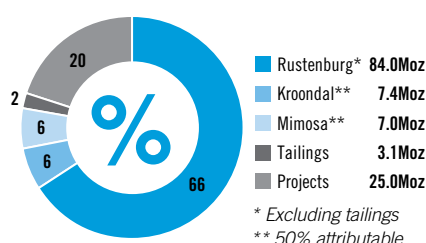
The commodity prices used for the Mineral Reserve declaration approximate the historic three-year average commodity prices, in accordance with the SEC guidelines. As a result, the following commodity prices were used at an exchange rate of R12.70/US\$:

Precious metals prices	Three-year average			
	US\$/oz	Rand/oz	Rand/kg	US\$/oz
Gold	1,200	15,200	490,000	1,229
Platinum	1,222	15,500	499,000	1,210
Palladium	717	9,100	293,000	710
Rhodium	787	10,000	322,000	985
Base minerals	US\$/lb	Rand/lb	Rand/kg	US\$/lb
Uranium (long-term contract)	45	572	1,260	47

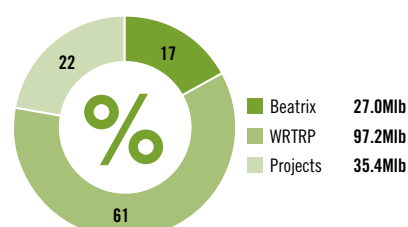
Gold Mineral Resources (102.0Moz)



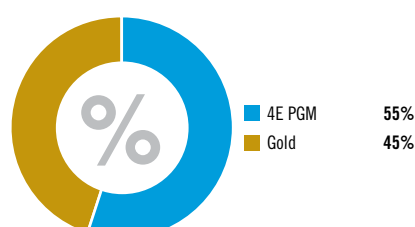
4E PGM Mineral Resources (126.5Moz)



Uranium Mineral Resources (159.5Mlb)



Breakdown of Mineral Resource ounces by metal





GOLD

KEY ASPECTS OF THE 31 DECEMBER 2016 STATEMENT OF GOLD MINERAL RESOURCES AND MINERAL RESERVES:

- Total Gold Mineral Resources increased by 3% to 102.0Moz
- Total Gold Mineral Reserves of 28.7Moz declared. This represents a reduction of 2.3Moz, which after accounting for depletion of 1.6Moz due to mining activities in 2016, equates to a 2% decrease year-on-year
- The closure of Cooke 4, resulted in the exclusion of 2.1Moz Gold Mineral Resources and 0.5Moz Gold Mineral Reserves
- A focused exploration programme on “secondary reefs” resulted in additional Mineral Reserves of 0.6Moz at Kloof (Middelvlei Reef and Kloof Reefs at Main shaft), Driefontein (Middelvlei Reefs at 8 Shaft), and the Kimberley reefs at Cooke Operations
- The continuing review of and investigations to identify previously unmined areas with economic potential, the so-called ‘white areas’, facilitated the declaration of an additional 0.9Moz to Mineral Reserves during 2016, primarily at Beatrix West, Driefontein 8 Shaft and Kloof Main Shaft
- Ongoing exploration at the western extensions of Driefontein 5 Shaft, delineated a lower grade, overbank geological facies area. The information underpinned an updated geological model, and this geological anomaly has resulted in a decrease in Mineral Reserves of 0.6Moz. Drilling on the opposite site of the overbank provides assurance that the extent of the overbank facies is constrained
- Minor decreases in grade as a result of additional geological information at Beatrix South and the exclusion of selected high-grade pillars at Kloof Main Shaft resulted in Mineral Reserve decreases of 0.4Moz and 0.3Moz respectively

Gold Mineral Reserve reconciliation

Factors	Gold (Moz)
31 December 2015	30.988
2016 depletion	(1.600)
Post-depletion	29.388
Changes in geology structure at operations	(0.240)
Changes in estimation models at operations due to additional sampling	(0.236)
Technical factors [mine call factor (MCF), % waste mining, etc]	(0.017)
Specific inclusions:	
Beisa Project additions	0.184
Burnstone additions	0.338
White areas and general additions	0.898
Secondary reefs at Driefontein 8 Shaft and Kloof 2 Shaft	0.620
Additional surface rock dumps at Driefontein, Kloof and Beatrix Operations	0.204
Specific exclusions:	
Overbank at Driefontein 5 Shaft	(0.574)
WRTRP unpay exclusions	(0.265)
Mining exclusions due to lower average value at Kloof	(0.317)
Tail management	(0.363)
Exclusions due to pay limit	(0.409)
Cooke 4 Shaft	(0.518)
31 December 2016	28.694

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

For the gold Mineral Resource reconciliation, see the Mineral Resource and Mineral Reserve Report 2016.



STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

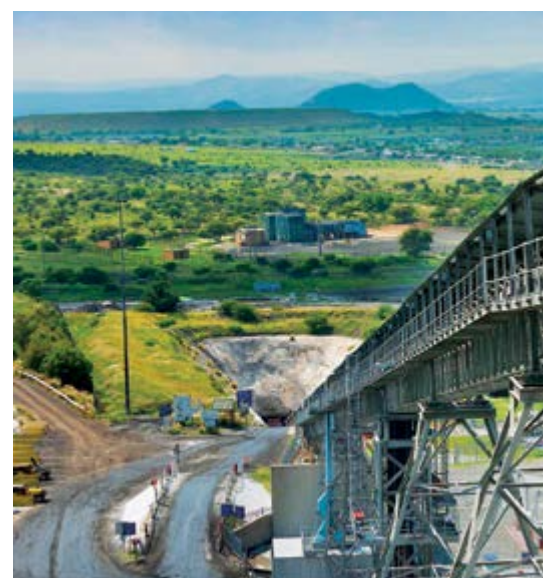
PLATINUM

KEY ASPECTS OF THE 31 DECEMBER 2016 STATEMENT OF 4E PGM MINERAL RESOURCES AND MINERAL RESERVES:

- Initial 4E PGM Mineral Resources of 126.5Moz (141.5Moz as at 2015) and Mineral Reserves of 23.2Moz (35.7Moz as at 2015) declared, positioning Sibanye as one of the top 5 PGM-producing companies globally, based on these measures
- After accounting for depletion due to mining activities of 1.7Moz (4E PGM) at both the Aquarius and Rustenburg assets in 2016 and the sale of Everest (containing 1.1Moz) in 2015, which impacted the reconciliation of resources and reserves, 4E PGM Mineral Reserves decreased by 22% from 29.6Moz (excluding tailings) to 23.2Moz since the last reported statements
- The decrease in Mineral Reserves is primarily due to the lower commodity price assumptions used by Sibanye compared to those used by Anglo American Platinum and Aquarius for their last reported 4E PGM Mineral Resource and Mineral Reserve declarations
- In line with Sibanye's reporting standards and SEC guidance, the PGM commodity price assumptions used to estimate 4E PGM Mineral Resources and Mineral Reserves are based on three-year historical average and spot commodity prices
- Kroondal:** Mineral Reserves decreased by 1.56Moz*:
 - 0.4Moz of this decrease was due to mining depletion between July 2015 and December 2016. To align with Sibanye's reporting timelines, this Mineral Reserve declaration considers 18 months of mining depletion
 - A 0.9Moz reduction in Marikana's Mineral Reserve, accounts for a further 32% of the decline in Mineral Reserve. Marikana was placed on care and maintenance by Aquarius at the end of June 2012 and did not contribute to the 2015 life-of-mine plans. Given current pricing assumptions, these Mineral Reserves have been assessed by Sibanye and are not considered economically viable
 - A 1.13Moz reduction associated with the sale of Everest prior to the Sibanye acquisition
- Rustenburg Operations:** Mineral Reserves decreased by 9.4Moz**:
 - 1.0Moz due to mining depletion for the 12 months
 - The application of Sibanye's economic assumptions at Rustenburg resulted in several areas at Siphumulele, Thembelani and Khusuleka shafts being considered either uneconomic under the assumed price conditions, or the return on capital investment to access certain reserves did not meet the Sibanye's internal hurdle rates. As a result, these areas have been excluded from the current Mineral Reserve base, resulting in a reduction of some 6.2Moz. A sensitivity analysis indicated that at sustained metal price increase of between 5% and 10%, the economic viability of the majority of these reserves would be reviewed
- The Kroondal Extension was reported by both Anglo American Platinum and Aquarius in 2015. A reconciliation of these Mineral Resources and Mineral Reserves was undertaken in 2016 to allocate the correct attributable portions to Kroondal. Sibanye therefore reports the attributable Mineral Reserves for Kroondal as at 31 December 2016
- Mineral Reserves at Mimosa, a non-managed independent company in which Sibanye holds a 50% stake, are reported as at June 2016 less depletions to December 2016. A revision in the life-of-mine plan is currently underway and will be updated by June 2017.

* Relative to the Mineral Resource and Mineral Reserve statement declared by Aquarius as at 30 June 2015

** Relative to the Mineral Resource and Mineral Reserve statement declared by Anglo American Platinum as at 31 December 2015





4E PGM Mineral Reserve reconciliation

Factors	4E PGM (Moz)
Mineral Reserves 2015*	35.703
2016 Depletion	(1.716)
Post depletion	33.987
Economic valuation	(6.220)
Evaluation	0.383
Geological changes	(0.275)
Boundary changes and remnants	0.005
Technical factors	(0.285)
Specific inclusions:	
Nil	
Specific exclusions:	
Everest sale	(1.130)
Marikana (economics)	(0.866)
Kroondal Extension	(2.414)
December 2016	23.186

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

Kroondal Extension Mineral Reserves are being mined as royalty with exclusive mining rights from Anglo American Platinum

Kroondal is reflected from a June 2015 base with 18 months' depletion considered

Rustenburg is reflected from December 2015 base, 12 months' depletion considered

Mimosa Operations are reflected from a June 2015 base with 18 months' depletions considered

Rustenburg, Mimosa and Kroondal were not required to report SEC compliant Mineral Reserve estimates during 2015. Post Sibanye acquisition, the Mineral Reserve was subject to SEC guidelines. As a result the LoM that informed the Mineral Reserve estimate, was evaluated, applying a trailing PGM price average, which is 5% lower than the one used by Anglo American Platinum in 2015

** Aquarius Mineral Reserves June 2015*

For the 4E PGM Mineral Resource reconciliation, see the Mineral Resource and Mineral Reserve Report 2016.

URANIUM

KEY ASPECTS OF THE 31 DECEMBER 2016 STATEMENT OF URANIUM MINERAL RESOURCES AND MINERAL RESERVES:

- Uranium Mineral Reserves decreased negligibly to 113.2Mlb, with the exclusion of 2.9Mlb from the Cooke 4 being offset by additional Mineral Reserves declared for the Beisa Project

Uranium Mineral Reserve reconciliation

Factors	U ₃ O ₈ (Mlb)
31 December 2015	113.814
2016 depletion	(0.146)
Post-depletion	113.668
Specific inclusions:	
Beisa additions	4.406
Cooke exclusions	(2.926)
WRTRP unpay exclusions	(1.921)
31 December 2016	113.226

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

For the Uranium Mineral Resource reconciliation, see the Mineral Resource and Mineral Reserve Report 2016.

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

ABRIDGED REVIEW PER OPERATION

GOLD DIVISION

BEATRIX

Beatrix is a low-cost, high productivity asset with a life of mine (LoM) extending to 2035. The Mineral Resources include 12.8Moz gold and 27.0Mlb uranium. Gold Mineral Reserves decreased by 5% net of production depletion of 0.3Moz to 3.8Moz in 2016, primarily as a result of lower grades affecting the tail end of the production profile at Beatrix South and Beatrix West sections.

The underground Mineral Reserve grade decreased from 3.5g/t in 2015 to 3.2g/t in 2016, primarily due to the inclusion of additional ground from the lower gold grade Beisa project at Beatrix West (a uranium rich project which is currently in Feasibility Study stage). The additional Uranium Mineral Reserves from Beisa resulted in an increase of 4.4Mlb.

The underground production is supplemented by processing historic rock dumps, with an estimated gold Mineral Reserve of 0.052Moz at a grade of 0.4g/t.

DRIEFONTEIN

Driefontein is a high-yield, long-term operation with gold Mineral Resources of 17.8Moz, gold Mineral Reserves of 6.9Moz and a LoM that extends to 2036. The Mineral Reserves are based on current operations, as well as the 5 Shaft Depth Extension project which commenced in 2016.

Gold Mineral Reserves decreased by 9% net of production depletion of 0.6Moz year on year. This reduction was primarily due to the intersection of a large geological anomaly (“overbank area”) at 5 Shaft and the 5 Shaft Depth Extension Project, resulting in a reduction of 0.574Moz and reducing the life of mine by 7 years.

As a result of this geological anomaly, the Mineral Reserve Grade at 5 Shaft is expected to decrease by 0.5g/t to 6.5g/t, and by 1.3g/t to 6.0g/t for the 5 Shaft Depth Extension project. Despite the decrease in grade, the Depth Extension project is still above the economic hurdle rate of the Group and will continue as planned. Further exploration is being conducted in the area, but drilling on the opposite site of the overbank provides assurance that the extent of the overbank is constrained and that the extent of this lower grade zone is well delineated and should not have any further impact on the Reserves.

Underground production is supplemented by processing of an estimated 0.1Moz of gold Mineral Reserves contained in historic rock dumps. Further exploration of historic rock dumps extended the life of the surface operation by another year.

KLOOF

Kloof is a high-yield long-term operation with a LoM extending to 2034 and gold Mineral Resources of 32.6Moz and gold Mineral Reserves of 6.7Moz. Gold Mineral Reserves increased by 10% net of production depletion year-on-year, with the underground Mineral Reserve grade largely unchanged from 7.5g/t to 7.4g/t. The Mineral Reserve is based on the current operations, as well as the 4 Shaft Depth Extension project which commenced in 2015. The increase in Mineral Reserves is largely due to additional Secondary Reefs (Middelvlei Reef and Kloof Reef) of 0.2Moz, as well as white areas (0.3Moz). Underground production is supplemented by processing of historic rock dumps with an estimated gold Mineral Reserve of 0.2Moz, an increase of 22% from last year.

COOKE

Cooke is a short- to medium-term asset, with gold Mineral Resources of approximately 13.9Moz and gold Mineral Reserves of 0.9Moz. With the cessation of underground mining at the Cooke 4 Operation mine, and closure of the uranium processing circuit at the Ezulwini plant, the gold and uranium Mineral Reserve decreased by 0.5Moz and 2.9Mlbs respectively. With the exclusion of Cooke 4, as well as the inclusion of the expected impact of the Grout Project (which will enable mining of high grade crush pillars at Cooke 1 and 3), the average Mineral Reserve grade at the Cooke Operations increased from 4.7g/t to 5.2g/t. Underground production is supplemented by processing of historic tailings facilities at Cooke Plant which will be completed by end 2017.





PLATINUM DIVISION

KROONDAL

Kroondal is a low-cost asset, with the current LoM estimated to extend to 2027. The operation is mined under a pool and share agreement (PSA) with Anglo American Platinum in which the PSA, of which Sibanye has a 50% stake, has exclusive mining rights to the area. Sibanye, through its Kroondal operations, has the infrastructure and processing facilities to mine and process the ore from this PSA area. The operation has 4E PGM Mineral Resources of approximately 7.356Moz (attributable) and 4E PGM Mineral Reserves of 2.291Moz (attributable). Marikana is a lease area situated east of the Kroondal area and forms a natural extension to the existing mine plan for Kroondal. Marikana is however structurally complex with the propensity for higher geological losses which affects the extraction rates of this orebody. The Marikana mine plan is sub-economic, given the 4E PGM prices applied to the 2016 valuation and has been removed from the Mineral Reserve. Aquarius, the former owner of Marikana, had already placed this operation on care and maintenance in July 2012 owing to the high costs of extracting the ore from this section.

RUSTENBURG

The Rustenburg Operations are long-term assets, with the current estimated LoM extending to 2046. The operations contain 4E PGM Mineral Resources of approximately 87.127Moz and 4E PGM Mineral Reserves of 19.206Moz. The decline in the 4E PGM Mineral Reserves year-on-year, was primarily due to the use of commodity price assumptions in line with Sibanye's reporting standards and SEC guidelines. These prices are more conservative and resulted in several areas at the conventional Siphumulele and Thembelani shafts being considered uneconomical.

MIMOSA

Mimosa is a long-term asset, with the current LoM estimated to extend to 2033. The operation has 4E PGM Mineral Resources of approximately 7.0Moz (attributable to Sibanye) and 4E PGM Mineral Reserves 1.7Moz (attributable to Sibanye). The 4E PGM Mineral Reserves decreased by 0.3Moz year-on-year, mainly due to depletion.



GOVERNANCE RELATING TO MINERAL RESOURCES AND MINERAL RESERVES

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. Guided by a commitment to best practice corporate governance, the statement has been reviewed by each Division's Technical Services.

Mineral Resources are reported inclusive of Mineral Reserves, and production volumes are reported in metric tonnes (t). All financial models used to determine Mineral Reserves are based on current tax regulations at 31 December 2016.

Mineral Resources and Mineral Reserves are estimated at a particular date, and are affected by fluctuations in mineral prices, the rand-US dollar currency exchange rate, 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.

For the Gold Division, the statement for the operations was independently reviewed by Amec Foster Wheeler (Mineral Resources) and by Mineral Corporation Consultancy Proprietary Ltd (Mineral Reserves), and was found to be compliant with the relevant codes with no material shortcomings. The Platinum Division did not have an external audit due to the acquisition approval process occurring during the year.

Gold and uranium estimates are reported separately from each other, therefore no gold equivalents are stated to avoid potential anomalies as a result of year-on-year metal price differentials. The Platinum Division statement reports on 4E PGM, which is platinum, palladium, rhodium and gold. Individual proportions of the 4E PGM are determined via prill split proportions as determined from the assays.



STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

COMPETENT PERSONS

For the Gold Division, the lead competent person designated in terms of the SAMREC Code, with responsibility for the consolidation and reporting of Sibanye's Mineral Resources and Mineral Reserves, and for overall regulatory compliance of these figures, is:

Gerhard Janse van Vuuren

Libanon Business Park	Private Bag X5
1 Hospital Street, off Cedar Avenue, Libanon	Westonaria
Westonaria, 1780	1780

Gerhard gave his consent for the disclosure of the 2016 Mineral Resources and Mineral Reserves Statement. Gerhard [GDE (Mining Eng), MBA, MSCC and B.Tech (MRM)] is registered with SAIMM (706705) and has 29 years' experience relative to the type and style of mineral deposit under consideration.

For the Platinum Division, the lead competent person designated in terms of the SAMREC Code, who takes responsibility for the consolidation and reporting of the Division's Mineral Resources and Mineral Reserves, and for the overall regulatory compliance of these figures, is:

Andrew Brown

Sibanye Rustenburg Platinum Mines	P O Box 1
Hex River Complex, Old Mine Road	Bleskop
Rustenburg, Bleskop, 0292	0292

Andrew gave his consent for the disclosure of the 2016 Mineral Resources and Mineral Reserves Statement. Andrew [M.Sc Mining Eng] is registered with SAIMM (705060) and has 32 years' experience relative to the type and style of mineral deposit under consideration.

All statement figures are managed by Sibanye with the exception of those for Mimosa.

The respective business unit-based Mineral Resource managers, relevant project managers and the respective Mineral Resource management discipline heads, have been designated as competent persons, in terms of the SAMREC Code. These persons 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 Integrated Annual Report 2016.



Gold: Mineral Resource and Mineral Reserve estimate as at 31 December 2016

	Mineral Resources ¹					Mineral Reserves ¹			
	31 Dec 2016			31 Dec 2015		31 Dec 2016			31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)		Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
OPERATIONS					OPERATIONS				
Beatrix²					Beatrix²				
Measured	34.3	5.3	5.786	4.857	Proved AI	15.8	4.0	2.048	2.389
Indicated AI	35.0	5.5	6.150	3.677	Probable AI	20.2	2.6	1.675	1.875
Inferred AI	0.0	3.3	0.004	0.004					
Total AI	69.4	5.4	11.940	8.538	Total AI	36.0	3.2	3.723	4.264
Indicated BI ³	6.7	3.7	0.789	0.991	Probable BI				
Beatrix – Total Underground	76.1	5.2	12.729	9.530	Beatrix – Total Underground	36.0	3.2	3.723	4.264
Cooke					Cooke				
Measured	11.6	8.3	3.113	1.566	Proved AI	4.3	5.3	0.728	1.014
Indicated AI	15.8	8.1	4.091	7.969	Probable AI	0.6	4.8	0.097	0.457
Inferred AI	6.0	13.6	2.635	2.326					
Total AI	33.5	9.1	9.839	11.862	Total AI	4.9	5.2	0.826	1.471
Inferred BI ⁴	40.7	3.1	3.998	3.998					
Cooke – Total Underground	74.2	5.8	13.837	15.860	Cooke – Total Underground	4.9	5.2	0.826	1.471
Driefontein					Driefontein				
Measured AI	20.7	11.6	7.741	6.503	Proved AI	20.7	6.6	4.420	4.133
Indicated AI	5.2	7.2	1.207	3.053	Probable AI	5.8	4.0	0.737	1.846
Inferred AI	0.4	13.8	0.181	0.314					
Total AI	26.3	10.8	9.129	9.870	Total AI	26.5	6.1	5.157	5.980
Measured BI	8.5	8.0	2.180						
Indicated BI ⁵	22.0	9.0	6.376	9.821	Probable BI ⁵	8.8	6.0	1.694	2.122
Total BI	30.4	8.7	8.556	9.821	Total BI	8.8	6.0	1.694	2.122
Driefontein – Total Underground	56.7	9.7	17.684	19.691	Driefontein – Total Underground	35.3	6.0	6.851	8.102
Kloof					Kloof				
Measured	14.4	17.1	7.928	6.196	Proved AI	18.4	7.9	4.700	4.857
Indicated AI	3.2	11.8	1.231	0.468	Probable AI	6.2	5.9	1.184	1.024
Total AI	17.6	16.1	9.159	6.664	Total AI	24.6	7.4	5.884	5.881
Indicated BI ⁶	44.9	13.4	19.371	11.246	Probable BI ⁶	2.5	7.2	0.566	0.502
Inferred BI ⁶	7.4	16.2	3.831	10.112					
Total BI	52.2	13.8	23.202	21.359	Total BI	2.5	7.2	0.566	0.502
Kloof – Total Underground	69.9	14.4	32.361	28.023	Kloof – Total Underground	27.1	7.4	6.450	6.383
Operations – Total Underground	276.8	8.6	76.611	73.103	Operations – Total Underground	103.2	5.4	17.849	20.219

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

Gold: Mineral Resource and Mineral Reserve estimate as at 31 December 2016 continued

	Mineral Resources ¹					Mineral Reserves ¹			
	31 Dec 2016			31 Dec 2015		31 Dec 2016			31 Dec 2015
	Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)		Tonnes (Mt)	Grade (g/t)	Gold (Moz)	Gold (Moz)
Surface rock dumps (SRD) and tailings storage facilities (TSF)					Surface rock dumps (SRD) and TSFs				
Beatrix (Indicated)	4.5	0.4	0.052	0.062	Beatrix (Probable)	4.5	0.4	0.052	0.062
Randfontein Surface (Measured)	4.5	0.3	0.047	0.052	Randfontein Surface (Proved)	4.5	0.3	0.047	0.052
Driefontein (Indicated)	4.0	0.6	0.076	0.094	Driefontein (Probable)	4.0	0.6	0.076	0.094
Kloof (Indicated)	11.9	0.5	0.200	0.163	Kloof (Probable)	11.9	0.5	0.200	0.163
Operations – Total Surface	24.8	0.5	0.375	0.372	Operations – Total Surface	24.8	0.5	0.375	0.372
Total operations (incl. SRD and TSF – excl. projects)					Total operations (incl. SRD and TSF – excl. projects)				
Beatrix	80.6	4.9	12.781	9.592	Beatrix	40.5	2.9	3.775	4.326
Cooke	78.6	5.5	13.883	15.911	Cooke	9.4	2.9	0.872	1.523
Driefontein	60.7	9.1	17.760	19.786	Driefontein	39.2	5.5	6.926	8.196
Kloof	81.8	12.4	32.561	28.186	Kloof	39.0	5.3	6.650	6.546
Operations Total	301.7	7.9	76.985	73.475	Operations Total	128.1	4.4	18.224	20.591
PROJECTS					PROJECTS				
Burnstone					Burnstone				
Indicated	25.4	5.3	4.350	4.350	Probable	17.5	3.8	2.137	1.799
Inferred	28.7	4.9	4.540	4.540					
Burnstone Total	54.1	5.1	8.890	8.890	Burnstone Total	17.5	3.8	2.137	1.799
Bloemhoek*					Bloemhoek*				
Indicated	27.4	4.7	4.163	4.163	Probable				
Inferred	0.9	4.9	0.135	0.135					
Bloemhoek Total	28.3	4.7	4.297	4.297					
De Bron Merriespruit*					De Bron Merriespruit*				
Indicated	23.0	4.5	3.307	3.307	Probable	15.4	4.3	2.112	2.112
Inferred	5.3	4.2	0.715	0.715					
De Bron Merriespruit Total	28.3	4.4	4.022	4.022	De Bron Merriespruit Total	15.4	4.3	2.112	2.112
Beisa North					Beisa North				
Inferred	14.8	3.4	1.619	1.619					
Beisa North Total	14.8	3.4	1.619	1.619					
Projects – Total Underground	125.5	4.7	18.828	18.828	Projects – Total Underground	32.9	4.0	4.248	3.911
WTRP					WTRP				
Measured	625.0	0.3	5.697	5.962	Proved				
Indicated	52.3	0.3	0.524	0.524	Probable	677.3	0.3	6.222	6.486
Projects – Total Surface	677.3	0.3	6.222	6.486	Projects – Total Surface	677.3	0.3	6.222	6.486
Projects Total	802.8	1.0	25.050	25.314	Projects Total	710.2	0.5	10.470	10.397
GRAND TOTAL UNDERGROUND & SURFACE	1,104.5	2.9	102.035	98.790	GRAND TOTAL UNDERGROUND & SURFACE	838.2	1.1	28.694	30.988

AI: Above Infrastructure

BI: Below Infrastructure

Mineral Resources are inclusive of Mineral Reserves

All tonnes (t) are expressed as metric units

Cut-off grades have been calculated in accordance with SEC Guidelines for mineral pricing and approximate the historic 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 R540,000/kg and the Gold Mineral Reserves at R490,000/kg

¹ Managed, unless otherwise stated

² Beatrix Indicated Mineral Resources AI and Probable Mineral Reserves includes Beisa Central

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)

* SOFS Projects

Uranium: Mineral Resource and Mineral Reserve estimate as at 31 December 2016

	Mineral Resources ¹					Mineral Reserves ¹			
	31 Dec 2016			31 Dec 2015		31 Dec 2016			31 Dec 2015
	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ (Mlb)	U ₃ O ₈ (Mlb)		Tonnes (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	10.2	0.711	16.060	11.654
Inferred AI	0.0	1.101	0.090	0.090					
Beatrix – total underground	11.4	1.074	26.968	26.968	Beatrix – total underground	10.2	0.711	16.060	11.654
Cooke					Cooke				
Measured AI				4.873	Proved AI				2.056
Indicated AI				11.546	Probable AI				1.017
Inferred AI				8.020					
Total AI				24.439	Total AI				3.073
Inferred BI ³				43.984					
Cooke – total Underground				68.423	Cooke – total Underground				3.073
Operations – total underground	11.4	1.074	26.968	95.391	Operations – total underground	10.2	0.711	16.060	14.727
PROJECTS					PROJECTS				
Beisa North					Beisa North				
Inferred	14.8	1.084	35.373	35.373					
Beisa North total	14.8	1.084	35.373	35.373	Beisa North total				
Projects – total underground	14.8	1.084	35.373	35.373	Projects – total underground				
WRTRP					WRTRP				
Measured	625.0	0.063	87.230	89.151	Proved				
Indicated	52.3	0.086	9.936	9.936	Probable	677.3	0.065	97.166	99.088
Projects – total surface	677.3	0.065	97.166	99.088	Projects – total surface	677.3	0.065	97.166	99.088
Projects total	692.1	0.087	132.539	134.461	Projects total	677.3	0.065	97.166	99.088
GRAND TOTAL UNDERGROUND & SURFACE	703.5	0.103	159.507	229.852	GRAND TOTAL UNDERGROUND & SURFACE	687.5	0.075	113.226	113.814

AI: Above Infrastructure

BI: Below Infrastructure

Mineral Resources are inclusive of Mineral Reserves

¹ Managed, unless otherwise stated² Beatrix includes uranium Mineral Resources and Mineral Reserves from the Beisa Central Project³ Cooke Inferred Mineral Resources BI refers to material within the Cooke 4 Shaft Prospecting Right (Zuurbekom)

STATEMENT OF MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

CONTINUED

4E PGM: Mineral Resource and Mineral Reserve estimate as at 31 December 2016

Mineral Resources ¹					Mineral Reserves ¹				
31 Dec 2016				31 Dec 2015	31 Dec 2016				31 Dec 2015
Category – 4E PGM	Tonnes (Mt)	Grade (g/t)	4E PGM (Moz)	4E PGM (Moz)	Category – 4E PGM	Tonnes (Mt)	Grade (g/t)	4E PGM (Moz)	4E PGM (Moz)
SOUTH AFRICAN OPERATIONS					SOUTH AFRICAN OPERATIONS				
Kroondal (50% attributable)^{2,3}					Kroondal (50% attributable)^{2,3}				
Measured	44.5	3.5	5.039	5.57	Proved	21.0	2.7	1.802	2.940
Indicated	14.2	3.7	1.688	1.96	Probable	5.8	2.6	0.489	0.910
Inferred	6.0	3.2	0.629	0.77					
Kroondal – total underground	64.8	3.5	7.356	8.300	Kroondal – total underground	26.8	2.7	2.291	3.851
Everest⁵ (100% attributable)					Everest⁵ (100% attributable)				
Measured				2.62	Proved				1.09
Indicated				0.36	Probable				0.04
Inferred				0.13					
Everest – total underground				3.11	Everest – total underground				1.13
Rustenburg (100% attributable)					Rustenburg (100% attributable)				
Measured	375.9	4.9	59.745	63.017	Proved	123.1	3.8	15.165	21.278
Indicated	125.6	5.3	21.525	22.257	Probable	6.7	4.2	0.901	4.204
Inferred	15.2	5.6	2.717	2.760					
Rustenburg – total underground	516.6	5.1	83.987	88.034	Rustenburg – total underground	129.8	3.8	16.066	25.482
South African Operations – total underground	581.4	4.9	91.343	99.447	South African Operations – total underground	156.6	3.6	18.357	30.463
TSF					TSF				
Rustenburg (Measured)	90.4	1.1	3.140	3.280	Rustenburg (Proved)				
Rustenburg (Indicated)					Rustenburg (Probable)	90.4	1.1	3.140	3.280
South African Operations – total surface	90.4	1.1	3.140	3.280	South African Operations – total surface	90.4	1.1	3.140	3.280
Total operations (incl. TSF – excl. projects)					Total operations (incl. TSF – excl. projects)				
Kroondal	64.8	3.5	7.356	11.412	Kroondal	26.8	2.7	2.291	4.981
Rustenburg	607.0	4.5	87.127	91.314	Rustenburg	220.2	2.7	19.206	28.762
South African Operations total	671.7	4.4	94.483	102.727	South African Operations total	246.9	2.7	21.497	33.743
NON-SOUTH AFRICAN OPERATIONS					NON-SOUTH AFRICAN OPERATIONS				
Mimosa (50% attributable)					Mimosa (50% attributable)				
Measured	31.9	3.7	3.776	4.120	Proved	9.2	3.5	1.053	1.310
Indicated	15.4	3.6	1.776	1.790	Probable	5.4	3.7	0.636	0.650
Inferred	4.4	3.6	0.512	0.520					
Inferred (Oxides)	9.0	3.4	0.981	0.980					
Mimosa – Total Underground	60.7	3.6	7.045	7.410	Mimosa – total underground	14.6	3.6	1.689	1.960
Non-South African Operations – total underground	60.7	3.6	7.045	7.410	Non-South African Operations – total underground	14.6	3.6	1.689	1.960

4E PGM: Mineral Resource and Mineral Reserve estimate as at 31 December 2016 continued

	Mineral Resources¹					Mineral Reserves¹			
	31 Dec 2016			31 Dec 2015		31 Dec 2016			31 Dec 2015
			4E	4E				4E	4E
Category – 4E PGM	Tonnes (Mt)	Grade (g/t)	PGM (Moz)	PGM (Moz)	Category – 4E PGM	Tonnes (Mt)	Grade (g/t)	PGM (Moz)	PGM (Moz)
PROJECTS					PROJECTS				
Millenium					Millenium				
Indicated				1.430					
Inferred	17.5	3.1	1.720	0.290					
Millenium total	17.5	3.1	1.720	1.720	Millenium total				
Vygenhoek					Vygenhoek				
Measured	1.4	5.1	0.230	0.230					
Vygenhoek total	1.4	5.1	0.230	0.230	Vygenhoek total				
Sheba’s Ridge (3E PGM)					Sheba’s Ridge (3E PGM)				
Measured	31.2	0.9	0.880	0.880					
Indicated	37.9	0.9	1.040	1.040					
Inferred	167.0	1.0	5.180	5.180					
Sheba’s Ridge total	236.1	0.9	7.100	7.100	Sheba’s Ridge total				
Zondernaam					Zondernaam				
Inferred	77.4	6.4	15.900	15.900					
Zondernaam total	77.4	6.4	15.900	15.900	Zondernaam total				
Hoedspruit					Hoedspruit				
Indicated				2.450					
Inferred				0.530					
Hoedspruit total					Hoedspruit total				
Hoogland					Hoogland				
Indicated				2.810					
Inferred				0.610					
Hoogland total					Hoogland total				
Projects – total underground	332.4	2.3	24.950	31.350	Projects – total underground				
GRAND TOTAL UNDERGROUND & SURFACE	1064.8	3.7	126.478	141.487	GRAND TOTAL UNDERGROUND & SURFACE	261.6	2.7	23.186	35.703

AI: Above Infrastructure

BI: Below Infrastructure

Mineral Resources are inclusive of Mineral Reserves

All tonnes (t) are expressed as metric units

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

¹ Rustenburg – The reduction in Rustenburg Mineral Reserves is due to the application of economic valuation in accordance with SEC Guide 7 and this resulted in a 6.2Moz change year on year. Rustenburg, Kroondal and Mimosa were not required to report SEC-compliant Mineral Reserves during 2015. Post Sibanye acquisition, Mineral Reserves were subject to evaluation in line with SEC guidelines. As a result, the LoM that informed the Mineral Reserves was valued applying a trailing platinum group metals price deck which is 5% lower than that considered by Anglo American Platinum in 2016

² The change in Kroondal's Mineral Resources and Mineral Reserves since 30 June 2015 is a result of 18 months' of depletion and the removal of Marikana's sub-economic Mineral Reserves

In doing the reconciliation of Mineral Resources and Mineral Reserves for the Platinum Division, we have used as the basis the last Mineral Resources and Mineral Reserves statement issued by Aquarius, dated 30 June 2015. Aquarius at that time comprised, on the western limb of the Bushveld Complex, Kroondal and Marikana (adjacent to Kroondal and on care and maintenance but with its economically viable Mineral Reserves at that time being accessed and mined via Kroondal's infrastructure), Everest on the eastern limb, and Mimosa in Zimbabwe. Subsequent to this statement and prior to Sibanye's acquisition of Aquarius, Everest was sold effective 1 October 2015

³ Kroondal is mined under a pool and share agreement (PSA) with Anglo American Platinum. Kroondal retains exclusive mining rights for the Kroondal Extension and 1.130Moz 4E PGM (50% attributable) is included in the Sibanye statement ending 31 December 2016

⁴ Mimosa's change year-on-year is associated with depletions. Mimosa (Zimbabwe) is managed as a standalone company in Zimbabwe, 50% attributable to Sibanye

⁵ Everest was sold by Aquarius effective 1 October 2015, prior to the acquisition of Aquarius by Sibanye in April 2016

SUPERIOR VALUE FOR THE WORKFORCE

OUR APPROACH

Key to the success of our organisation is putting our people at the centre of our business strategy. We endeavour to engender a sense of ownership and pride in the company to which we make a valuable strategy.

Our 'People at Sibanye' strategy is an integrated and solutions-based approach that seeks to address key employee-related issues. We recognise the importance of open, honest and regular communication with employees and our strategy seeks to win the hearts and minds of our people by, among others, facilitating home ownership and promoting health and wellbeing and skills development.

Our focus in the past year was on consolidating our financial wellbeing programme which provides financial education and support to free our employees and communities of the burden of debt.

PEOPLE AT SIBANYE

Sibanye's employees play an integral part in successfully delivering on Sibanye's operating model and strategy and the People at Sibanye strategy aims to develop a transformed, productive, skilled and engaged workforce. This is in the context of the intense labour relations challenges facing the South African mining industry, 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.

As employees are key stakeholders in the business, aligning employees with Sibanye's values and strategy will ensure the sustainability of the business and its ability to deliver superior value for all stakeholders.

Underpinned by our CARES values, the People at Sibanye strategy has as its main elements:

- personal wellbeing – encompasses employee safety, health, nutrition, housing and accommodation, financial wellness
- career development – includes training and skills development
- remuneration that is equitable and fair
- community development

These initiatives are backed by ongoing two-way communication between employees and line managers, supported by regular communication from the desk of the Chief Executive Officer at divisional and group level.

The 'People at Sibanye' approach is being rolled out at the platinum operations.

SAFE, PRODUCTIVE AND FAIR EMPLOYMENT

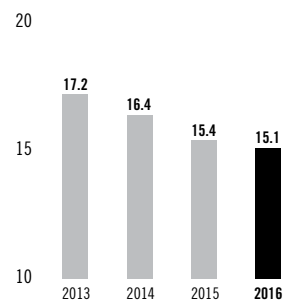
Our employment practices and policies are governed by South African labour legislation and regulations, as well as by collective bargaining and recognition agreements.

ABSENTEEISM

Absenteeism affects productivity and several initiatives implemented to address this issue have had a positive impact on the availability of employees at work. In 2016, a rate of 15.1% of days lost due to absenteeism was recorded, down from 17.2% in 2013 and 15.4% in 2015. For further information, see Health and safety focus on page 71.



Lost days due to absenteeism (%)



PERFORMANCE

Sibanye's total workforce as at 31 December 2016 was 74,351, including contractors. This compares with 46,269 for 2015. Of the 74,531 employed, 28,404 were employed in the Platinum Division.

Sibanye workforce numbers by operation as at 31 December

	2016			2015		
	Permanent employees	Contractors ¹	Total	Permanent employees	Contractors	Total
Beatrix	7,884	1,671	9,555	7,618	1,362	8,980
Cooke	3,788	1,624	5,412	5,236	2,084	7,320
Driefontein	10,941	1,648	12,589	10,772	949	11,721
Kloof	9,858	1,319	11,177	10,192	941	11,133
Burnstone	241	336	577	122	0	122
Gold Division – total	32,712	6,598	39,310	33,940	5,336	39,276
Kroondal (100%)	6,021	4,378	10,399			
Rustenburg (100%)	14,891	3,114	18,005			
Platinum Division* – total	20,912	7,492	28,404			
Corporate office ²	2,966	1,340	4,306	3,054	1,018	4,072
Other ³	2,054	457	2,511	2,731	190	2,921
Sibanye – total	58,644	15,887	74,531	39,725	6,544	46,269

* The Platinum Division includes those operations under management. Kroondal is included for the nine months from April to December 2016 and the Rustenburg Operation for two months, November and December 2016

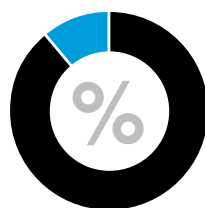
¹ Contractors excludes 'free' contractors (those who receive a fee for service irrespective of the number of contractor employees on site – they are not compensated on a fee-per-head basis but on a fee for the service or work performed)

² Corporate Office includes executive management of the divisions and other shared services

³ Other includes Protection Services, financial shared services, the Sibanye Academy, health services and property

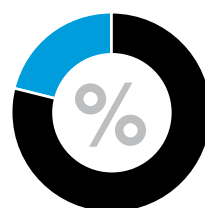
Workforce composition 2016

Gender



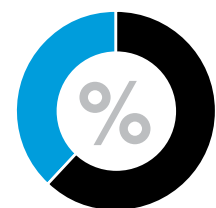
■ Male 89%
■ Female 11%

Type of employee



■ Permanent 79%
■ Contractors 21%

By division



■ Gold Division 62%
■ Platinum Division 38%

Workforce – breakdown by age

	2016				2015			
	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%
Younger than 30 years	5,913	4,560	10,473	14	5,251	1,890	7,141	15
Between 30 and 50 years	41,636	9,536	51,172	69	27,017	3,805	30,822	67
Older than 50 years	11,095	1,791	12,886	17	7,457	849	8,306	18
Total	58,644	15,887	74,531	100	39,725	6,544	46,269	100

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

OUR RECRUITMENT STRATEGY

Since 2015, Sibanye's recruitment strategy has given preference to the hiring of people in the vicinity of our operations. TEBA, a human resources and social services provider with whom we are in partnership, assists with recruitment and conducts the interviews in a transparent process with community leaders and unions invited to sit in on interviews.

EMPLOYMENT EQUITY AND RECRUITMENT FROM LOCAL COMMUNITIES

New employees are increasingly drawn from local communities. A number of operations have signed memoranda of understanding with local government and community leaders in respect of fair and transparent recruitment processes. We have extended this practice to our platinum operations. While we continue to employ more people from local communities, we strive to maintain support of labour-sending areas where mine remittances are often the sole source of income for impoverished communities.

At the end of 2016, 38% of our employees were recruited from traditional labour-sending areas in rural South Africa and 26% from the Southern African Development Community (2015: 39% and 30% respectively). The balance, 36%, reside locally.



Local community recruitment

	2016					2015				
	Gold Division		Corporate services and operations		Total	Gold Division		Corporate services and operations		Total
	Contractors	Permanent	Contractors	Permanent	All	Contractors	Permanent	Contractors	Permanent	All
Total appointments	5,738	3,376	999	557	10,670	4,007	3,248	552	1,065	8,872
Recruited from local communities	2,036	1,159	306	213	3,714	1,415	1,139	210	421	3,185
Local community members employed (%)	35.48	34.33	30.63	38.24	35	35.31	35.07	38.04	39.53	36

Sibanye's philosophy on recruitment is being carried through to our Platinum Division where we are reviewing current recruitment practices to – align with the rest of the company. We remain committed to creating a talent pipeline to enable us to recruit our general and specialist employees locally. A significant portion of employees in the platinum division is local. We will continue to work with the relevant stakeholders to ensure that we continue to sustain local employment.

There is currently a moratorium on recruitment. Only those positions requiring critical safety and production skills were filled during the year. With the cessation of mining operations at Cooke 4 during 2016, every effort was made to find alternative employment within Sibanye for those affected. Most of those affected were transferred to other Sibanye operations.

WOMEN IN MINING

A strategy to attract, develop and retain women in mining was implemented at all operations in 2016. It was agreed that 30% of all vacant positions be allocated to female applicants and that gender-related restrictions be removed. Key focus areas include gender-neutral policies and procedures, the wellbeing of women (including safety and security in the workplace) and creating working environments conducive to the employment, placement and development of women.

In the Gold Division, 120 women were appointed to mining positions in 2016. While women made up 12% of our total workforce in 2016 (2015: 10%), 7% of the total workforce are women in operational (core and critical) positions. To increase the number of women in operations positions a target of 30% women is in place for all operational recruitment. Currently, women comprise 12% of management positions (2015:18%) and 6% (2015: 10%) of senior management.



Although progress has been made at junior and senior management levels, representation in middle management was below target in 2016. We will therefore focus on increasing female representation in middle management through our executive assessment and succession planning process in 2017.

Women in core mining occupations in 2016 was as follows: 8% at Kloof and Beatrix, 9% at Driefontein, 16% at Burnstone and 17% at Cooke. In the Platinum Division, women represented 12% of the workforce in 2016.

To increase the number of women employed in core and critical skills, changes have been made to our recruitment strategy.

In partnership with the Gordon Institute of Business Science of the University of Pretoria, Sibanye also presented a Women in Leadership Programme, aimed at women in key leadership positions in private and government institutions, in 2016.

Sibanye was one of two mining companies selected by the Commission for Gender Equality to participate in a gender barometer project in 2016 to assess gender mainstreaming in the private sector for the first time. Sibanye represented large mining companies in the survey. Kloof was chosen as a pilot site and the commission visited our corporate office at Libanon, Westonaria. The findings will be presented to Parliament and Sibanye will receive a copy of the report with recommendations on achieving optimal gender equity.



ORGANISED LABOUR

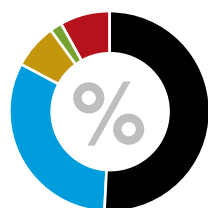
The mining sector is highly unionised. At the end of 2016, around 92% (2015: 93%) of our total permanent workforce was unionised. Currently, four unions are recognised by Sibanye, namely AMCU, NUM, Solidarity and UASA.

An agreement signed by the gold operations with all unions in 2015 expires on 30 June 2018. At the former Anglo American Platinum assets, a three-year wage agreement was signed and became effective from 1 July 2016, prior to their acquisition. At Kroondal, the current wage agreement expires in July 2017 and negotiations for a new agreement will begin in April 2017.

Union representation

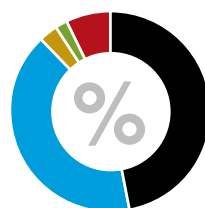
	2016						2015
	Gold Division		Platinum Division		Corporate office and other	Total	Total
	Membership	Representation (%)	Membership	Representation (%)			
AMCU	15,343	47	13,720	66	925	29,988	17,039
NUM	13,318	41	2,776	13	2,722	18,816	16,965
UASA	965	3	2,308	11	440	3,676	1,490
Solidarity	594	2	394	2	269	1,257	948
Non-unionised	2,492	7	1,714	8	664	4,728	3,283
Total employees	32,712	100	20,912	100	5,020	58,465	39,725

Group union representation



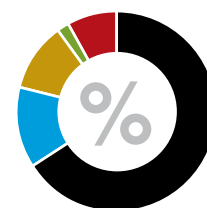
AMCU	51%
NUM	32%
UASA	7%
Solidarity	2%
Non-unionised	8%

Gold Division union representation



AMCU	47%
NUM	41%
UASA	3%
Solidarity	2%
Non-unionised	7%

Platinum Division union representation



AMCU	66%
NUM	13%
UASA	11%
Solidarity	2%
Non-unionised	8%

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

HUMAN RIGHTS

Our employees, including security personnel, are trained to uphold human rights and respect all cultures and customs. Regular refresher training at the training centre is provided in terms of our human rights policies and recruitment procedures or when employees return from leave.

Training of security employees was again included in our Workplace Skills Plan for 2016. Our approach to training and development needs in the workplace is guided by this strategic document, which is published annually, governed by the Skills Development Act, 1998 (Act No 97 of 1998) and the Labour Relations Act, 1995 (Act No 66 of 1995), and compiled jointly by the employer, employee representatives and non-unionised employees.

Our human capital policies also address human rights, as well as child/forced labour at all operations and among our suppliers, employment equity and employee relations, including discipline and recognition.

For more information on our policies, including that on human rights, please refer to <https://www.sibanyegold.co.za/about-us/corporate-governance>

Addressing indebtedness

High levels of indebtedness are not unique to the mining industry but continue to be a challenge. The events at Marikana on the platinum belt in August 2012 highlighted the many extraneous factors impacting the lives of employees and which contributed to the resultant labour instability in the sector and beyond. While wages became a rallying point for the strikes, the situation was exacerbated by other issues, including dual families, poor living conditions, lack of service delivery and high levels of employee indebtedness, which tend to severely reduce employees' take home pay.

To address this, in 2014, Sibanye launched a personal financial-education programme – CARE for iMali/Khathalel'imali/Hlokomela chelete (meaning 'care for money' in isiXhosa and Sesotho) – aimed at curbing indebtedness and providing financial planning and rehabilitation to employees. By end of 2016, more than 22,000 employees and community members had participated in CARE for iMali training.

Additional training on home ownership, debt counselling and coaching are provided by financial coaches at all our operations. All garnishee orders received are validated and managed, and employees are informed of new garnishee orders received. Excessive instalments deductions are negotiated to assist employees to take home at least 30% of their earnings.

Community members also participate in the programme and more than 200 people from communities in the Merafong and Rand West municipal areas benefited from the programme.

The roll-out of Care for iMali at the platinum operations began in September 2016, benefiting over 500 employees and over 300 community members.



Sibanye Academy

- **Improving literacy levels in the Gold Division** – employees at adult education and training level 3 and higher increased to 70% in 2016 from 58% in 2015
- **Bursaries** – bursaries are offered to dependants and children of employees

The Sibanye Academy, located in Westonaria, Gauteng, supports human capital, our employees and the broader community, by developing employees' skills and knowledge through training and experiential learning. The academy is fully accredited by the Mining Qualifications Authority (MQA) and its programmes have been approved by a number of sector education and training authorities (SETAs). Satellite campuses, managed by the academy, are located at each operation.

**HUMAN CAPITAL DEVELOPMENT**

Our skills development initiatives are available to employees and people living in host communities. Our talent pipeline is aligned with our business objectives and maintained through adult education and training, portable skills training, learnerships, internships, study assistance, and core skills and leadership development. As we had come to the end of our second five-year SLP cycle in 2015, most commitments in terms of employee and community training had been met. Following an analysis of Sibanye's internal human resource and skills requirements, training conducted in 2016 was rationalised to focus on and align with the needs of the business and to develop employees. This explains the decline in the number of employees and community members who received portable skills training between 2015 and 2016 in the table below. In line with the MPRDA, the DMR were advised of the revised approach.

In addition, funding was secured from the MQA for new leadership programmes in partnership with the Gordon Institute of Business Science in 2016.

Group: Portable skills training – number of attendees

	2016	2015	2014	2013
Employees	204	828	1,109	865
Community	312	945	1,091	1,354
Total	516	1,773	2,200	2,219

Group: Learnerships – number of attendees

	2016	2015	2014	2013
Engineering	407	386	367	753
Mining	385	207	337	544
Total	792	593	704	1,297

In 2016, Sibanye spent R403 million (2015: R385 million) on education and training, of which the Platinum Division accounted for R81 million. This represented a total of 6.99 million hours of training for the year (2015: 7.93 million hours).

TRAINING AND DEVELOPMENT

Adult education and training is offered to employees and community members full time and after hours to advance literacy and numeracy. Learners are examined by the nationally recognised Independent Examinations Board. As most of the five-year social and labour plan targets for adult education and training were achieved in 2016, we did not accept new intakes but allowed learners enrolled in 2015 to continue with their adult education and training levels 1-3 studies. Some learners continued with level 4 in line with business needs. In 2016, 16 (2.47%) employees who attended adult education and training moved into the learnership pipeline.

Our portable skills training equips employees with practical skills that are transferable beyond the mining industry and will stand them in good stead for life after mining. We also equip community members with skills for employment and entrepreneurship. In addition to qualifications in mechanical, electrical and construction trades, recognised by the South African Qualifications Authority, training is also 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. In 2016, Sibanye invested R63 million (R3 million in the Platinum Division) in learnerships (2015: R81 million) with 20 (4%) learnerships taking up permanent employment.

Bursaries are also available to employees and members of surrounding communities who need assistance to study towards critical core mining qualifications, particularly specific skills needed by Sibanye. In 2016, we invested R14.2 million (R2.4 million in our Platinum Division) in bursaries (2015: R17.47 million) with 11 (6.43%) bursars taking up permanent positions within Sibanye. Given Sibanye's strategic partnerships with the University of Johannesburg and the University of the Witwatersrand, a donation of R4 million was made to each institution in 2016.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Gold Division: Human capital development: SLP provision vs actual training spend (R million)

	2016		2015	
	SLP financial provision	Actual training expenditure	SLP financial provision	Actual training expenditure
Beatrix	25	59	30	78
Cooke	41	34	35	50
Driefontein	57	118	5	127
Kloof	53	109	55	128
Total	176	320	177	384

Sibanye also invests in employees with potential to advance within the group, 15% of those successors were promoted from the talent pool in 2016.

Gold Division: Current size of talent pool = 691 (A – D Upper bands)

	2016	2015	2014
Successors promoted	108	45	43

Group: Human capital development – 2016

	Expenditure (R million)	Number of trainees	Total no. of training hours
Internships	35	130	262,080
Bursaries	14	325	655,200
Adult education and training (employees)	49	1,392	501,120
Adult education and training (community)	12	675	303,750
Engineering learnerships	33	397	820,512
Mining learnerships	30	385	776,160
Portable skills (employees)	1	204	9,792
Portable skills (community)	1	312	29,952
Leadership development	12	784	31,360
Core skills training	188	53,654	3,433,856
Coaches/mentors training	2	504	4,032
Employee indebtedness	4	17,959	143,672
Community Maths and Science	1	70	8,400
Support and research	9	0	0
Other	12	1,835	14,680
Total	403	78,626	6,994,566

EXECUTIVE SUCCESSION PLANNING

At the beginning of 2016, the Board tasked the Human Capital team with the development of an executive development and succession plan, the key objectives of which were to identify executive talent requirements and to implement strategies to attract and develop executives qualified to fill critical positions to enable Sibanye to deliver on its strategy. This also involved developing plans to ensure talent retention and engagement, and to facilitate the timely transfer of knowledge from current incumbents to successors.

In compiling the plan, it was necessary to understand the critical roles and competencies required, to assess existing competencies and the potential of internal candidates in terms of readiness as well as exposure and development, and to propose appropriate interventions. The plan incorporated a short-term (three to six months) contingency plan and permanent replacements, as well as an emergency plan.

A detailed plan was completed and implemented in three phases at executive, senior management and management level.

Additional employee benefits

The Matshidiso Programme assists the dependants and families of employees who have died as a result of mine accidents and employees with permanent disability. In 2016, R685,600 was paid out in terms of this programme, bringing the total paid out since 2013 to R3.1 million.

In addition to the standard death in-service benefits paid to the families of employees, Sibanye, with the assistance of TEBA, provides assistance in the form of a food hamper and grocery vouchers delivered at the home of the nominated beneficiary. Introduced in January 2016, 247 families have benefited from this scheme at an approximate cost of R1.3 million for the year.

AVERAGE NO. OF TRAINING HOURS PER EMPLOYEE

88.96

By the end of 2016, critical roles had been identified and competencies required for executive positions finalised and incorporated into the Sibanye Leadership Development Framework. Assessments to identify potential, readiness and development were completed for all executive and senior management. The process for management level employees has begun and is on track to be completed by the end of 2017.

An initial executive succession plan was developed and presented to the Chief Executive Officer and the Board for approval. The initial succession plan includes a pool of external of potential candidates to be considered as needed. The plan will be updated on an ongoing basis.

It is important that the executive development and succession process forms the basis of our Integrated talent management framework. All processes, including the leadership development and competency framework, the strategic workforce plan, training and transformation plans, succession planning as well as performance management, among others, will therefore be aligned with this process. With this in mind, starting in 2017, a talent review will be conducted biannually.

AFFORDABLE HOUSING PROGRAMME

- 427 company-owned houses sold (162 to employees and 265 private sales)
- Affordable home-ownership programme: 32 houses built to date of 120 planned
- Approximately R430 million spent on high-density residence upgrades over eight years

Affordable housing is key in enabling home ownership for all our employees. Our affordable housing model includes managing the construction in-house. A home ownership payment model was introduced in September 2016 to assist with registration costs, bond fees and fringe benefit tax. We have also donated available land and carry the costs of professional and legal services.

In all, 162 houses owned by Sibanye in the West Wits area have been sold to employees as part of the employee home-ownership programme, which began in 2015, to enable employees to own their houses. The houses are offered for sale to current occupants at a discount, based on years of service, with no obligation to buy. Alternatively, vacant houses in the higher grade levels are first offered to Sibanye employees before they are sold on the open market. To meet the demand for affordable housing, Sibanye has engaged with organised labour on the designs and layout of prototype show houses in Gauteng and the Free State. These houses are available to Category 4-8 employees who can use their living out allowances to pay for them with minimal subsidisation.

All single accommodation upgrades were completed. The focus in 2017 will be on cosmetic changes and maintenance, including painting. The provision of family accommodation will be addressed by the sale of houses to employees through the home-ownership programme.

Our housing programme has helped create employment as well as opportunities for local small, medium and micro enterprises (SMMEs) supporting youth and women. SMMEs also stand to benefit from planned incubation centres for our employee home ownership scheme, as well as housing programmes of local municipalities.

A brick manufacturing facility in Westonaria, employing 20 people from surrounding communities, is producing and stockpiling high quality bricks. Another 30 SMMEs have been selected and will be trained in carpentry, welding, spray painting, and the manufacture of roof trusses and roof tiles, in 2017 to enable them supply our housing programme. Once accredited, the SMMEs will be qualified to start their own businesses and operate in mainstream industries. Sibanye has spent R5.7 million on this project to date, mainly on refurbishing and equipping the incubation centre.

The provision of housing and accommodation in the Platinum Division is being reviewed, as part of the integration process into the company. This will be in line with our commitment to make affordable home ownership possible for all our employees.

FUTURE FOCUS – HUMAN CAPITAL

Formulation of a group-wide integrated human capital strategy which will take into account, from a holistic perspective, employee training, performance management and career development. As part of this, adult education and training, which is currently full time, is to be reviewed.

Sibanye will be implementing a new learner official programme in 2017 aimed at attracting top school leavers interested in pursuing a career in mining. Successful candidates will be paid a salary while receiving on-mine work integrated learning and occupational development together with tertiary education.

A pilot group of 24 matriculants will be chosen for this five-year programme, which will culminate in a national certificate in rock breaking, certified by the MQA, as well as a Bachelor of Engineering Technology degree from the University of Johannesburg.



SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

THE MINING CHARTER AND TRANSFORMATION

Our approach

Sibanye is committed to playing a leading role in the transformation of the South African mining industry and the country as a whole. While the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry (the Mining Charter) has laid the foundation, we believe that real transformation depends on a deeper understanding and commitment. We strive to be the most empowering mining company in South Africa by creating superior value so that historically disadvantaged South Africans can participate meaningfully as employees, shareholders, suppliers and communities. Our goal on the journey towards transformation is the sustainability of our business.

All of our operations initially submitted their 2015 Mining Charter reports on 31 March 2016 and were resubmitted by the end of April 2016, with additional information as requested by the DMR.

Given the shifting transformation landscape, and the planned revision of the Mining Charter, we have ensured that Sibanye is well-positioned to embrace change. The release of the Mining Charter Assessment Report by the DMR in 2015 set the scene for the revision of the Mining Charter, which had expired in December 2014.

Following this review, a third draft of the amended Mining Charter, released for public comment in April 2016 and designed to strengthen its efficacy in bringing about meaningful transformation, sought to entrench the requirement for perpetual 26% black economic empowerment (BEE) ownership. This was contested by the industry, resulting in the DMR and the Chamber of Mines of South Africa approaching the High Court of South Africa to seek clarity on the interpretation of the “once empowered, always empowered” principle (ie that BEE ownership transactions in the mining industry concluded between 2004 and 2014 should continue to count towards BEE ownership, irrespective of whether the shareholding remained). The High Court has yet to rule although engagement on other aspects of the amended Mining Charter continued.

With the acquisition of the platinum mines, Sibanye concluded a 26% broad-based BEE transaction through a subsidiary. In terms of this transaction, Rustenburg Mine Employees Trust now has a shareholding of 30.4%, Rustenburg Mine Community Development Trust 24.8%, Bakgatla-ba-Kgafela Investment Holdings 24.8% and Siyanda Resources Proprietary Limited 20%.

Employee share ownership

By the end of 2016, 24,523 employees (2015: 26,444) were participants in our employee share ownership plan, the Thusano Trust, which was established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares 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. Although they 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 and the creation of Sibanye, Sibanye employees were allocated an equal number of Sibanye and Gold Fields shares.



HEALTH AND SAFETY FOCUS

RE-ENERGISING THE SAFETY FOCUS supported by our proactive health, safety and wellbeing strategy



OUR APPROACH TO SAFETY, HEALTH AND WELLBEING

Our employees are our most important asset. In order to keep our workforce safe and healthy, we focus on compliance and systematically reducing employees' exposure to risk. We are therefore committed to:

- identifying and ranking risks
- finding technical and procedural engineering solutions in terms of a risk mitigation hierarchy to eliminate risk completely, if possible
- controlling risk at source
- minimising risk factors
- monitoring risk exposure
- providing personal protective equipment

To this end, it is essential to create alignment with relevant stakeholders. As required by the Mine Health and Safety Act, 1996 (Act No 29 of 1996), all employees are represented in formal joint management-worker health and safety committees to ensure that our occupational health and safety programmes are agreed and effective.

Our safety, health and wellbeing strategy, supported by our CARES values (commitment, accountability, respect, enabling and safety), is illustrated below.

For more information, please refer to our health and safety policy at <https://www.sibanyegold.co.za/sustainability/health-and-safety>.



HEALTH AND SAFETY FOCUS CONTINUED

SAFETY

PERFORMANCE OVERVIEW

It is with deep regret that Sibanye reports the death of 14 employees during the year under review – 12 employees within the Gold Division and two employees in the Platinum Division (during the period the assets were owned by Sibanye).

In memoriam

Date	Full name	Age	Operation	Occupation	Cause of fatality
2 February 2016	Moreruoa Mahao	57	Cooke	Miner stoper	Fall of ground – gravity
12 February 2016	Tanki Sebolai	32	Cooke	Relieving team leader	Winches and rigging
12 March 2016	Elliot Kenosi	53	Beatrix	Scraper winch operator	Heat related
18 March 2016	Luis Alberto Massango	34	Kloof	Sweeping tool operator	Fall of ground – gravity
7 April 2016	Mzwandile Chitha	32	Cooke	Stope crew	Fall of ground – seismicity
21 May 2016	Pieter Janse van Rensburg	49	Driefontein	Fitter	Drowning
12 June 2016	Qamako Mpananyane	42	Beatrix	Team leader	Tramming
27 June 2016	Moeketsi Thaane	40	Cooke	Rock drill operator	Fall of ground – gravity
11 July 2016	Mongezi Bagege	37	Driefontein	Loco driver	Tramming
21 July 2016	Enock Dumisa Tsabedze	52	Kloof	Miner stoper	Fall of ground – gravity
27 July 2016	Johannes Masithela	33	Beatrix	Mining team	Tramming
19 August 2016	Simin Kabelo Rangwaga	38	Kroondal	Electrician	Trackless machinery
2 November 2016	Teboho Molise	44	Kloof	Assistant grade 1 construction	Material handling
17 November 2016	Cekiso Zamicebo	42	Kroondal	Spotter	Fall of ground – gravity

Safety performance statistics

	2016			2015	2014	2013
	Group	Platinum Division	Gold Division	Gold Division	Gold Division	Gold Division
Fatalities	14	2	12	7	12	9
Fatal injury frequency rate *	0.10	0.09	0.11	0.06	0.12	0.10
Lost-time injury frequency rate *	6.62	4.84	6.99	6.74	5.87	6.13
Serious injury frequency rate *	4.16	2.88	4.42	4.68	3.88	3.50
Medically treated injury frequency rate **	3.85	5.72	3.47	3.60	3.37	4.32
No. of Section 54 work stoppages	226	55	171	109	77	55
No. of production shifts lost owing to Section 54 stoppages	402	245	157	70	99	35
No. of internal work stoppages ***	21,849	2,044	19,805	18,642	16,423	10,383

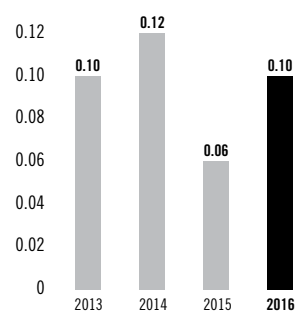
* Per million hours worked

** Also referred to as treat-and-return injury frequency rate (TRIFR). Includes certain minor injuries

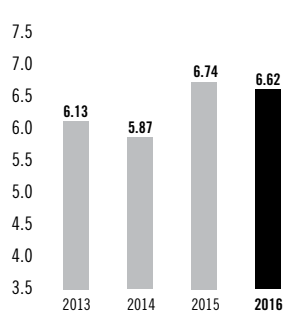
*** Internal stoppages are an integral part of Sibanye's risk management strategy (any person can stop a task or workplace until arrangements have been made to reduce high risk)

Note: Data for 2014 includes Cooke from March 2014 onwards and data for 2016 includes the former Aquarius operations from April 2016 and the Rustenburg operations from November 2016

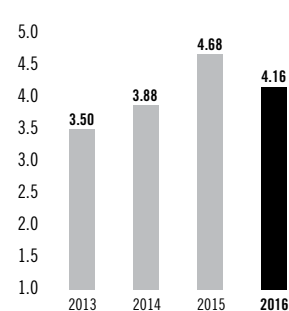
Group – FIFR (per million hours worked)



Group – LTIFR (per million hours worked)



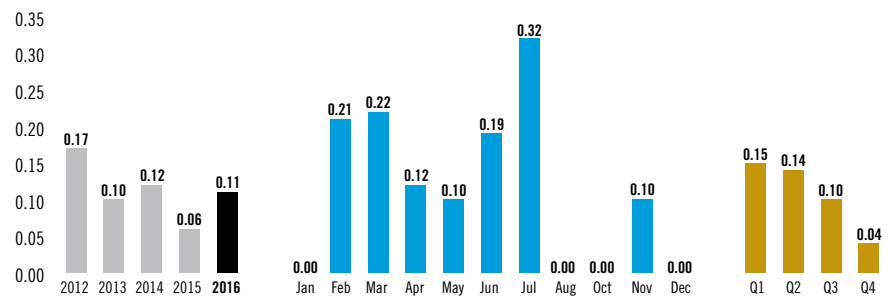
Group – SIFR (per million hours worked)



Note: Data for the Group for the years 2013 to 2015 is comparable with that of the Gold Division in 2016. Group data for 2016 includes the Gold Division as well as the platinum operations (Platinum Division) for the period of Sibanye's ownership during the year

Despite a general improvement in the fatality rate prior to 2016, there was a disappointing regression in fatalities during the first six months of 2016 in the Gold Division. In the first half of the year, eight fatalities were recorded, raising serious concerns at executive level. A series of high-level safety workshops were held and an urgent 12-point safety plan devised. Following its implementation, safety performance improved with four fatalities recorded by the Gold Division in the second half of the year.

Gold Division – FIFR

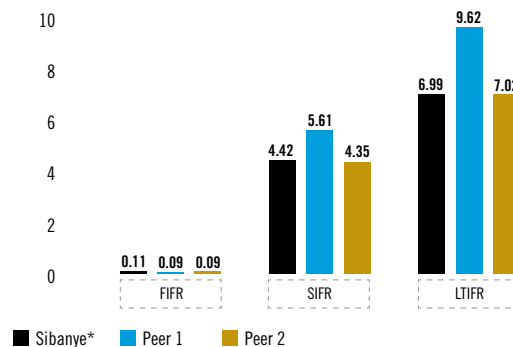


Regrettably, in 2016, the Gold Division's fatal injury frequency rate (FIFR) deteriorated by 83% year on year and the lost-time injury frequency rate (LTIFR) by 4%. Most lost-time injuries in 2016 were caused by falls of ground as well as by tools and equipment, slip-trip-and-fall, and materials handling incidents. Intervention strategies have been put in place to rectify trends.

A 6% improvement was recorded in the Gold Division's serious injury frequency rate.



Safety performance 2016: Gold mining sector peer comparison



* Gold Division

How we performed:

- **LTIFR**, better than peers
- **SIFR**: considerably better than peer 2 and marginally worse than peer 1
- **FIFR**: worse than peers



Safety achievements 2016

Three million fatality-free shifts	Driefontein Khomanane
Two million fatality-free shifts	Burnstone Driefontein Mining Unit 3 Beatrix operations Gold Division
One and a half million fatality-free shifts	Beatrix Mining Unit 1 (North)
One million fatality-free shifts	Beatrix operations Gold Division Driefontein operations (twice) Sibanye group (twice) Driefontein Ya Rona Cooke operations
Half a million fatality-free shifts	Beatrix Mining Unit 3
Full year without recording a lost-time injury	Beatrix Plant 2 Driefontein Plant 1 Kloof 2 plant

HEALTH AND SAFETY FOCUS CONTINUED

ADDRESSING OUR SAFETY PERFORMANCE – SHARP! SHARP!

A new safety campaign, known as “Sharp! Sharp!”, was rolled out in 2016 to encourage safe behaviour, address the regression in our safety performance, counter the decline in the FIFR in the first half of the year and to reintroduce a culture of continuous improvement. This campaign includes short, medium and long-term plans.

Short-term plans initiated to refocus and re-energise our safety performance included:

- Restructuring the safety department by appointing a senior executive in the office of the CEO to spearhead our health and safety strategy
- Launching the new safety value now included in our CARES value system and the roll out of the “Sharp! Sharp!” campaign across the Group to reaffirm our commitment to safety
- Entrenching visible-felt leadership by executive and senior management at the operations to ensure close out of action plans and high potential hazards that warrant an immediate stop and fix
- Establishing an Executive Safety Subcommittee to ensure that our safety strategy is implemented accordingly and that operations are accountable
- Setting up a zero harm task team to investigate serious incidents and ensure that recommendations are implemented to prevent recurrence
- Reviews of all fatalities by the Office of CEO to ensure close outs are made to prevent recurrence.

Medium-term plans to ensure that safety is constantly top of mind include:

- Changing the hearts and minds of our employees to be more safety conscious in the workplace and adopt a safety first attitude as a way of life – training is provided to encourage accountability for safety incidents or substandard conditions (including a new slogan: “I am safe! We are safe! Phepha mina! Phepha zonke!”)
- Restructuring the entire safety department to ensure appropriate allocation of skills
- Implementing measures that ensure employees comply with the safety system to reduce non-compliances, substandard conditions and accidents.

Long-term safety plans (see 12-point plan below) include:

- Aligning systems in the safety department across both divisions to ensure common understanding and a single reporting system that enables the sharing of experiences and knowledge of best practice
- Documenting the new safety management system to guide management of safety
- Securing tripartite commitment from Sibanye, the Mine Health and Safety Council and the DMR in support of a more effective safety management process at all operations



OUR 12-POINT SAFETY IMPROVEMENT PLAN

- ✓ Executive safety leadership
- ✓ Safety leadership structure
- ✓ CEO review of all fatal accidents
- ✓ Review serious incidents – zero harm task team appointed
- ✓ Safety awareness campaigns
- ✓ Safety systems compliance

DECEMBER
2016

JUNE
2017

DECEMBER
2017

- Divisional safety structures approved ✓
- Safety risk management regarding A hazards* ✓
- Aligned stakeholder approach to enhance safety management ○
- Training to enhance management capability ○
- Focus on safety mind-set and behaviour ○
- Consolidation of safety systems into combined Sibanye Safety Strategy ○

* A hazards are those with high potential to cause accidents.
When identified, they must be rectified immediately

✓ Action completed ○ Action underway ○ Action initiated

EFFECTS OF S54 SAFETY STOPPAGES 2016

GOLD DIVISION

No. of stoppages: 171

Revenue lost: R649 million

PLATINUM DIVISION

No. of stoppages: 55

Revenue lost: R223 million

SIBANYE TOTAL

No. of stoppages: 226

Revenue lost: R872 million

SECTION 54 NOTICES

Despite the improvement in the safety performance of the Gold Division following management's proactive safety intervention in August 2016. The frequency of Section 54 safety stoppage notices (S54s) issued remained high. S54s are issued by the DMR, in terms of the Mine Health and Safety Act 29 of 1996, in instances of dangerous occurrences, practices and conditions. S54s are however only supposed to be issued in exceptional circumstances. Sibanye supports the application of S54s when safety transgressions occur, however, their application is frequently inconsistent and their scope unwarranted. The effects of such stoppages are severe and they may impact the future viability of our operations as well as employment. In addition, if S54 stoppages results in mining activity being suspended for an extended period of time, there are serious safety implications.

A total of 226 Section 54 notices were issued to Sibanye by the Department of Mineral Resources in 2016 – 171 to the Gold Division and 55 to the Platinum Division. These notices resulted in the loss of 402 production shifts – 157 in the Gold Division and 245 in the Platinum Division. The S54s were issued mostly in the wake of serious injury incidents where substandard safety conditions were identified due to non-compliance with standards.

FUTURE FOCUS

Having established our Safe Technology department (see review on page 48) in June 2014, and recognising that a step change in safety performance requires innovative technologies to engineer out risk, we continue to work towards eliminating inherent safety risks by developing and implementing systems, such as mechanised equipment, that reduce employees' exposure to risk.

We continue to pursue technology projects that will greatly reduce our risk profile and thus improve our safety performance with concomitant cost and productivity gains. See the Technology section.

In the coming year, we will continue to roll out our "Sharp! Sharp!" campaign across the Group. This initiative is being led by our vice presidents and the Executive Safety Subcommittee under the guidance of our chief executive.

Zero harm task teams will also be responsible for investigating high-potential accident risks.

As industry stewards, we will also continue to play a leading role in supporting the development of technology and new generation mining through the Chamber of Mines.

SAFETY TARGETS

As we strive towards zero harm, executive management has set a safety improvement target of 10% (for all classes of injuries) at each operation for 2017 to ensure a consistent decline in the incidence of injuries, in line with our safety and health policy.



HEALTH AND SAFETY FOCUS CONTINUED

HEALTH AND WELLBEING

PERFORMANCE

Sibanye's health model is based on the proactive management of employee health and wellbeing. It aims to provide accessible primary healthcare to support the prevention, early detection and management of disease, and also to prevent disabilities. Early identification of health risks together with intervention and stringent application of the mandatory code of practice on the minimum standards of fitness to perform work at a mine are critical.

Previously, the focus of healthcare was curative rather than preventive in nature. Healthcare was provided at centralised, company-owned mine hospitals which was time consuming to access, resulting in high rates of absenteeism at work. Since 2011, when we reported an average of 13.8 days lost per employee for the year, our average sick leave rate has improved by 9% to 12.6 days lost in 2016. We attribute this improvement to the provision of accessible primary healthcare to all employees at shaft clinics that serve as entry points to our extended network of service providers.

A sustainable healthcare system has been created so that employees can optimise their health throughout their working years and into retirement, with Sibanye assisting them to make informed healthcare decisions. Employees, their families and communities are encouraged to pursue healthy lifestyles. To this end, community infrastructure projects that enable access to affordable, quality healthcare have been developed. Strong interdependent relationships with local stakeholders, including the Department of Health, facilitate the integration of regional healthcare systems to ensure the effective use of resources.

Sibanye offers employees an array of healthcare products, including medical aid insurance and statutory insurance benefits for occupational injuries and diseases. Employees are given a choice in selecting their medical aid cover and can choose either the company-funded product or any of a number of designated medical schemes, including Sibanye's own restricted (in-house) medical scheme. Medical schemes and options are chosen carefully in terms of strict criteria so that employees receive benefits at an affordable cost.

In the Gold Division, 81% of employees have chosen the company-funded option and 19% have opted for various other medical schemes. All employees in the Platinum Division are members of an external open (public) medical scheme.

The 2016 data reported for the Platinum Division has been annualised for the purposes of monitoring health trends, comparative analysis of both communicable, non-communicable and occupational diseases and the objective measurement of progress made with health programmes in the newly-acquired operations. The statistics reflect the disease burden at the platinum operations for the entire year and have not been disaggregated to reflect liability in terms of ownership.

Moving from curative to preventative healthcare and promoting a healthy workforce

ABSENTEEISM

Absenteeism, which includes mine accident sick leave, medical sick leave, occupational health, unpaid leave, absent without permission (AWOP), training, annual leave and other, has a significant effect on productivity and remains a major challenge. The decrease in the number of days lost due to sick leave within the Gold Division can be attributed to our proactive healthcare, and the provision of accessible, preventative, primary, healthcare at shaft level (see page 77). The total percentage of unavailable days over the past few years has declined to 15.1%, of which medical sick leave has declined to around 3% (compared to 4-5% previously).

The absenteeism rate (of unavailable labour) of 18% in the Platinum Division at the end of 2016 will be addressed in terms of Sibanye's overall health strategy in 2017.

Note: Absenteeism rate is the percentage of labour unavailable while absenteeism applies to medical sick leave, mine accident sick leave and absence from work for human resources reasons such as leave and leave without permission

Healthcare funding (R million)

	2016				2015	2014
	Group	%	Platinum Division	Gold Division	Gold Division	Gold Division
Medical schemes	679	56	400	279	296	282
Company-funded	336	28	31	305	323	357
Compensation for occupational injuries and diseases* (Rand Mutual Assurance Company)	178	16	52	125	115	106
TOTAL	1,193	100	483	709	733	745

* In terms of the Compensation for Occupational Injuries and Diseases Act (COIDA)



Currently, seven schemes are recognised in the Gold Division, 10 at Kroondal and three at the Rustenburg operation. Alexander Forbes, a specialist service provider in medical scheme and employee benefits administration, was contracted to assist with the selection of suitable medical schemes and healthcare products with a view to aligning funders with our strategic objectives, formalising sustainable relationships with a select group of funders, and consolidating the number of schemes.

Sibanye continues to positively influence healthcare funders within the legal framework by working closely with them for the benefit of each employee. Case managers and clinical teams are assisted to provide on-site preventative services, including screening for and monitoring of communicable and non-communicable diseases in the workplace, through our disease management programmes.

Sibanye's approach to healthcare has been acknowledged by the University of the Witwatersrand's School of Public Health, as has its work on developing a primary healthcare delivery model with the Geisel School of Medicine, Dartmouth College, New Hampshire in the United States.

In the third year of a planned three-year roll out of our healthcare model, the following outcomes were achieved in 2016:

- **Improved wellbeing:** a result of the increased emphasis on education and awareness about key health topics as well as disease prevention. Tuberculosis (TB) screening increased to 122,842 screenings from a base of 47,269 in 2015 and HIV testing to more than 11,989 tests in 2016 (2015: 8,505 and 2014: 5,038)
- **Improved clinical metrics:** The total TB rate has decreased significantly from 19.19 per 1,000 employees in 2013 to 13.42 in 2016, due, in part, to improved delivery of the TB programme at shaft clinics and the greater active involvement of employees in the highly active anti-retroviral therapy (HAART) programme. Adherence to the HAART programme increased from 85% to 90% over the past year
- **Monitoring of financial performance:** Cost per employee in the Gold Division is R824.82 a month vs. R826.19 in 2015 for Cat 3-8 employees on the company-funded option
- **Reduced hospitalisations:** down by 20% and hospital-bed days declined by 15% in 2016 compared to 2015 for the company-funded option

Overall, significant progress was made in 2016 in embedding the health strategy and achieving efficiencies in the delivery of healthcare. The new healthcare model continues to be cost efficient with improved clinical outcomes, as evidenced by lower death and medical incapacity rates, fewer admissions and readmissions to hospital and improved TB and HAART programme performance.

All of the planned West Wits shaft clinics were completed and commissioned in 2016, which improved access to healthcare for all employees regardless of funding mechanism. The shaft clinics operate on a 12-hourly basis, providing trauma and emergency care, preventative and general wellbeing services as well as disease management.

Clinic attendance exceeded expectations with the more established clinics recording more than a thousand visits a month. More importantly, the visibility and accessibility of healthcare services at the shafts facilitated the rollout of wellbeing services and contributed to improved uptake of screening for communicable and non-communicable diseases as well as better adherence to chronic disease management programmes. Employees diagnosed with communicable and non-communicable diseases are referred to the Sibanye healthcare network of selected specialists and centres of excellence.

HEALTH AND SAFETY FOCUS CONTINUED

DISEASE AND CASE MANAGEMENT

All employees suffering from chronic diseases, such as hypertension, diabetes and asthma which are commonly known as lifestyle diseases, and from infectious diseases, such as HIV and TB, are encouraged to participate in disease management programmes provided by the medical scheme or funder to which they belong. Employees are encouraged to take greater responsibility for their health and quality of life. The number of medical conditions managed on the various programmes is captured in the table below and, as evidenced by the number of conditions and employees requiring such services, warrants investment in such programmes.

How employees are funded

No. of employees	2016			2015
	Group	Platinum Division	Gold Division	Gold Division
Principal medical scheme members	28,555	20,624	7,931	8,416
Company-funded employees	32,677	–	32,677	31,419

Medical conditions under management

	2016			2015
	Group	Platinum Division	Gold Division	Gold Division
Chronic medical conditions (schemes)	13,242	8,451	4,791	4,700
Chronic medical conditions (company)	9,790	–	9,790	8,814
Total	23,032	8,451	14,581	13,514

Overall, 23,032 medical conditions are managed by company-funded medical services and various medical schemes in the Group. The number reported refers specifically to the number of medical conditions registered on disease management programmes and includes employees who are registered for more than one condition.

CARE AND MANAGEMENT OF HIV/AIDS AND TB VOLUNTARY COUNSELLING AND TESTING

In line with the Department of Health's national initiative to screen 90% of the population for TB and HIV, we have increased access to screening by introducing voluntary annual testing for all employees following certificate-of-fitness examinations. In 2016, Sibanye offered voluntary counselling and testing (VCT) to 54,451 employees and contractors, of whom 28,717 were tested for HIV.

HIV/Aids – voluntary counselling and testing and HAART

	2016			2015	2014
	Group	Platinum Division	Gold Division	Gold Division	Gold Division
VCT offered	54,451	27,226	27,225	23,538	–
VCT conducted	28,717	16,728	11,989	8,505	5,590
HIV-positive	2,243	650	1,593	1,929	1,169
% of workforce tested	39	62	25	18	13
New recipients of HAART ¹	Unknown	Unknown	928	875	548
Category 3-8 employees on HAART	Unknown	Unknown	5,561	5,023	4,604
HAART patients employed by Sibanye (alive and on treatment)	9,925	3,545	6,380	5,750	5,283
Employees off HAART ² (left programme)	86	Unknown	86	127	57
HIV prevalence ³ (%)	8	4	13	22	21

¹ Entry-level mining employees (Category 3-8) employees

² Employees who left the HAART programme within 12 months of starting antiretroviral therapy

³ The prevalence rate reported is based on the number of employees testing positive as a percentage of the total number of employees tested in a given period and not as a percentage of the total workforce

UNAIDS 90-90-90

The South African Department of Health has adopted the United Nations AIDS 90-90-90 targets aimed at reducing the incidence and management of HIV/Aids. The department has rolled out a similar strategy to help achieve its new national development goals for 2020. In support of this, South Africa is also among the first countries in Africa to formally adopt a universal test and treat (UTT) approach in accordance with the new WHO new guidelines on HIV treatment.

UNAIDS 90-90-90 targets aim to ensure that by 2020:

- 90% of all people living with HIV know their status
- 90% of people with diagnosed HIV infection receive sustained ART
- 90% of all people receiving ART have viral suppression

Furthermore, the 90-90-90 target has been included in the department's national TB development goals:

- 90% of the population to be screened
- 90% of people with TB to be diagnosed and begin treatment and
- 90 % of those treated for TB should be cured

HIV/AIDS CARE

Sibanye is working towards compliance with the recommendations of the Department of Health, which are aligned with the United Nations target. This facilitates detection and treatment of affected employees, irrespective of funding mechanism, those employees testing positive for HIV/Aids are offered highly-active antiretroviral therapy (HAART) and started immediately on HAART (universal test and treat) and compliance with treatment is monitored through viral suppression.

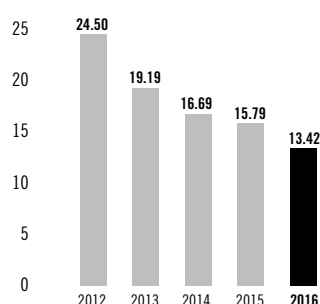
As a result, there was a 6% increase in the number of employees enrolled in the Group-funded HAART programme to 928 in 2016 from 875 in 2015. The number of active participants in the company-funded programme increased by 11% to 5,561 in 2016 from 5,023 in 2015. On a consolidated basis there are 9,925 employees on HAART programmes across the Group which represents 16% of all employees.

TB CARE

Given TB's symbiotic relationship with HIV/Aids and the Department of Health's new TB targets, the same approach to TB has been adopted as with HIV. Consequently, the target is to screen 90% of all employees (see UNAIDS 90-90-90) for TB as well as for HIV/Aids.

In addition, the Mine Health and Safety Council encourages achievement of the Mining Charter milestone which is to reduce the TB rate to below the National TB rate by 2022. The current national TB rate is between 7.5 and 10 per 1,000 people however the National Strategic Plan outlines a TB target of 8.34 per 1,000 by 2015 and 5.84 per 1000 by 2022.

In 2016, a total of 122,834 (2015: 47,269) TB screenings were conducted across the Group and the total TB rate at Sibanye reduced to 13.42 per 1,000 employees at risk (2015: 15.79).

TB rate (per 1,000 employees at risk)**TB – no. of new and retreatment cases**

	2016			2015	2014
	Group	Platinum Division*	Gold Division	Gold Division	Gold Division
TB	707	73	634	744	832
Cardiorespiratory TB	618	73	545	679	715
New cases of multi-drug resistant TB	16	Unknown	16	14	34

* Health data for the Platinum Division (Kroondal and the Rustenburg Operations) covers the entire 12 months of 2016. Tuberculosis has not been reported at the Rustenburg Operations and no data was available as it had been declared a non-controlled operation implying that TB is not recognised as an occupational disease. This will be reviewed and clarified by Sibanye and covered in the next reporting period



HEALTH AND SAFETY FOCUS CONTINUED

OCCUPATIONAL HEALTH MANAGEMENT

Sibanye's occupational health programme focuses on preventing work-related injury and illness by engaging with stakeholders on occupational hygiene, safety and medicine, as well as formalised programmes, risk assessment, fitness to work and medical surveillance.

All employees undergo stringent medical testing annually, as part of a medical-surveillance programme aimed at monitoring the effects of occupational health hazards. The most significant occupational diseases monitored include silicosis, cardiorespiratory TB and noise-induced hearing loss.

Sibanye has made progress in reducing workplace exposure but, given the latency periods, a number of employees continue to present with occupation-related diseases.

Occupational health management

	2016			2015	2014
	Group	Platinum Division	Gold Division	Gold Division	Gold Division
Medical surveillance and certificate-of-fitness examinations – total	140,359	52,408	87,946	84,022	72,082
– Employees	108,135	39,145	68,990	69,294	63,338
– Contractors	32,219	13,263	18,956	14,738	8,744
Days lost due to health-related absenteeism	817,075	340,408	476,667	478,568	414,424

SILICOSIS

There was a reduction in the submitted silicosis rate for the Gold Division to 3.73 per 1,000 employees in 2016 (2015: 4.91). A total of 151 cases were submitted for the year compared to 186 in 2015, 264 cases in 2014 and 129 cases in 2013.

Within the Platinum Division, 89 cases of silicosis were submitted (39 from Kroondal and 50 cases from the Rustenburg operation) to the Medical Bureau of Occupational Diseases for adjudication in 2016. By way of comparison, the silicosis rate is 4.31 per 1,000 employees for Kroondal and 2.8 per 1,000 for the Rustenburg Operation, equivalent to a rate of 3.31 per 1,000 employees for the Platinum Division as a whole. The lower rate for the Platinum Division as compared to that for the Gold Division may be a reflection of the lower levels of crystalline silica present in platinum mining but there is significant movement of employees between the two industries. The effect of dust in the platinum industry however needs to be carefully monitored.

There appears to be an encouraging downward trend in the rates reported, which could be attributed to the adoption of the MOSH Best Practices on Dust Reduction Strategies and the target set by the Mine Health and Safety Council (MHSC) to lower the occupational exposure limit for silica to 0.05mg/m³. However, given the long latency period for the development of silicosis, there is reason to be cautious.

Continued focus on the various dust prevention mechanisms is required to prevent dust liberation at source and ultimately to reduce dust levels and the long-term incidence of silicosis and other occupational lung diseases.

NOISE-INDUCED HEARING LOSS

To reduce the incidence of noise-induced hearing loss (NIHL), which increased to 188 cases in 2016 across both divisions, from 105 in 2015, efforts to lessen noise in the workplace continue through the sourcing of quieter machinery and by providing more effective personal protective equipment.

Submissions of NIHL in the Gold Division increased to 3.12 per 1,000 employees in 2016 compared to 2.82 in 2015. A total of 126 cases were submitted for NIHL compensation compared to 105 cases in 2015 and 138 cases in 2014. Early NIHL, based on hearing loss of between 5% and 10%, declined to 63 cases in 2016 compared to 125 cases in 2015 and 332 cases in 2014.

NIHL in the Platinum Division is reported as 2.31 per 1,000 employees which is slightly less than that for the Gold Division – 2.08 per 1,000 for the Rustenburg Operation and 2.77 per 1000 employees for Kroondal.

HEALTHY DIETS FOR EMPLOYEES

An average of 12,100 people (37% of our workforce) in the Gold Division and 1,756 people (15% of our workforce) in the Platinum Division are provided with four meals and a mid-shift snack daily.

In addition to achieving the Mining Charter's nutritional guideline targets in both divisions, we have also standardised the menus and recalibrated portion sizes in all hostels to ensure nutritional value and contain costs.

The feeding scheme takes into account the dietary requirements of chronic diseases, such as hypertension, and omits salt from certain meals.



The variance between the individual platinum operations will be investigated to identify opportunities to further reduce exposures. The introduction of customised hearing-protection devices for high-risk occupations is supported and is currently being rolled out.

The high submission rates of NIHL occur despite compliance with the new occupational exposure limit of less than 107dB (A), introduction of the noise clipper coach programme and ensuring high-risk employees are correctly fitted with hearing-protection devices. Sibanye aims to fit all high-risk employees with customised hearing-protection devices which will include basic education on the harmful effects of noise, the responsibility of each employee and product orientation.

Occupational diseases – no. of cases reported

	2016			2015	2014
	Group	Platinum Division	Gold Division	Gold Division	Gold Division
Silicosis ¹	240	89	151	186	264
Chronic obstructive airways disease ²	46	16	30	57	45
Noise-induced hearing loss ³	188	62	126	105	138

¹ 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 silicosis

² Chronic obstructive airways disease (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 as well as 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 Diagnosis of noise-induced hearing loss (NIHL) is made on assessment of the percentage hearing loss from baseline audiograms with NIHL defined as loss of hearing in excess of 10% that has manifest over a prolonged period after repeated exposure to noise levels in excess of 85dBA

As a member of the mining industry's Gold Working Group occupational lung disease initiative, Sibanye participated in a project with the Department of Health, the Medical Bureau for Occupational Diseases and the Compensation Commission for Occupational Diseases to address the backlog in claims for occupational lung disease. Sibanye has committed financial and occupational medical practitioner resources to this project, which is yielding promising results with more than 18,251 certifications having been processed in 2016, and 4,356 current and former mineworkers receiving compensation.

TRAUMA CARE

Partnerships with major trauma centres in the regions in which we operate continue to be developed. The Trauma Society of South Africa has assisted Sibanye in improving trauma care at each operation and in our host communities by auditing systems, healthcare providers and facilities.

HEALTH – FUTURE FOCUS

Further improvements in efficiencies in healthcare and the quality of care are planned by consolidating the efforts of funders and the alignment of providers. The platinum operations will be integrated along the principles of preventative healthcare and will include the establishment of shaft clinics to enhance the access and delivery of healthcare to all employees.

The number of medical schemes will be consolidated with the most beneficial options chosen and the current working partnership with the Department of Health enhanced for the benefit of the community at large. Cost efficiencies will be improved by eliminating duplication, and the delivery of healthcare and related outcomes in the communities in which we operate will improve.

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT

APPROACH

Sibanye believes that meaningful socio-economic transformation is dependent on all stakeholders working together to build safe and sustainable communities and recognises its role as a responsible corporate citizen in the context of the current and legacy challenges facing the South African mining industry.

Employees and communities are key stakeholders and ensuring that they, along with other stakeholders, derive value from Sibanye's business activities, is critical to the success and sustainability of the Group. This is captured in Sibanye's stated core purpose, which is that its mining improves lives. While the responsibility for delivery of infrastructure and services remains a primary responsibility of Government, Sibanye recognises that it can play an important role in enabling the transformation of the South African economy and delivering employment and purpose to the people of South Africa. This transformation requires an emphasis on public-private partnerships in which participants work together to achieve maximum, sustainable socio-economic impact.

Communities, which often include many Sibanye employees, can and should play a significant support role to the mining companies, by supplying labour, services and products. Our communities can, however, disrupt and have a negative impact on the economic viability of operations, affecting safety, production and posing other societal risks. It is vital that we develop mutually-beneficial relationships with our communities.

Poverty and unemployment in South Africa are increasing, and these social ills bring with them the threat of socio-economic instability. While poverty, unemployment and lack of decent housing are common in many South African communities, they are more prominent in mining towns and surrounding villages, where growth has been rapid and outpaced the delivery of housing and infrastructure. Informal settlements continue to proliferate, with critical services not being provided or maintained. Although these social challenges seem daunting, especially when considered in isolation, experience to date has taught that such challenges can be managed by means of collaborative, directed and targeted interventions.

COMMUNITY DEVELOPMENT STRATEGY

Sibanye's community development strategy is based on the principles of the United Nations' Sustainable Development Goals and its own strategic objectives. The strategy aims to:

- maintain social licences to operate through effective engagement and mutually beneficial relationship building beyond compliance
- use resources appropriately and effectively to respond to identified and agreed community needs immediately and in the future
- actively identify key multi-sectoral partnership opportunities in order to leverage our contribution and associated impacts
- focus efforts on achieving tangible and sustainable impacts that will continue beyond the life of mine
- go beyond financial resources and consider the best use of other internal assets and resources
- build expertise and relationships through collaboration for the benefit of communities
- avoid dependency and encourage the creation of alternative economies that are independent of mining
- create long-term sustainability consistent with the closure strategies
- achieve the greatest impact by focusing on a few key areas that can be leveraged effectively
- continuously monitor and evaluate the impacts and social returns from investments

Sibanye's community development strategy is based on two important components:

- Economic diversification
- Empowerment through skills development

While economic diversification is critical in terms of the long-term sustainability of communities, it is contingent upon our communities having been given the requisite skill sets.

HIGHLIGHTS OF 2016

- **Socio-economic development spend on community development projects – spend by the Gold Division totalled R59.4 million which accounted for 1.3% of that division's pre-tax profit and that by the Platinum Division (excluding Rustenburg) totalled R12 million, 3.3% of the division's pre-tax profit**
- **The 2012 five-year social and labour plan (SLP) cycle came to an end in 2016**
- **Establishing relationships with communities and stakeholders in the vicinity of our platinum operations**
- **Distributed food hampers prior to the year-end break as a goodwill gesture in all host communities of our gold and platinum operations**
- **Assisted with resourcing the ante-natal unit at Leratong Hospital on the West Rand**
- **Optimised our learner support programme which benefits more than 1,000 learners in Merafong, Gauteng and in the Free State and Eastern Cape**



Sibanye management, employees and leaders of organised labour participated in the 67 Minutes for Mandela initiative by (i) contributing to several non-governmental organisations (ii) gave time to assist children and the elderly, (iii) donated blankets, mattresses and food in host communities, (iv) undertook maintenance related activities at various schools.

The process of empowering our communities through skills development starts with basic education and progresses towards tertiary education and other more hands-on interventions like artisan training and learnerships. Sibanye believes that many of the issues currently faced by communities can be solved through a concerted effort in skills development and improved education levels. This approach will enable many to obtain employment in established industries and others to create local employment by creating sustainable enterprises. We thus focus on enabling empowerment and transformation within education.

The following infrastructure and education programme interventions were implemented during 2016:

- Plans compiled for the construction of Skenjana Senior Secondary School in the town of Idutywa in the Mbashe District Municipality in the Eastern Cape
- Planning completed for the construction of Simunye Senior Secondary School in Westonaria, Gauteng
- Construction of a school hall at Taiwe Senior Secondary School Hall in Theunissen in the Free State
- Construction of a hall at Embonisweni Primary School in the Free State
- Establishment of a mathematics laboratory as well as renovations and a borehole for the school feeding scheme at Mamello Senior Secondary School near Welkom in the Free State
- Mathematics and science programme in partnership with the Free State Department of Education and the Kutlwanong Centre for Maths, Science and Technology
- Construction input incubator hub being established in Westonaria, Gauteng
- Geotechnical investigations and land donation for the Westcol Technical, Vocational, Education and Training (TVET) College, Westonaria, Gauteng

GOVERNANCE

Aside from contributing to community development and upliftment as articulated above, Sibanye also carries out corporate social investment (CSI) in an effort to improve the conditions in communities and in response to requests for donations. These requests are reviewed by a Community Development Steering Committee which ensures accountability and responsibility for our CSI initiatives and donations and is governed by Sibanye's mine community development and corporate social development policy. The committee is accountable to a higher level, executive-led Sustaining our Social Licence to Operate Committee.

The Sustaining our Social Licence to Operate Committee advises and makes regulatory compliance decisions on local economic development and on CSI projects that are above an investment threshold (R50,000) to be supported in host communities. It is also responsible for providing policy direction, overall project oversight and reviewing project impacts and effectiveness.

Both these committees report to the relevant board committees, namely, the Social and Ethics Committee and the Safety, Health and Sustainable Development Committee. The Social and Ethics Committee monitors Sibanye's activities to ensure compliance in relation to relevant legislation and codes of good practice while the Safety, Health and Sustainable Development Committee ensures that Sibanye adheres to sustainable development principles and practices.

THE SIBANYE-GOLD FIELDS ALLIANCE PROJECT

Sibanye and Gold Fields have co-operated on the implementation of community-based projects in Westonaria. This alliance project will form the basis of our local economic development strategy to create jobs outside of mining, especially in agriculture.

This community development initiative is being rolled out in two phases:

- Phase 1 (completed in 2015) focused mainly on social aspects, such as mobilisation and communication, for the establishment of a fully representative community engagement platform as well as the creation of local small enterprises
- As well as the sustainability of the phase 1 enterprises, phase 2 is focused on agricultural activities. This phase involves establishing an AgriPark or hub to serve as an agri-processing centre to provide support and input to surrounding community farmers, known as "outgrowers". Certain local commercial farmers will be involved in the AgriPark and will provide assistance, farming implements and advice. Two outgrowers with 20ha of land each were assisted in site preparation for the planting season through to mid-2016. Training of beneficiaries is due to be completed in 2017. Integration of the initiative into the social and labour plans of Driefontein, Kloof and Cooke Operations has begun as well as engagement with the regulator and other key stakeholders, including local and district municipalities. Successful implementation of phase 2 will determine the way forward towards economic viability
- Sibanye and Gold Fields are currently funding the project jointly and have committed a combined R12 million for phase 2. Sibanye committed funding of R6 million towards this project in 2016

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

PERFORMANCE IN 2016

Socio-economic development expenditure (R million)

	2016			2015	2014	2013
	Group	Gold Division	Platinum Division	Gold Division	Gold Division	Gold Division
Local economic development/social and labour plans	59	47	12	27	24	17
Training	4	4	0	384	353	316
Sport, conservation and environment	0.4	0.4	0	1	10	9
Infrastructure	181	181	0	197	649	699
Health	4	4	0	6	5	5
Enterprise development	0	0	0	0	3	2
Education	393	321	72	62	10	1
Donations	15	12	3	14	1	1
Total	656	569	87	691	1,055	1,050

Details of our local economic development projects, as well as housing and accommodation and agriculture projects, are available on our corporate website at www.sibanyegold.co.za

STAKEHOLDER ENGAGEMENT

A proactive approach to stakeholder engagement is critical in our quest to build credible relationships with our stakeholders and uphold our social licence to operate. We engage continually with the government and in particular, the Department of Mineral Resources, local municipalities, communities and organised labour on matters of mutual interest and benefit.

The most tangible benefits of our proactive approach towards stakeholder engagement in 2016 included:

- collaboration with key stakeholders, including municipalities, in key initiatives such as integrated development plans as well as launches, roll out and alignment of projects and assisting government in funding development opportunities
- enabling exploration of possible synergies in community development initiatives and co-funding
- facilitating alignment of the Sibanye Community Development Strategy with Gauteng's provincial economic development strategy
- hosting empowerment workshops for unemployed youth with community forums
- averting planned marches and production stoppages by communicating clearly and unambiguously with interested and affected parties, including enabling safe routes for buses transporting employees to and from work, during labour disputes
- a community platform on recruitment processes
- support by municipalities during compliance inspections

We engaged with host communities and those in labour-sending areas to assess their expectations and perceptions of our community development projects. We also invited labour-sending communities to visit Sibanye to see the living conditions of their family members employed by us.

In 2016, many informal and official engagements took place in the Rustenburg area following our acquisition of the platinum operations in North West Province. Engagement structures and forums are being streamlined accordingly.

Extensive stakeholder engagement focused mainly on recruitment and procurement processes, which constitute two major concerns in these communities. We have appointed a dedicated community engagement and development team in the Platinum Division to deal with what we deem to be unique challenges in the platinum belt.





In the interests of sustainability, we have also engaged with the Department of Mineral Resources in North West Province and, as a result, have streamlined and aligned our social and labour plans for operations within the Platinum Division with those of the Gold Division and to meet commitments set by our predecessors.

Following government's Mining Phakisa* workshop in December 2015, held under the auspices of the Department of Planning, Monitoring and Evaluation, engagement continued with key stakeholders in 2016. This engagement related in particular to our agricultural projects, in which we participate as part of the Sibanye-Gold Fields Alliance and which are due to be fully incorporated into our social and labour plans in the next cycle, as part of a much larger project roll-out.

SOCIAL AND LABOUR PLANS

In 2016, we engaged with the Department of Mineral Resources (DMR) in North West Province to have the social and labour plan (SLP) cycles for our platinum operations amended so that they would align with those of the rest of the Group. All the 2015 annual SLP reports for our gold operations were submitted in July 2016.

Our five-year SLPs expired at the end of December 2016. Preparatory work for the following five-year SLP cycle was begun in good time, starting with an independent baseline study to inform our approach to community development projects for Burnstone, which is due to begin operating in 2017. This study will enable us to adequately address the needs of host communities in the vicinity of the operation. Completion of Burnstone's draft SLP compiled in the past year is subject to finalisation of targets and cash flow projections that form part of the mine's work programme, which was included in Burnstone's bankable feasibility study.

Preparation for the SLPs for the remaining gold and Kroondal operations included appointing an external service provider to conduct independent impact assessment studies and evaluate the efficacy of previous SLP projects, to identify risks associated with project implementation, as well as to identify and recommend areas of focus for future socio-economic interventions. The final report provided invaluable guidance on the nature and extent of investments to be made in the new SLP cycle.

In preparing these SLPs for submission to the DMR, we realised that there would be challenges in aligning our activities with key transformational and developmental imperatives, such as the revised Mining Charter, which is currently under review and expected to be finalised early in 2017, and municipalities' Integrated Development Plans. We therefore requested and were granted a six-month extension to the deadline for submission to end June 2017. Such a request was not granted to Beatrix, for which a draft SLP was submitted in December 2016. The extension will enable us to align with the requirements of the revised Mining Charter, and to participate fully in the development of municipalities' new Integrated Development Plans following the August 2016 local government elections.

Among the challenges relating to our SLPs was construction of employee accommodation at Beatrix and the Cooke 1, 2 and 3 operations. At Beatrix, this was complicated by the fact that planned upgrades and conversions were located in isolated mining areas and not fully integrated into the local community, and thus not aligned with the government's human settlement programme. Cooke 1, 2 and 3 operations on the other hand could not afford the construction costs given the production challenges being encountered. Formal requests were submitted to the DMR, in terms of the MPRDA, to amend the Housing and Living Conditions sections in the respective SLPs for Beatrix and for Cooke 1, 2 and 3. Both applications are being considered by the department and no formal response has been received to date.

Similarly, proposed changes to the Human Resources Development sections of the Beatrix and Cooke SLPs were also submitted to the DMR. Since most training targets had been met in the first four years of the SLPs, the operations sought to consider business-driven training requests or to reduce targets where possible. The regulator also requested that plans be submitted to address backlogs in adult education and training as well as learnerships.

* Refer to the glossary, available online at <http://reports.sibanyegold.co.za>, for an explanation of the Mining Phakisa



SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Implementation plans for all operations were submitted to the DMR in February 2016, as required by each mining right. The implementation plans outline annual objectives set to meet SLP goals within the five-year cycle.

Following the submission of the 2015 annual Mining Charter reports on 31 March 2016, the DMR required completion and submission of a specific template by the end of April 2016. The detailed template was intended to aid the department in assessing the current Mining Charter which expired at the end of 2014. Revised reports for all Sibanye operations were submitted on 30 April 2016.

In terms of Section 92 of the MPRDA, inspections were conducted at Driefontein and Beatrix on 5 August 2016 and 17 November 2016, respectively, to assess compliance with the Mining Charter and implementation of SLP commitments. The DMR issued a directive to address shortcomings identified in certain aspects of human resource development and procurement at Beatrix. In its formal response to the directive, Beatrix undertook to incorporate these backlogs into its new SLP.

On 20 September 2016, Beatrix hosted the Parliamentary Portfolio Committee on Mineral Resources which conducted an oversight visit to assess our approach to silicosis – please refer to page 80 for greater detail.

PROCUREMENT AND ENTERPRISE DEVELOPMENT

In support of local entrepreneurs, an online registration system has been developed and implemented for all prospective suppliers. Sibanye assists local vendors in workshops organised by the Department of Mineral Resources and municipalities in collaboration with business and unemployment forums.

Of total Group procurement for the year, R9.9 billion was discretionary expenditure ¹.

The Gold Division's total procurement spend with BEE entities was R4.9 billion² (2015: R4.7 billion²) in 2016 while the Platinum Division spent R2.7 billion since the effective acquisition of the relevant assets. Total BEE procurement spend amounted to R7.6 billion for the year. This was equivalent to 77% of total procurement spend for the year.



BEE procurement² in 2016 (%)

	Capital goods Target: 40%	Consumables Target: 50%	Services Target: 70%
Gold Division			
Beatrix	63	66	73
Cooke 4	80	58	89
Cooke 1, 2 and 3	64	62	80
Driefontein	71	56	77
Kloof	86	65	81
Platinum Division			
Kroondal	87	93	95
Rustenburg	80	73	86

Sibanye has an electronic portal that enables SMMEs to register as vendors. The portal includes the Burnstone project (currently under construction) and it will include the platinum operations in 2017. The portal facilitated participation of more SMMEs in tender processes in 2016 and has created more opportunities for local suppliers to be awarded contracts through closed tenders. As Sibanye does not import goods and services, it does not have any multinational companies on its supplier data base.

¹ The procurement targets given by the Mining Charter apply to procurement that "excludes non-discretionary procurement expenditure", which is defined as expenditure that cannot be influenced by a mining company, such as procurement from the public sector and state enterprises. The procurement targets thus apply to discretionary expenditure over which Sibanye has influence

² Excludes expenditure on the Burnstone project

FUTURE FOCUS

Meaningful transformation is critical if we are to succeed as a company and as an industry to improve the lives of the communities around our operations. We believe that by building credible relationships and collaborating with all the relevant roles players, we will be able to ensure sustainable development.

We believe that by unlocking the local potential through skills development and acting as a catalyst for alternative economies that are not dependant on mining, we will be able to meet the aspirations of our communities.

Although specific local economic development projects have not been confirmed for the new SLP cycle, we have identified strategic focus areas and opportunities for collaboration that we believe are in line with the developmental aspirations of our stakeholders.

We are convinced that by implementing projects in the following critical areas we will realise our primary strategic objective, to create an economy within our communities that is aligned with the mainstream economy but independent of mining by:

- establishing a construction incubator hub for SMME development related to housing infrastructure requirements in the region e.g. the planned development of a settlement called Syferfontein. It is envisaged that this hub will support about thirty SMMEs during 2017 to 2018. Plans are for the incubation hub with its initial five work streams (brick making, roof trusses, welding, carpentry, spray painting) to become a fully-fledged construction supplier park, based in Westonaria where up to 30 work streams (employing close to 1,000 people) will supply the construction industry with items such as tiles, roof tiles, sanitary ware, plumbing supplies, construction equipment, etc. The hub will also include a showroom and sales facility for planned settlements and the municipal housing backlog as well as the Sibanye employee housing programme
- using impacted mine land (that is land that cannot be used for buildings owing to the risk of sink holes) and infrastructure such as warehouses and buildings to establish agri-infrastructure and create facilities for local SMMEs involved in agriculture for agri-processing and other forms of beneficiation. Some infrastructure will be converted into training centres so as to ensure the empowerment of our communities in terms of agriculture and its associated businesses. The use of mine land and infrastructure speaks to our social closure strategy and reduces our rehabilitation liabilities, while at the same time reducing the risk of land invasions and illegal occupation. The agri-infrastructure and agri-processing facilities will provide the offtake required for the regional farmer outgrower agriculture programme that was piloted by the Sibanye-Gold Fields Alliance
- constructing education and health infrastructure
- constructing technical and vocational education and training colleges where needed
- donating land and formalising informal settlements – this is at an advanced stage at Bhongweni and Toekomsrus, near Westonaria, in Gauteng, where Sibanye is donating land to the municipality which will assist with the provision of infrastructure. Certain stands will be reserved for mine employees while the remainder will include zones for light industry, business and rental units. We are also investigating the urban farming settlement concept instead of the normal RDP townships. The urban farming will realise self-sustainable settlements and the first of these concepts has been approved in Mpumalanga. The mayor of the Rand West City Local Municipality has set up a special steering committee to assist with adopting this concept. Government departments and financial institutions are key stakeholders that have bought into this concept. This could be a huge-impact development project and could be rolled out to other informal settlements occupied by mineworkers which could be formalised – such as Silver City in Merafong

The impact of these projects will be compounded through collaboration and the creation of partnerships with other role players to augment Sibanye's investment. As a result, Sibanye has established a community trust and is inviting external sources including our major suppliers, to contribute on a voluntary basis and who will be involved as trustees in terms of where their contributions would have the highest impact. Other potential sources of funding have been approached, including the departments of Small Business Development, of Agriculture and of Trade and Industry.

We have begun revising our supply chain strategy so that SMMEs in our host communities can benefit from our enterprise development programmes and participate meaningfully in our value chain so as to stimulate the local economy through the creation of enterprises that will eventually become independent of mining.

MINIMISING THE ENVIRONMENTAL IMPACT

OUR APPROACH

DUTY OF CARE

Sibanye adheres to the general environmental duty of care principle as outlined in Section 28(1) of the National Environmental Management Act, 1998 (Act No 107 of 1998) (NEMA). In addition, Sibanye strives to uphold 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 about, and they are encouraged to adhere to and deliver on our water and environmental management policies.

AWARDS AND RECOGNITIONS RECEIVED

Sibanye achieved an A rating for its 2016 Carbon Disclosure Project (CDP) climate change submission and has been included in the global A list of leaders in climate change reporters.

ENVIRONMENTAL INCIDENTS

Sibanye considers any environmental incident to be serious but publicly reports on Level 3 (ongoing but limited impact), Level 4 (medium-term impact) and Level 5 (long-term impact) environmental incidents. All incidents are recorded, investigated and classified as they occur. Steps are taken to mitigate and prevent any recurrence. Incidents are monitored continuously and reported internally on a monthly and quarterly basis.

In 2016, the Gold Division reported six level 3 environmental incidents (2015: eight and 2014: nine). This comprised four level 3 incidents at the Cooke operations and two level 3 incidents at Driefontein. No level 4 or level 5 incidents were reported.

The Platinum Division reported 13 incidents, all at Kroondal – five level 3 and eight level 4 incidents – since its acquisition. It is important to note that the classification system used by the Platinum Division differed from that used by the Gold Division. A process to align and standardise the reporting, recording and classification of environmental incidents across the Group is underway and will be completed by June 2017.

PERFORMANCE

WATER MANAGEMENT

Total mine water consumption for the Group was 45,860MI (Gold Division: 41,484MI; Platinum Division: 4,376MI) for 2016, of which 33% was purchased from water services authorities (2015: 36%).

Consistent water consumption in the Gold Division in 2016 was a result of the implementation of the SibanyeAMANZI water strategy, which seeks to reduce the quantity of water purchased by means of water conservation and demand management initiatives as well as deployment of Sibanye's own water purification plants.

Water used* and discharged (MI)

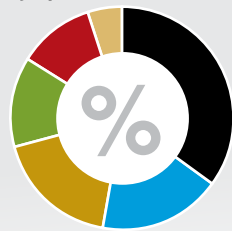
	2016			2015
	Group	Platinum Division	Gold Division	Gold Division
Water withdrawal	111,693	4,376	107,317	114,735
Water discharged	65,833	0	65,833	73,160
Water used*	45,860	4,376	41,484	41,575
Total purchased	15,027	2,674	12,353	14,795
Volumes treated (Mt)	26.8	6.6	20.2	19.9
Intensity (MI/tonne treated)	0.00171	0.00066	0.00205	0.00209

Note: Water used = total abstracted – water discharged

* This year we report on the volume of water used rather than on the volume recycled and reused. Sibanye operates mines that generate almost zero effluent (100%) consumed and mines that must discharge certain volumes of water in terms of their water use licences to satisfy the requirements of the environmental reserve and/or to satisfy dewatering requirements. Nevertheless, Sibanye continues to practice effective water conservation and water demand management, in accordance with the requirements each of its water use licence.



Potable water purchased by operation



Kloof	35%
Cooke	18%
Beatrix	18%
Kroondal	13%
Driefontein	11%
Rustenburg	5%

TOTAL POTABLE WATER PURCHASED 2016
15,027MI

(2015: 14,795MI)

Although Cooke is a smaller operation than Kroondal, its water consumption includes that by the hostels located at the Cooke Operation. In addition, Kroondal's consumption is for nine months of the year, as opposed to a full year.

Sibanye's Water Management Department has been structured to deliver on the following key functional areas:

- **Compliance** with water use licence requirements continued to improve as a result of increased specialist interventions. Structural compliance with specific requirements of water use licences has been challenging and remains the key obstacle to achieving 100% compliance with regard to water quality. In order to address the issue, it has been decided to apply for amendments to these water use licences.
 - Underground settler treatment systems converted into cold lime softening treatment plants at four mine shafts, to facilitate metals and uranium removal, and partial desalination, are delivering satisfactory results.
 - A new water use licence was received for Kloof, which resulted in compliance cost savings as well as improved compliance.
 - The Driefontein water laboratory has been upgraded and, from 2017, the use of external laboratories will be reduced as a result.
 - Sibanye experienced an increase in inspections by the Compliance and Enforcement section of the Department of Water and Sanitation (DWS) in 2016. Two letters of intent to issue a directive were received. However, no directives were ultimately issued.
 - The team is also responsible for water quality sampling at 868 points, monitoring and submission of results to the DWS as per the water use licence requirements, which stipulate that sample points should be monitored for frequencies of surface water, groundwater and discharges.
- **Innovation and projects:** Several projects were designed and implemented during 2016.
 - **Trans-Caledon Tunnel Authority (TCTA) Western Basin acid mine drainage (AMD) treatment plant:** successful commissioning of the 30MI/d settler upgrade project and modification of the precipitation system, resulting in substantial cost savings and prevention of AMD discharges from an old decline mining shaft in Randfontein (17 winze).
 - **Kloof water treatment plants:** design and specification of several potable water treatment plants as well as a demineralisation plant to reduce dependency on supplies from water services providers and to improve feed water quality
 - **Underground lime softening plants:** modifications to dosing systems to facilitate the removal of metals and uranium from underground mine water at Cooke 1 and 2 shafts, Ezulwini and Kloof 8 Shaft
 - **Ezulwini shaft closure project:** project management and facilitation of the basic assessment and water management closure – the current cost of the pump and treatment process is approximately R13 million per month. Full shaft closure is planned for the fourth quarter of 2017. Studies have shown that rewatering of the Gemsbokfontein West compartment will produce minor risks as far as ground stability, water quality and barrier plug safety are concerned
 - **Innovation:** Sibanye received approval in terms of Section 11D of the Income Tax Act, 1962 (Act No 58 of 1962) to conduct four water management innovation projects, which include biological treatment of mine effluent and tailings, rare earth elements recovery, cyanide recovery from tailings and economical remediation of mining impacts through the recovery of minerals as part of rehabilitation
- **Operational and maintenance support:** Sibanye continues to contract and administrate purchases of potable water, water resources charges, underground settler management, cooling water treatment contracts and the operation of the TCTA AMD treatment plant, the Driefontein North Shaft drinking water plant and the Ezulwini potable water treatment plant



MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

Sibanye continues to assess, optimise and document the water balance for each water use licence and submit the annual returns. We deployed a water conservation and demand management system in 2016, which provides real-time water consumption and alerts when leaks are detected. The system has already generated several real benefits, including reduced night flows, leak management and reconciliation of municipal and water board flow meters. The next phase of the system comprises the installation of instrument sensors at water plants, leak detection for tailings disposal and real time monitoring of water use licence discharges.

Awareness and stewardship: Sibanye hosted in an international investor conference and a technical tour for participants as well as several community visits to the Western Basin surface operation, and also participated in several stakeholder and water-management public forum meetings. Several students were assisted with post-graduate research and Sibanye participated in the Minerals Board meetings at the University of Cape Town, focusing on research and development within the mining industry.

ACID MINE DRAINAGE

Water management activities relating to the management of AMD include:

- Extensive water quality and salt load measurement and management
- Catchment-wide biomonitoring and toxicity assessments
- Ensuring that underground lime dosing plants and cold lime softening facilities operate within specifications
- Continuing research and pilot plant work to find ways to economically recover metals from AMD water
- Operating the Western Basin Trans-Caledon Tunnel Authority AMD treatment facility at the Cooke Operations

WATER USE LICENCES – STATUS

- Kloof received a new water use licence in 2016
- All operations, in the Gold and Platinum Divisions have current water use licences or authorisations
- Applications have been made for amendments to some of these licences and feedback from the DWS is pending
- Splitting of the single water use licence for the Rustenburg assets, in line with the new ownership of assets following the acquisition of certain of the Rustenburg assets from Anglo American Platinum, awaits feedback from the DWS

TAILINGS AND WASTE PROGRAMME

To reduce costly double handling of lower grade development or waste material, which was previously hoisted separately and stored on surface rock dumps for future processing through dedicated surface material plants, a decision was made in 2014 to mill and process development material with underground ore at all the gold operations. As a result there is no longer a need for rock dumps on surface and existing dumps are currently being processed and removed. Significant effort has also been made to improve the quality of mining factors, such as reducing dilution by lowering stoping widths. In addition, reducing dilution by minimising the amount of waste rock mined has significant cost and environmental benefits, including a smaller surface footprint, which results in lower dust emissions and more effective management of water pollution.





Gold Division

Waste management (Mt)	2016	2015	2014	2013
Tailings into TSFs	15.46	14.31	15.73	13.11
Tailings into pits	4.02	4.20	3.79	–
Waste rock	0.18	7.14	0.60	0.76
Recycled waste*	12.09	11.34	11.96	13.29
Total mining waste	19.69	25.65	20.12	13.87

* This gold-bearing material such as the waste rock dumps that is retreated at the plant

Platinum Division

Waste management (Mt)	Kroondal (April – Dec)	Rustenburg (Nov – Dec)	Total 2016
Tailings into TSFs	3.36	7.34	10.7
Tailings into pits	0	0	0
Waste rock (including the Kroondal dense media separation dumps)	1.85	0.37	2.22
Recycled waste	0	0	0
Total mining waste	5.21	7.71	12.92

CLIMATE CHANGE, EMISSIONS AND AIR QUALITY MANAGEMENT

Sibanye's 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 and analysis is used to determine the 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 the necessary authorisations (provisional atmospheric emissions licences or atmospheric emissions licences). All operations completed setup and initial reporting of emissions in 2015 in terms of the National Atmospheric Emissions Inventory System, as required, by 31 March 2016.

Sibanye is committed to global warming and climate change initiatives through the deployment of responsible strategies and actions. Identified climate change risks include:

- Financial (application of certain policies and measures such as carbon tax)
- Business risk (introduction of sector and Group carbon budgets, Eskom electricity supply constraints and impacts on production)
- Physical (extreme events such as heavy rainfall and severe storms, hail and tornadoes which damage infrastructure)
- Supply chain (disruption of key products such as timber support with concomitant cost increases)

In order to manage these risks, Sibanye participates actively in shaping the national response to climate change by lobbying National Treasury and the DEA on policies and measures to achieve a low carbon economy. In addition, Sibanye also lobbies through institutions such as the Chamber of Mines.



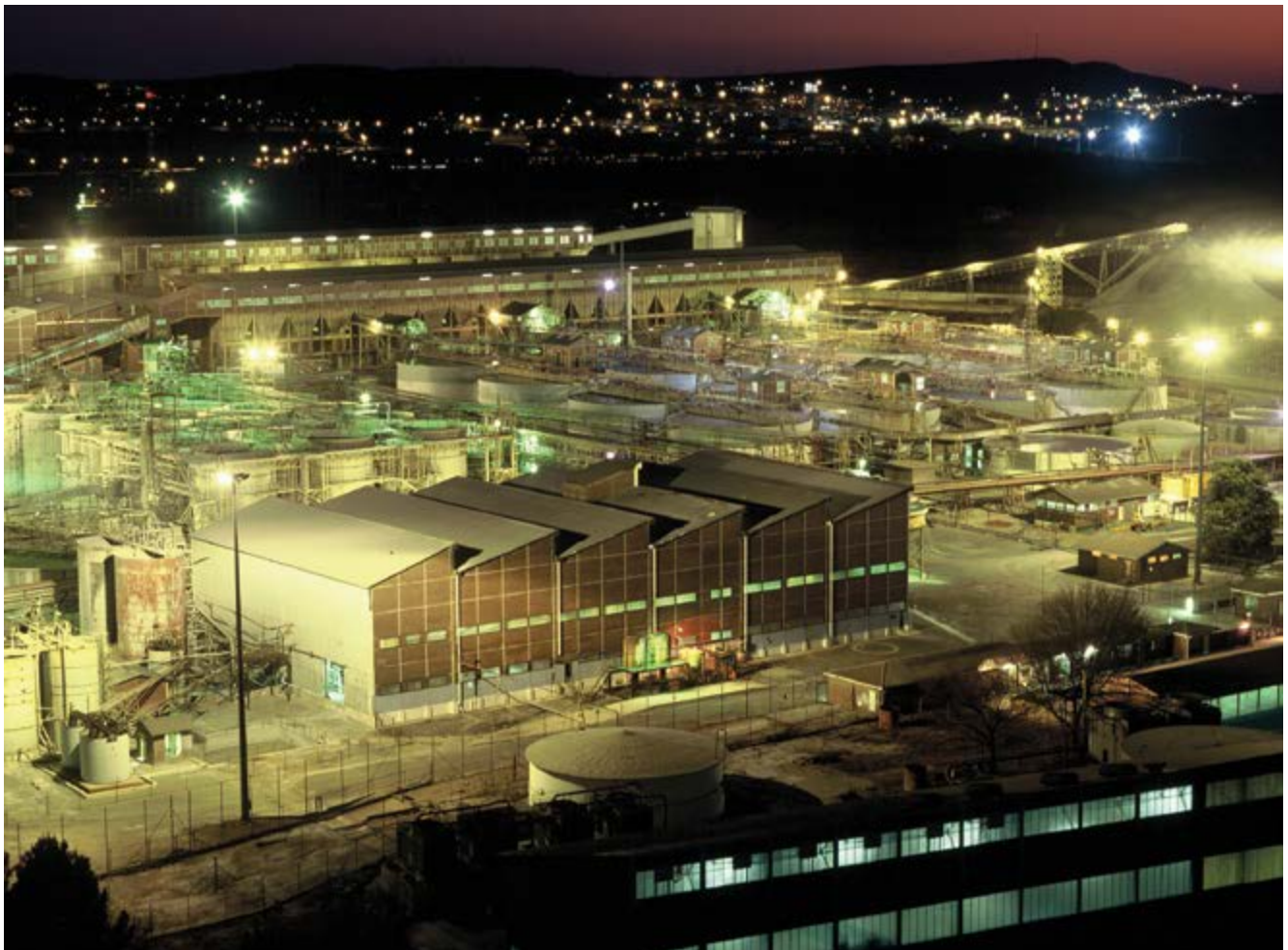
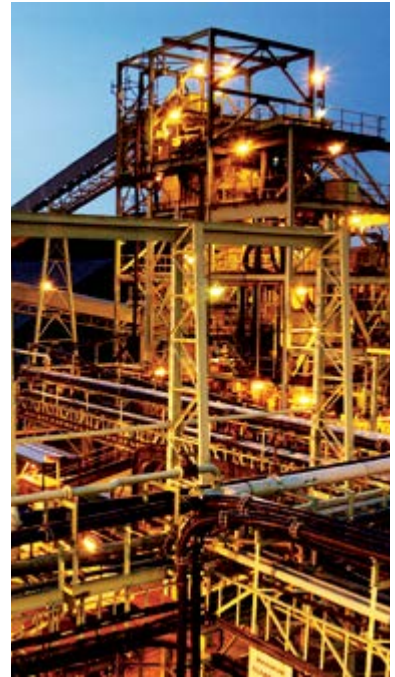
MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

In 2016, Sibanye participated in the National Business Institute (NBI) survey of adaptation to climate change by companies. The information gathered from the survey is being used by the NBI to draft a report on adapting to climate change. Changes in the physical environment are addressed through mitigation and adaptation. Mitigation measures relating to water storage and pumping infrastructure are being considered to handle extreme events and green building design is considered for new buildings.

Sibanye has embarked on a programme to raise awareness and build the resilience of its supply chain to climate change and thus minimise supply disruptions while managing product costs. In this regard, a meeting was held with our key timber supplier. The timber supplier is aware of the potential effects of climate change and manages its climate change risk by diversifying the geographical spread of its timber growing areas and holding prepared timber inventories in strategic areas.

Climate change also offers opportunities which Sibanye plans to harness, including revenue recycling opportunities through projects aimed at integrated electricity demand management (formerly demand side management projects) either partially or fully funded by Eskom and through tax incentives for low carbon intensive processes such as those included in Section 12L of the Income Tax Act.

In order to actively manage its carbon emissions, Sibanye carries out a detailed assessment of its Scope 1, 2 and 3 emissions (carbon inventory). The inventory is compared to the established base year and to short-, medium- and long-term targets.



Sibanye has also undertaken to align targets using the science-based sectoral decarbonisation approach. Our emissions are summarised below.

Scope 1 and Scope 2 (direct emissions) carbon inventory (000t CO₂e)

	Unit	2016			2015	2014	2013
		Group	Platinum Division	Gold Division	Gold Division	Gold Division	Gold Division
Scope 1 (excluding fugitive mine methane)	t	116	18	99	94	110	62
Scope 1 (fugitive mine methane)	t	596		596	650	660	572
Scope 2	t	4,720	557	4,163	4,272	4,405	3,774
Scope 3	t	1 029	180	849	867	863	634
CO ₂ e intensity	tCO ₂ e/tonne milled	0.22	0.12	0.24	0.25	0.28	0.32

The 2016 carbon emissions include emissions from the acquisitions as of the time they became effective (i.e. Kroondal from April 2016 and the Rustenburg Operations from November 2016)

Emissions from 12 of the 15 Scope 3 categories have been included for the Gold Division 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 waste water 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. Downstream transportation and distribution: CO₂e emissions associated with transportation of product from Sibanye to refinery
9. Processing of sold products: CO₂e emissions associated with smelting and refining gold
10. End-of-life treatment of sold products: CO₂e emissions associated with smelting gold to repurpose the product
11. Downstream leased assets: CO₂e emissions associated with the leasing of houses to mine workers where emissions are generated from electricity use
12. 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

The following Scope 3 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
- Upstream leased assets: no significant upstream leased assets identified

The collation and integration of the platinum operations scope 3 emissions began during the 2016 calendar year. Scope 3 data for 2016 have been collated and reported primarily on the following categories: purchased goods and services; capital goods; fuel- and energy-related emissions not included in Scope 1 or Scope 2; upstream transportation and distribution; waste generated in operations; and employee commuting



REDUCING ENERGY CONSUMPTION

Energy-efficiency initiatives were implemented across the Group in 2016 in line with Eskom's demand-side management programme and Sibanye funded projects to the value of around R50 million to reduce electricity consumption by 2% to 3% annually. Employees are encouraged to conserve energy and energy service companies were employed to assist with energy-saving measures, contributing to energy savings of 15.5MW in 2016 (2015: 15.8MW). The cost benefit totals approximately R76 million.

In agreement with Eskom, Sibanye continues load shifting to protect the national grid at peak times and to manage peak power costs.

Our energy and carbon footprints are measured, monitored and managed in terms of our integrated energy and carbon management strategy. It has been found that electricity consumption contributes approximately 87% to Sibanye's total Scope 1 and Scope 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.

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

Sibanye continues to design, develop and implement strategies that seek to reduce the energy consumption of operations and, thereby, reduce its carbon footprint while additional opportunities and energy-efficient technologies are pursued.

The Beatrix carbon-reduction project, which includes the use of methane gas to generate electricity, registered under the Clean Development Mechanism of the Kyoto Protocol to the United Nations Framework Convention on Climate Change in 2013, accrued 28,281 certified emission reductions in 2016 (2015: 89,290). Certified emission reductions (also known as carbon credits) are issued by the Clean Development Mechanism to assist organisations in offsetting their emissions and complying with their targets. During 2016, the depletion of methane emissions from boreholes and vandalism of flares contributed to a decrease in the number of certified emissions reductions.

Regarding the Platinum Division, we will assess existing projects and the way forward in 2017.

Gold Division – Energy intensity (GJ/tonne milled)

	2016	2015	2014	2013
Beatrix	0.69	0.73	0.69	0.70
Cooke	0.43	0.76	0.77	–
Driefontein	0.89	1.03	1.09	1.08
Kloof	1.15	1.56	1.36	1.36

Group emissions – NOx and SOx (t)

	2016	2015	2014	2013
Nitrogen oxides (NOx)	887	618	19,901	14,618
Sulphur oxides (SOx)	667	499	632	464

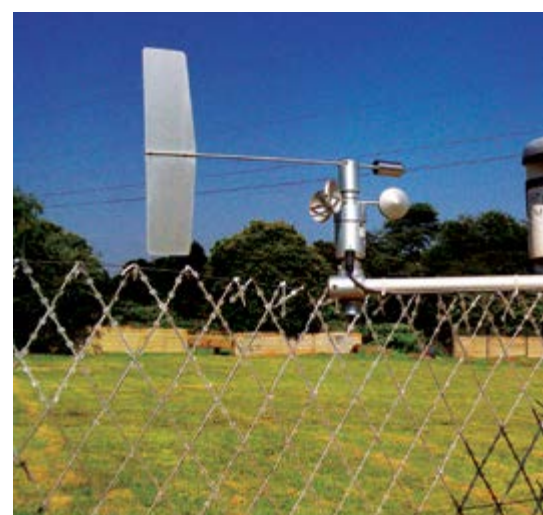
SOLAR ENERGY

A prefeasibility study completed in 2014 confirmed that solar photovoltaic power would be an economically competitive solution and could partially ameliorate the effects of interruptions in Eskom supply. A 150MW photovoltaic plant is planned for development on a site strategically placed between the Driefontein and Kloof mining complexes on the West Rand.

Photovoltaic generation from a site adjacent to Sibanye's mining operations represents a partial solution to securing alternative electricity supply and allows the power generated to be directly injected into the mine's electrical reticulation. The first phase of 50MW is planned to be operational in the second half of 2018. 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. Once complete, it will be the single largest private offtake plant on the African continent.

Significant progress was made in 2016 with the project team completing many of the key milestones required to ensure commercial operation in 2018. All environmental authorisation applications, including an environmental impact assessment and a water-use general authorisation, were submitted to the relevant regulatory bodies for consideration – provisional approval was obtained from the Department of Environmental Affairs in January 2017 with approval from the Department of Water and Sanitation expected in the first quarter of 2017.

An engineering concept and basic design were completed, providing critical information required for the environmental permitting and financial modelling of the project. In support of the design, all the required geotechnical work was also conducted. Applications to Eskom, for technical approval, and the Department of Energy, for regulatory approval, have been submitted with the outcomes expected by April 2017. An application to the National Energy Regulator of South Africa for a generation licence will be made once approval has been received from the Department of Energy.





To execute the project, Sibanye has elected to run a competitive tender process to appoint a project developer who will build, own and operate the project, and sell power back to Sibanye through a power purchase agreement (PPA). This approach has no upfront capital requirement for the business and allows capital to be prioritised for core mining projects. The tender has been successfully run, enabling a significant forecast return to Sibanye over the course of the agreement. The preferred project developer will be announced in the first half of 2017.

In 2017, the final milestones will be reached, allowing the project to move to construction phase in the second half of the year. The most significant of these milestones will include the conclusion of the PPA negotiations with the preferred bidder and Board approval of the agreement. The final regulatory approvals will be required prior to financial close, at which stage construction may begin. Although the project team carefully manages these, external approvals remain the biggest threat to the implementation and timelines of the project.

The project team is confident that the project will be a success and provide a suitable solution to alternative energy supply while deriving commercial benefit. Initial estimates are that it will reduce our carbon consumption by around 128,000tCO₂e per 50MW phase.

DUST

Three dust-related complaints were received during 2016 – two at the Cooke Operation and one at our Driefontein Operation. Nor were any air quality complaints made by the community to the Platinum Division in 2016, although there were several incidents of dust exceedances (see the 2016 summary of environmental incidents). Furthermore, the Platinum Division is not required to have an air emissions licence.

Gold Division

Dust control techniques deployed at various sources have been informed by site-specific conditions. For example, at certain dormant tailings dams, ridge ploughing and wind break netting have been installed and maintained and at certain operational areas dust suppression water sprays have been installed.

Platinum Division

Surface dust levels at our operations were above legislated limits at the main mine road, K150 tailings dam, Klipfontein and the haul road in 2016. Exceedances were mainly due to extremely dry weather.

Although a sprinkler system has been installed at the K150 tailings dam, it is not entirely effective given the dry weather. Dust on the haul roads is suppressed by water tankers twice daily. At the Klipfontein tailings dam, trucks travelling near the dust bucket are causing dust exceedances. The main mine road dust bucket is situated next to tanker services where dust suppression as well as monitoring has been recommended to determine the effectiveness of this action plan.

Air quality complaints

Gold Division	2016	2015	2014	2013
Beatrix	0	1	1	0
Cooke	2	1	1	0
Driefontein	1	2	1	1
Kloof	0	3	0	0
Total	3	7	3	1

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

MATERIALS CONSUMED

Materials consumed (tonnes)

	2016	2015	2014
Gold Division			
Timber	110,524	163,722	104,468
Cyanide	11,967	11,924	11,758
Explosives	6,768	7,854	4,175
Hydrochloric acid	4,414	3,773	3,579
Caustic soda	2,674	3,421	2,947
Lime	76,556	68,128	39,843
Cement ¹	42,865	41,101	38,579
Diesel (kl)	7,097	6,410	6,274
Platinum Division*			
Timber	82		
Explosives	7,046		
Alkali agents	65		
Cement ¹	1,513		
Diesel (kl)	3,325		
Lubricating and hydraulic oil (kl)	7,777		
Grease (kl)	19		

* The Platinum Division includes those operations under management. Kroondal (50%) is included for the nine months from April to December 2016 and the Rustenburg Operation for two months, November and December 2016

¹ Includes all categories of cement and cement mixtures

CYANIDE

The use of cyanide, the primary reagent for leaching gold from ore, has associated environmental and health risks. Sibanye has adopted the International Cyanide Management Code for the manufacture, transportation and use of cyanide in the production of gold. Sibanye purchased 11,967t of cyanide in 2016 (2015: 11,924t).

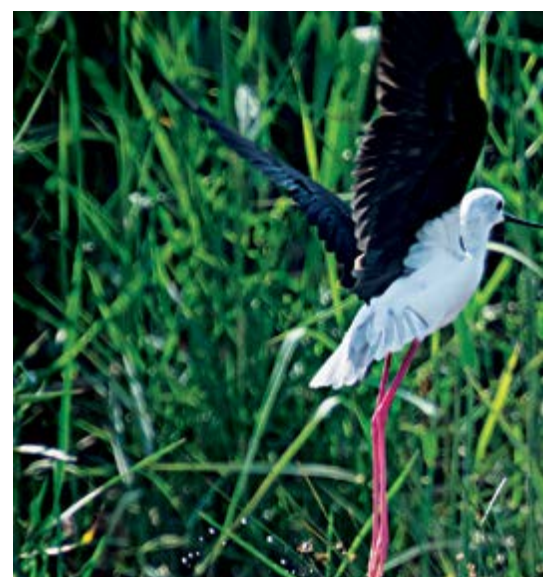
LAND MANAGEMENT AND REHABILITATION

Total land under Sibanye's management in the Gold Division in 2016 was 50,316ha. The cumulative total of land disturbed by mining and related activities in 2016 was 17,359ha, equivalent to 34% of all the land managed by the Gold Division. Much of the land under management is agricultural where no mining takes place.

Kloof's biodiversity management plan was finalised and the assessment for Beatrix was completed with the management plan due to follow in 2017. In addition to the Kloof plan, a karst/cave study was conducted on the Kloof property to identify and map possible new karst/cave systems. The study resulted in the discovery of three entirely new cave systems, the re-investigation of the known cave systems and inspection of 78% of all current sinkholes. The Kloof caves provide roosting and overwintering habitat for a number of bat species as well as an important nesting habitat for the barn and spotted eagle owls. Conservation important species identified include the Geoffroy's horseshoe and Natal long-fingered bats.

Phase 2 of a potential soil contamination study for Kloof and Driefontein began during 2016. Soil samples were taken at areas identified during the first phase. The study is in its final stage and results of the analysis are currently being reviewed and incorporated into a management plan. Finalisation of the study is due by the end of March 2017, following which the management plans will be implemented.

In the interests of sustainable development, land management and legal requirements, alien vegetation is removed through local economic development projects at the Kloof, Driefontein and Cooke operations. Alien invasive permits for Kloof and Driefontein were renewed in 2016 and a detailed management plan was compiled for the eradication of alien invasive plants.





Focus will be on high priority areas, primarily the containment and eradication of Category 1 species, in terms of the Conservation of Agricultural Resources Act, 1983 (Act No 43 of 1983), and Category 1b species, in terms of the National Environmental Management: Biodiversity Act, 2004 (Act No 10 of 2004).

No protected areas were identified at any of the West Wits and Free State operations.

A detailed heritage resource assessment was conducted for Kloof and Driefontein, and a management plan compiled.

The Gold Division's total closure liability is assessed annually by a recognised independent consultant, and is funded by trust funds and insurance guarantees. Closure liability as at 31 December 2016 was R4,120 million (2015: R3,817 million).

Total land under Sibanye's management within the Platinum Division, and disturbed by mining and related activities at the respective mines, is 25,954ha.

All sites within the Platinum Division have completed biodiversity action plans as well as alien invader eradication programmes.

Total closure liability for our platinum assets is funded by trust funds and insurance guarantees closure liability as at 31 December 2016 for the platinum operations totalled R2,026 million and covers Kroondal, Marikana, Blue Ridge and the Rustenburg Operations.

ENVIRONMENTAL PERMITTING AND COMPLIANCE

In line with the environmental management system, each gold operation has an approved environmental management programme, which is a formal contract between Sibanye, as the holder of the mining right, and the regulator, the DMR, regarding 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 environmental management programmes are reviewed during 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 are addressed through appropriate action plans.

In addition to regulatory reporting processes and sustainable development assurance processes, Sibanye's Internal Audit department monitors legal compliance, as well as performance against environmental management programme commitments.

During 2016, internal environmental management programme performance assessments were conducted at Kloof, Driefontein, Cooke and Beatrix. Overall, environmental management programme compliance was found to be, on average, 90%. Action plans have been put in place to address the gaps. A particular focus will be on finalising management plans for soil, land use and heritage with an emphasis on dust management, regular dam wall and pipeline inspections and completion of annual independent audits of historical environmental authorisations for fridge plants and diesel generators.

During 2016, the DMR conducted annual independent compliance audits at Kloof, Driefontein, Cooke and Beatrix. The department delivered a notice of intent to issue a compliance notice to our Kloof and Driefontein operations with regard to the addition of VAT to current closure provisions. A response has been drafted and submitted to the department, to which a final response is awaited.

During 2016, environmental impact assessments and associated permitting processes for the proposed WRTRP, and the proposed photovoltaic project, were completed and submitted to the relevant competent authorities/regulators for approval. In early January 2017, an environmental authorisation was received for the photovoltaic project and its associated transmission infrastructure.

During 2016 in the Platinum Division, external environmental management programme performance assessments were conducted at Kroondal, Marikana and related PSA areas.

MINIMISING THE ENVIRONMENTAL IMPACT CONTINUED

The related reports were received in November 2016 noting compliance of at least 90%. Additional focus will be placed on those aspects highlighted in the reports that require attention in terms of compliance.

At Rustenburg, no external environmental management programme performance assessment had been conducted prior to 1 November 2016. Owing to time constraints, a formal request for an extension for the submission of the related report was made to the DMR on 9 December 2016.

FUTURE FOCUS

Sibanye has made significant strides in ensuring that environmental issues are fully integrated into its core business, and to remain legally compliant. Opportunities for optimisation will be identified and harnessed to reduce costs through innovation to offset our long-term closure liability. In 2017 and beyond, Sibanye will focus on:

- improved waste management practices
- revival of environmental management systems
- readiness to deal with ongoing and emerging legal compliance issues, including conditions of approval for licences and permits
- playing a greater role in industry environmental forums to ensure that pertinent issues are addressed
- alignment of incident classification and reporting across the business to reduce environmental incidents

Sibanye plans to focus on four key areas in order to meet its water management objectives:

- Water management systems: expansion of the water management system will include real-time water quality data and flow metering for process control, further development and Group roll out of the Mine Environmental Management Decision Support System (MEMDSS)
- Water security and independence: amending water use licences in order to obtain regulatory approval to replace municipal potable water with our own production facilities
- Mine closure management: develop mine-based and regional closure plans, considering innovative approaches with regard to socio-economic closure, and determine the water management cost of mine closure
- Optimal water use licence compliance: review all water use licences in order to establish change required and/or treatment facilities to be considered in order to target 100% compliance



CORPORATE GOVERNANCE

Our governance structures, processes and policies support our strategy execution and underpin our business model. Sibanye views good corporate governance as being fundamental to the long-term sustainability of the company and to value creation for all stakeholders. It is essential too in establishing relationships with stakeholders that are based on respect and goodwill.

ROLE OF THE BOARD

The Sibanye Board of Directors, which has overall accountability for the long-term sustainability of the business, ensures that our corporate governance is aligned with best practice guidelines, and is aligned with our commitment to enabling the improvement of lives through our business activities, and that our business activities are conducted with integrity, in line with Sibanye's CARES values and Code of Ethics.

Collectively, the 13-member Board provides sound, independent, strategic guidance and leadership, with due consideration for the interests of all stakeholders. It is ultimately responsible for achievement of the Group's strategic objective, and for overseeing Sibanye's operating and financial performance, and for Sibanye's corporate governance framework which guides the business. In so doing, it advises on the setting of strategic objectives and targets and reviews and monitors progress.

The Board oversees the governance framework and its integration within the company in order to achieve an ethical culture, effective internal controls, strategic outcomes, policy approval and disclosure.

COMPLIANCE

Sibanye has its primary listing on the JSE. It is registered with the Securities and Exchange Commission (SEC) in the United States of America (US) where its ordinary shares are listed on the New York Stock Exchange (NYSE) in the form of an American Depositary Receipt (ADR) programme administered by BNY Mellon. As a result, the Group is subject to compliance with the JSE Listings Requirements, and the disclosure and corporate governance requirements of the NYSE. In 2016, the Group complied with all applicable governance requirements as well as with all the mandatory specific governance requirements contained in paragraph 3.84 of the JSE Listing Requirements.

The Group applies the principles contained in King III and has implemented the King III principles and recommendations across the Group. All 75 King III principles are recorded in the compliance schedule on Sibanye's website, detailing the principles and the corresponding explanations. The one exception is the King III recommendation that employment contracts should not compensate executives for severance because of change of control (although this does not preclude payments for retaining key executives during a period of uncertainty), see *Remuneration report*.

An Accountability Report, incorporating our full corporate governance report, is housed in our Annual Financial Report, together with the Board and Board committee charters and detailed CVs of our Board and management teams. Refer to <http://www.sibanyegold.co.za>. The Accountability Report does not include the reports for the Risk and the Social and Ethics committees, which are available online at <http://reports.sibanyegold.co.za>.

GENDER DIVERSITY POLICY

Sibanye has a stable and diverse Board with appropriate and strong skill sets. The Company's policy aims to promote gender diversity at Board level. Currently, out of thirteen Board members, one is a woman. The Board, through the Nominating and Governance Committee, is currently interviewing black female candidates to fill a vacant position.

KEY AREAS OF BOARD DELIBERATION IN 2016

As we execute our strategy and respond to mitigate our material issues, we are cognisant of the governance aspects that can enable or impede our progress. The strength of our leadership team lies in its agility and ability to respond to market opportunities, such as recently diversifying our portfolio to include platinum group metals. In developing Sibanye's strategy, the Board takes into account associated risks and ensures alignment with Sibanye's CARES values and the overall purpose of superior value creation for all. The Board ensures that the strategy is cascaded and managed through specialised teams such as our Gold Executive Committee, Platinum Executive Committee and the Safe Technology team.

The following were among the most important topics considered by the Board and the sub-committees during the course of the year.

Safety: As employee safety is of critical importance to Sibanye, the regression in safety performance in the first half of 2016 after several years of consistent improvement caused grave concern to the Board. As a result a full review of Sibanye's safety strategy and procedures was undertaken to improve safety performance and prevent accidents. More assertive safety leadership structures were put in place and "safety" was launched as a separate and distinct value. In so doing, Sibanye reaffirmed its commitment to the health and safety of employees.

For further information on the steps taken to improve safety performance, refer to the CEO's review and Health and Safety focus.

CORPORATE GOVERNANCE CONTINUED

Mining Charter revisions: A revised draft Mining Charter was unexpectedly gazetted by the then recently appointed Minister of Mineral Resources in April 2016. There had been no significant prior consultation and the draft Charter contained several amendments which were of significant concern to the mining industry. While a 30-day period for public comment typically follows gazetting of regulations such as this, in the wake of significant stakeholder resistance, the final version of the amended Charter has still to be passed. Although the ownership aspect of the Charter remained prominent, subsequent consultations took place on all elements of the Charter. The process was led by the Chamber of Mines on behalf of the mining industry. Business inputs into consultations were being marginalised with pressure to promulgate a final version prior to 31 October 2016 when the Department of Trade and Industry's generic BBEE codes came into force in the absence of a mining sector specific charter. Legal challenges were pursued to ensure that vested rights were maintained from previous Mining Charter cycles, in relation to the continued consequences of historical empowerment as well as to address the legal validity of a new Charter that may be promulgated. Limited progress had been achieved in developing the revised Mining Charter into a form that would not inhibit business competitiveness while providing a framework for effective empowerment through transformation.

Acquisitions: The Board played a key role in advising, monitoring and approving the repositioning of Sibanye as a multi-commodity miner with the acquisitions of the Aquarius and certain Anglo American Platinum assets in 2016. These were followed by the proposed acquisition of Stillwater, the successful completion of which will position Sibanye among the top global precious metals companies with a Tier 1 asset in a stable mining jurisdiction.

Purpose statement: The Board oversaw and approved an all-encompassing statement encapsulating Sibanye's reason for operating and purpose. This statement, "Sibanye's mining improves lives", links our vision and values and is in line with our concept of an inclusive, modernised mining industry, founded on humanity and recognised as a key contributor to socio-economic development.

Cooke 4: Given the unprofitability of the Cooke 4 operation, the Board approved it being placed on care and maintenance in July 2016. The suspension of operations at Cooke 4 did however contribute to reduced production for the group as a whole in 2016. The majority of the workforce was transferred to fill vacancies at other Sibanye operations with retrenchments being minimized as far as possible.

Section 54 stoppages: Having noted the high number of Section 54 notices issued to the Platinum Division's Kroondal mine by the Mines Health and Safety Inspectorate (MHSI) in 2016, the Board approved the issuing of a legal claim against the DMR, the Minister of Mineral Resources and officials in the MHSI for financial losses incurred as a result of what were unjustified S54 stoppages.

Silicosis: The Board reviewed the judgement of the High Court of South Africa, Gauteng Division on 31 May 2016, in the class action proceedings that had been brought by a number of applicants against a number of mines relating to silicosis and tuberculosis. The Court granted certification of a consolidated class action comprising two separate classes, namely silicosis and pulmonary tuberculosis.

Operational plan for 2017: Having reviewed and assessed the 2017 operational plan and vision for 2018, these were approved by the Board.

Strategy: The Board had a strategy session in 2016 and was satisfied with the progress made by the company in becoming a multi-commodity resources company.

BOARD EFFECTIVENESS AND PERFORMANCE MANAGEMENT

In line with King III's recommendations, the Board conducted a rigorous evaluation of the independence of directors and an internal assessment of the effectiveness of the Board and its sub-committees. An external consultant was also appointed to independently review the Board's effectiveness. The outcome of the independent assessment revealed that all the necessary structures and processes for an effective Board are established and functioning well. The Board had fulfilled its role and responsibilities and had discharged its accountability to the company and its shareholders and other stakeholders in an exemplary manner. 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.

SUCCESSION MANAGEMENT

At Sibanye, succession planning is based on the strategic direction of the company, business requirements and readiness of the candidate.

Sibanye favours an integrated approach to succession management. For this reason, a phased approach to succession planning was adopted, starting with evaluations of the executive vice presidents followed by evaluations of senior vice presidents.

Following these evaluations, critical roles were identified and the competencies required for executive positions finalised. These were then incorporated into the Sibanye Leadership Development Framework.

Assessments to identify potential, readiness and development areas have been completed for all executive vice presidents, senior vice presidents and vice presidents.

BOARD OF DIRECTORS

Ensures Sibanye's financial sustainability by monitoring and reviewing financial controls and procedures, as well as the effectiveness of internal audit and control systems. Oversees regulatory and legislative compliance

AUDIT COMMITTEE

Ensures Sibanye's financial sustainability by monitoring and reviewing financial controls and procedures, as well as the effectiveness of internal audit and control systems

RISK COMMITTEE

Ensures implementation of efficient risk management processes and controls to identify and monitor and mitigate risks

REMUNERATION COMMITTEE

Ensures fair reward to attract, retain and motivate executive management with the skills necessary to support and sustain the company and its strategy

NOMINATING AND GOVERNANCE COMMITTEE

Ensures Sibanye's financial sustainability by monitoring and reviewing financial controls and procedures, as well as the effectiveness of internal audit and control systems.

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

Ensures implementation of efficient risk management processes and controls to identify and monitor and mitigate risks

SOCIAL AND ETHICS COMMITTEE

Supports and assists the Board in ensuring compliance with best practice recommendations relating to the ethical conduct of our stakeholder engagement

For further details on the composition of Sibanye's Board of Directors and of its members, refer to *Board and executive management* on page 106.

CORPORATE GOVERNANCE CONTINUED

BOARD SUB-COMMITTEES

AUDIT COMMITTEE

Composition

Keith Rayner (Chairman)
 Richard Menell
 Nkosemntu Nika
 Susan van der Merwe

Meetings

Five meetings held in 2016

Attendance at meetings:

100%

Key focus areas in 2016

- Interim and annual financial reporting
- Acquisitions – integration, synergies and assessing related risks
- IT issues – integration of platinum assets, cyber security
- JSE proactive monitoring process relating to financial reporting
- Internal control environment and systems, and controls over financial reporting
- New regulatory developments

Report back

The Audit Committee is responsible for governance and internal controls. It routinely focuses on financial and operating updates, the internal audit report, IT governance, quarterly crime reports and controls over financial reporting attestation status reports. All reports from the Group external auditor are also presented to the Audit Committee. The Audit Committee is also mandated by the Board to approve the Integrated Annual Report and the Annual Financial Statements. In 2016 the focus was on the successful integration into the company of those mining operations acquired during the year, particularly as related to governance.

The Audit Committee was also involved in the management of risks related to the security of information and approved the Combined Assurance guideline report.

The Audit Committee also evaluated and noted its approval of the CFO's performance.

RISK COMMITTEE

Composition

Richard Menell (Chairman)
 Christopher Chadwick
 Robert Chan
 Timothy Cumming
 Keith Rayner
 Jiya Yuan

Meetings

Two meetings held in 2016

Attendance at meetings:

92%

Key focus areas in 2016

- Cyber intrusion
- Business continuity
- Enterprise risk management
- Combined assurance framework
- Assessment of risk management effectiveness and maturity review

Report back

The Risk Committee approved the risk management policy, risk framework, risk committee charter and the risk plan. Having assessed the risk of cyber intrusions in particular, the committee concluded that the risk was low. A dedicated resource was appointed to manage cyber risk full time.

The committee also approved the business continuity plan, as well as the enterprise risk management and the biannual strategic risk register. The top 10 risks to the company and mitigation actions were reviewed in detail, together with the Sibanye's risk tolerance and risk appetite levels.

In addition, the Risk Committee ensured that the Company complied with all applicable legislative requirements and approved the combined assurance approach as well as insurance cover for the business.

NOMINATING AND GOVERNANCE COMMITTEE**Composition**

Sello Moloko (Chairman)
 Barry Davison
 Richard Menell
 Nkosemntu Nika
 Jerry Vilikazi

Meetings

Four meetings held in 2016

Attendance at meetings:

100%

Key focus areas in 2016

- Leadership development and succession planning
- Gender diversity on the board
- Board and sub-committee effectiveness assessments

Report back

The Nominating and Governance Committee focussed on leadership development and management succession planning. The committee determined that critical roles had been identified and that the competencies required for executive positions had been finalised and incorporated into the Leadership Development Framework. Assessments to identify potential, readiness and development areas were completed for all executive vice presidents, senior vice presidents and vice presidents.

Having identified the need for gender diversity at Board level, the CVs of possible candidates identified were reviewed.

The committee also appointed an external consultant to assess the Board and evaluate its performance. It was determined that all the necessary structures and processes for an effective board were established and were functioning well, and that the Board had fulfilled its role and responsibilities, and discharged its accountability to the Company and its shareholders and other stakeholders, in an exemplary manner.

The committee also reviewed the fees paid to non-executive directors as well as the re-election of committee members.

REMUNERATION COMMITTEE**Composition**

Timothy Cumming (Chairman)
 Barry Davison
 Sello Moloko
 Nkosemntu Nika
 Keith Rayner

Meetings

Five meetings held in 2016

Attendance at meetings:

100%

Key focus areas in 2016

- Executive changes in the Platinum Division
- Incorporation of the Platinum Division into the 2016 incentive target framework

Report back

The Remuneration Committee assessed revisions to the share plan implementation arrangements. It also approved the incorporation of the Platinum Division into the incentive framework as well as the annual incentive scheme.

CORPORATE GOVERNANCE CONTINUED

BOARD SUB-COMMITTEES continued

SAFETY, HEALTH AND SUSTAINABLE DEVELOPMENT COMMITTEE

Composition

Barry Davison (Chairman)
 Christopher Chadwick
 Neal Froneman
 Richard Menell
 Sello Moloko
 Susan van der Merwe

Meetings

Four meetings held in 2016

Attendance at meetings:

100%

Key focus areas in 2016

- Launch of re-invigorated safety campaign
- Revamped safety initiatives
- New regulations (safety, health, environment and social) and compliance with standards
- Safe technology

Report back

The committee reviewed Sibanye's safety strategy and the inclusion of safety as a value in Sibanye's CARE values which was subsequently amended to CARES. The committee focussed on safety performance and the actions necessary to ensure this improved, as well as reviewing all fatal accidents and the actions implemented to prevent their recurrence.

The committee also reviewed Sibanye's health and wellbeing policies as well as our approach to sustainable development, including environmental and social and community issues.

The committee commended Sibanye on all its efforts to improve safety - the changes in management, its commitment to safety through visible felt leadership, and the safety launches at all operations to engender renewed commitment from employees and organised labour.

SOCIAL AND ETHICS COMMITTEE

Composition

Jerry Vilikazi (Chairman)
 Robert Chan
 Timothy Cumming
 Barry Davison
 Richard Menell
 Sello Moloko
 Keith Rayner

Meetings

The committee met four times in 2016

Attendance at meetings:

96%

Key focus areas in 2016

- UNGC principles
- ICMM principles
- Employment equity
- BBBEE Act

Report back

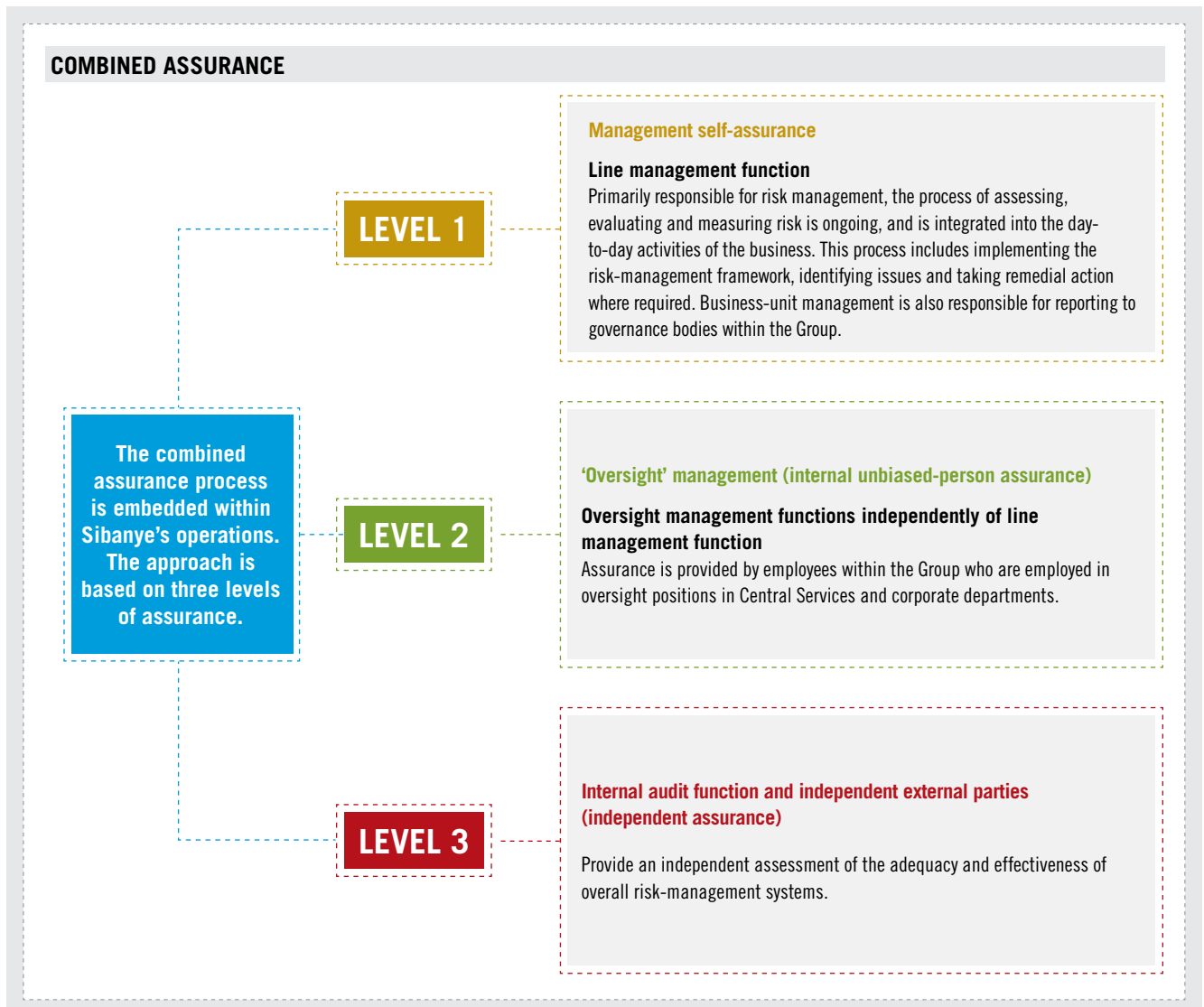
The Social and Ethics Committee reviewed progress of new employment equity plans and Sibanye's compliance with the UNGC principles, human rights requirements, the International Labour Organization and contributions to employee education development.

The fraud response plan was approved. Other matters on the committee's agenda were compliance with the Consumer Protection Act and Sibanye's continued commitment to facilitating and encouraging responsible material and product stewardship. The focus was on re-using and recycling to reduce waste disposal and incorporating supply chain aspects in so doing.

The committee also assessed Sibanye's compliance with its SLPs and the Mining Charter scorecard.

RISK MANAGEMENT

The Risk Committee assists the Board in ensuring that management implement appropriate risk management processes and controls. Management is accountable to the Board for integrating risk management into the daily activities of Sibanye. Refer to the Material Issues section for further detail on our risk management approach.



CODE OF ETHICS

Sibanye is committed to the conduct of its business in an ethical and fair manner, to the promotion of a corporate culture which is non-sectarian and apolitical and which is socially and environmentally responsible. This is achieved by living Sibanye's core values which are: commitment, accountability, respect, enabling and safety.

In pursuing these principles, Sibanye requires its employees, officers and directors alike to adhere to and be bound by the Sibanye Code of Ethics. The Audit Committee is responsible for ensuring compliance with the Code of Ethics, which was rolled out to employees in the Platinum Division during 2016.

Breaches of the Code of Ethics will result in disciplinary action, which could result in the termination of employment or office or criminal prosecution. The Code of Ethics can be found on the corporate website: www.sibanyegold.co.za

TRANSITION TO KING IV

The next iteration of the South African Corporate Governance Code, King IV™ was issued in November 2016. King IV™ involves the application of 16 core principles as opposed to the 75 principles in King III. Furthermore, its recommendations on corporate governance are more focused and practical with increased emphasis on the outputs and outcomes of governance structures. Sibanye welcomes the enhancements in the code and is fully committed to applying King IV™ in all respects for application in the relevant financial year, after guidance on its adoption is issued by the JSE. We have started work on understanding the new application and reporting requirements and will implement the necessary internal processes and reporting systems to meet our 2018 King IV™ application and reporting commitments.

BOARD AND EXECUTIVE COMMITTEE

BOARD

Sibanye's ability to deliver on its purpose, mission and strategic objectives is underpinned by the quality and expertise of its leadership. The Board of Directors provides sound, ethical leadership and strategic guidance and ensures that the principles of good corporate governance are the foundation of all that we do.



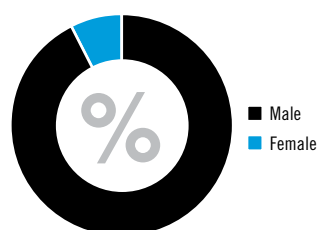
Back row: Barry Davison, Robert Chan, Jiyu Yuan, Christopher Chadwick, Timothy Cumming, Nkosemntu Nika, Susan van der Merwe, Charl Keyter, Jerry Vilakazi, Rick Menell, Keith Rayner
Seated: Neal Froneman, Sello Moloko

The Board of Directors is led by an independent, non-executive chairman. There are 13 members in all, the majority of whom are independent. Collectively, the directors have the breadth and depth of skills, knowledge and experience required to make a positive contribution to ensuring that Sibanye delivers on its strategic goals.

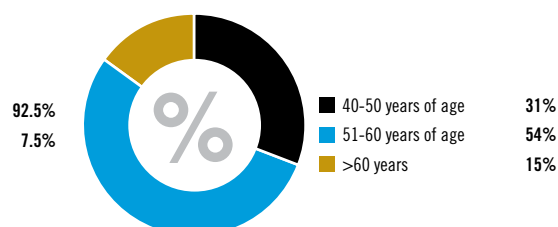
62%
OF DIRECTORS
ARE INDEPENDENT

BOARD CHARACTERISTICS

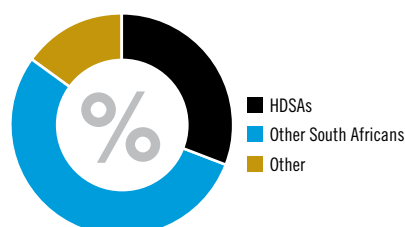
Gender representation



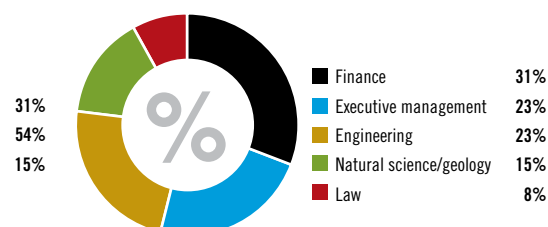
By age



HDSA representation



Qualifications



INDEPENDENT NON-EXECUTIVE CHAIRMAN**SELLO MOLOKO (51)**

BSc (Hons) and Postgraduate Certificate in Education, Advanced Management Programme

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

Chairman:

Nomination and Governance Committee

Member:

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

EXECUTIVE DIRECTORS**NEAL FRONEMAN (57)****CHIEF EXECUTIVE OFFICER**

BSc Mech Eng (Ind Opt), BCompt, Pr Eng

Appointed an executive director and CEO on 1 January 2013.

Chairman: Executive Committee

Member: Safety, Health and Sustainable Development Committee

CHARL KEYTER (43)**CHIEF FINANCIAL OFFICER**

BCom, MBA, ACMA and CGMA

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

Member: Executive Committee

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS**CHRISTOPHER CHADWICK (48)**

BCompt (Hons) (CTA), CA (SA)

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

Member:

- Risk Committee
- Safety, Health and Sustainable Development Committee

ROBERT TZE LEUNG CHAN (70)

BSc (Economics) (Hons), MBA

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

Member:

- Risk Committee
- Social and Ethics Committee

JIYU YUAN (55)

Mining Engineering

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

Member: Risk Committee

INDEPENDENT NON-EXECUTIVE DIRECTORS**TIMOTHY CUMMING (59)**

BSc (Hons) (Engineering), BA (PPE), MA

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

Chairman: Remuneration Committee

Member:

- Risk Committee
- Social and Ethics Committee

BARRY DAVISON (71)

BA (Law and Economics), Graduate Commerce Diploma, CIS Diploma in Advanced Financial Management and Advanced Executive Programme

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

Chairman: Safety, Health and Sustainable Development Committee

Member:

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

RICHARD MENELL (61)

MA (Natural Sciences, Geology),

MSc (Mineral Exploration and Management),

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

NKOSEMNTU NIKI (59)

BCom, BCompt (Hons), Advanced Management Programme, CA (SA)

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

Member:

- Audit Committee
- Nominating and Governance Committee
- Remuneration Committee

KEITH RAYNER (60)

BCom, CTA, CA (SA)

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

Chairman: Audit Committee

Member:

- Remuneration Committee
- Risk Committee
- Social and Ethics Committee

SUSAN VAN DER MERWE (62)

BA

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

Member:

- Audit Committee
- Safety, Health and Sustainable Development Committee

JERRY VILAKAZI (56)

BA, MA, MBA

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 in the Financial Report 2016 and on Sibanye's corporate website at: www.sibanyegold.co.za/about-us/board-of-directors

TERMS OF OFFICE:

The following directors retire by rotation at the upcoming annual general meeting on 23 May 2017, and have indicated they are available for election or re-election: Christopher Chadwick, Robert Chan, Timothy Cumming, Charl Keyter and Sello Moloko.

Those directors retiring by rotation in 2018 are: Barry Davison, Neal Froneman, Richard Menell, Keith Rayner and Jerry Vilakazi.

BOARD AND EXECUTIVE COMMITTEE CONTINUED

EXECUTIVE COMMITTEE

The Executive Committee drives and oversees implementation of Sibanye's strategy. The committee has nine members, two of whom are executive directors.

EXECUTIVE COMMITTEE

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

Sibanye restructured its operations into two operating divisions: a gold and uranium division and a platinum division, each of which is managed by a divisional CEO with a supporting executive management team. As at 24 March 2017, the membership of Sibanye's Executive Committee is as follows:

NEAL FRONEMAN (57)
CHIEF EXECUTIVE OFFICER
BSc Mech Eng (Ind Opt),
BComp

CHARL KEYTER (43)
CHIEF FINANCIAL OFFICER
BCom, MBA, ACMA and CGMA

HARTLEY DIKGALE (56)
EXECUTIVE VICE PRESIDENT:
GENERAL COUNSEL AND REGULATORY
AFFAIRS
BJuris, LLB, HDip (Company Law), LLM

DAWIE MOSTERT (47)
EXECUTIVE VICE PRESIDENT:
COMMERCIAL SERVICES
Diploma in Labour Relations
MDP (Adv Labour Law), MBA

THEMBA NKOSI (43)
EXECUTIVE VICE PRESIDENT:
HUMAN CAPITAL
BA Hons (Employment Relations),
BTech, Human Resources, Human Resources
Executive Program

WAYNE ROBINSON (54)
DIVISIONAL CEO: GOLD
BSc (Mechanical Engineering),
BSc (Mining Engineering), PrEng,
Mine Manager's Certificate of Competency
(Metalliferous), Mechanical Engineer's
Certificate of Competency

RICHARD STEWART (41)
EXECUTIVE VICE PRESIDENT:
BUSINESS DEVELOPMENT
BSc (Hons), PhD (Geology), MBA, PrSciNat

ROBERT VAN NIEKERK (52)
DIVISIONAL CEO: PLATINUM
National Higher Diploma (Metalliferous Mining),
BSc (Mining Engineering), Mine Manager's
Certificate of Competency

JOHN WALLINGTON (59)
EXECUTIVE VICE PRESIDENT:
CORPORATE AFFAIRS AND SUSTAINABILITY
BSc (Mining Engineering),
Mine Manager's Certificate
of Competency,
Senior Executive Management Programme,

In line with the revised corporate structure, the Executive Committee is supported by two divisional management teams and members of the CEO's Office, housing key strategic functions. Sibanye's revised leadership structure is intended to facilitate the company's seamless transition into a multi-commodity business.

GOLD DIVISION

Wayne Robinson, Divisional CEO
William Taylor*, Senior Vice President: Mining
Pieter Henning, Senior Vice President: Finance
Adam Mutshinya, Senior Vice President: Human Capital
Corne Strydom, Senior Vice President: Organisational Effectiveness

PLATINUM DIVISION

Robert van Niekerk, Divisional CEO
Shadwick Bessit, Senior Vice President: Mining
Justin Froneman, Senior Vice President: Finance
Bheki Khumalo, Senior Vice President: Human Capital
Dawie van Aswegen, Senior Vice President: Technical Services
Kevin Robertson, Senior Vice President: Organisational Effectiveness

CEO's OFFICE

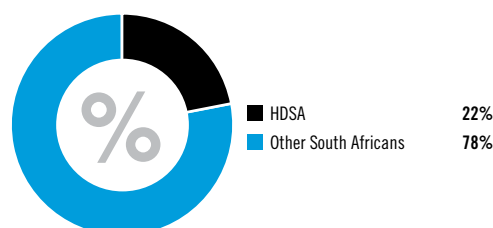
Nash Lutchman, Senior Vice President: Protection Services
James Wellsted, Senior Vice President: Investor Relations
George Ashworth, Vice President: Strategy

* Appointment effective 1 May 2017

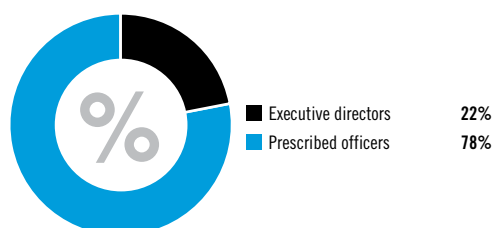
Detailed curriculum vitae of members of the Executive Committee are available on Sibanye's website at: www.sibanyegold.co.za/about-us/executive-committee

EXECUTIVE COMMITTEE CHARACTERISTICS

Executive management – HDSA representation



Composition of executive management



REMUNERATION REPORT

It is the Remuneration Committee's role and responsibility to ensure that the remuneration arrangements for executive directors and senior executives offer an incentive to enhance the Group's performance and deliver responsibly on the Group's strategy. The Remuneration Committee also needs to ensure that the actual rewards received by the executive directors and executive management are proportionate to levels of performance achieved and the returns received by shareholders. The Remuneration Committee gives full consideration to the Group's priorities, its performance and shareholder interests.

Sibanye believes it is important that the structure and level of remuneration and reward are reasonably consistent across the Group and appropriately competitive within the operating market. Our remuneration structures are benchmarked against our peers and we operate comprehensive performance-based reward systems to retain and also attract the best people.

All information disclosed in this Remuneration Report for the year ended 31 December 2016 was in compliance with remuneration policies set by the Remuneration Committee.

REMUNERATION POLICY AND PHILOSOPHY

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

- support the execution of the Group's business strategy by providing for the rewards to attract, motivate and retain those with the talent and skills necessary for Sibanye to deliver on its strategic vision, particularly at executive and senior management levels
- motivate and reinforce individual, team and operational performances and
- ensure Sibanye's remuneration arrangements are reasonably equitable, both internally and externally, and to facilitate the deployment of people, as necessary, across the Group's operations

At Sibanye, one of the critical drivers of performance is the Total Reward strategy. The Total Reward strategy is an integral part of the people strategy and promotes a holistic approach which combines all elements of cash remuneration (guaranteed and performance based) with other elements of reward (shares as well as non-financial motivators) to attract, retain and motivate employees. The principle of performance-based rewards is one of the cornerstones of the reward strategy. The reward and remuneration strategy and policies are 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. We will endeavour to seamlessly entrench these policies at the newly-acquired platinum assets.

It is the primary role of the Remuneration Committee to oversee and ensure that these principles are applied and implemented so as to ensure that Sibanye is able to deliver on its strategic objectives.

The Remuneration Committee ensures that Sibanye's remuneration policies and practices are market competitive to enable the attraction, retention and motivation of best-in-class talent and skills, especially at executive and senior management levels, to enable the company to deliver on its core purpose, vision and strategy.

The committee regularly reviews the skills profile of Sibanye's executive leadership team in terms of the company's requirements, and amends remuneration policies and practices accordingly. The policies set by the committee determine transformation and talent retention throughout the group.

The committee also reviews the performance of executive directors and the executive management team, and ensures that their remuneration remains competitive and is linked to the group's performance, in terms of agreed indicators and targets.

At executive management level, the payment of incentives, both short- and long-term, is based on the achievement of performance targets, which include operational (for employees at an operational level) and strategic performance targets that are aligned with our strategic objectives.

REMUNERATION MIX

Sibanye's remuneration model and practices are aimed at attracting and retaining motivated, high-calibre employees and aligning their interests with those of 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, the remuneration of more senior employees consists of a higher portion of variable pay, which is performance-based, as a percentage of their total remuneration than that of junior employees.

The Group's reward/pay/remuneration structure includes the following elements:

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

REMUNERATION REPORT CONTINUED

At executive management level, the following remuneration on-target performance mix for the period under review was approved by the Remuneration Committee.

Role	Total %	Guaranteed pay %	Cash bonus %	Bonus shares %	Performance shares %
Chief Executive Officer	100.0	24.8	16.1	10.7	48.4
Chief Financial Officer	100.0	26.3	15.8	10.5	47.4
Executive Vice President (EVP) (or prescribed officer)	100.0	28.0	15.4	10.3	46.3
Senior Vice President (SVP)	100.0	30.0	15.0	10.0	45.0
Vice President (VP)	100.0	34.9	14.0	9.3	41.8
E-band*	100.0	60.7	39.3	0.0	0.0
D-band*	100.0	69.0	31.0	0.0	0.0

* As per the Paterson grading system

GUARANTEED REMUNERATION

Sibanye endeavours to be fair and consistent in the reward of employees, in line with their roles and individual contributions 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 Remuneration 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 by category for similar 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, changes in responsibility, increases in remuneration based on market trends and inflation. The committee also considers the impact of any guaranteed remuneration increase on the total remuneration package. For prescribed officers, the annual bonus is 55% of guaranteed pay for on-target performance.

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. These annual bonuses could increase to more than 60% and 65% respectively 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 bonuses are set by the Remuneration Committee. In the case of the CEO and CFO, 90% of the annual bonus is based on Group objectives (i.e. corporate performance, including the outcome of the Gold Division at 87% weighting and the Platinum Division at 13%) and the remaining 10% on individual objectives.

For 2016, annual bonuses were based on targets approved in advance by the Remuneration Committee, comprising a combination of group and operational objectives, based on Sibanye's business plans and operational targets. The group performance measures for the senior executives were set by the Remuneration Committee and the weightings were as follows:

- Safety 20%
- Volume 20%
- Cost 20%
- Quality (grade) 30%

The CEO and CFO performance assessments also take into account individual objectives. These are set annually for each executive director based on key performance areas and are approved at the beginning of each year by the Remuneration Committee. Typically, individual objectives are centred on two themes: strategic initiatives and stakeholder management.

For the year ended 31 December 2016, Group performance measures for executive directors and senior executives were:

Corporate performance: Gold Division		Weight %	Actual	Target	Achieved % ³
Safety	Reduce FIFR ¹	10	0.108	0.059 ¹	0
	Reduce LTIFR	5	6.99	5.28	0
	Reduce SIFR	5	4.42	3.49	0
Volume	Primary on-reef development (m)	10	14,252	16,155	21
	Primary off-reef development (m)	10	43,765	45,816	70
Cost	Cost of ore milled – underground (R/tonne)	20	1,929	1,844	69
Quality	Grade and quality – gold produced (kg) ²	30	47,405	49,208	76
Total		90			46

¹ Despite Sibanye's commitment to Zero Harm, the bonus parameter for all safety targets is set at 10% below the lower rate achieved in the previous two years

² The actual performance for 2016 includes an adjustment for 370kg additional gold which is the estimated lost production during the illegal AMCU strike in the second quarter considered to be outside direct management control. Production costs at Ezulwini have also been excluded from the target, from September 2016, due to a decision to terminate production at the unit

³ The achieved percentage is based on the actual result compared with the set target. If the target is achieved a bonus of 100% is earned. At 15% below target no bonus is earned up to a maximum bonus of 200% at 5% above target. At actual performance between these levels, the bonus is proportional

Corporate performance: Platinum Division		Weight %	Actual	Target	Achieved %
Safety	Reduce FIFR	10	0.116	0	0
	Reduce LTIFR	5	4.53	2.27	0
	Reduce SIFR	5	2.79	1.98	0
Volume	Primary development (m)	20	11,220	13,872	0
Cost	Cost (R/4Eoz)	20	10,427	10,555	124
Quality	Grade and quality – 4E PGM produced (kg)	30	11,511	10,255	200
Total		90			85

In turn, the CEO develops specific individual objectives, aligned with the organisation's strategic objectives, with those who report directly to him (executive management) at the beginning of each year. These objectives are then reviewed by the Remuneration Committee and, together with operational performance outcomes, form the basis upon which their performances are reviewed at the end of the year.

Based on the bonuses determined for each member of the executive management team for the year ended 31 December 2016, the annual bonus as a percentage of guaranteed pay paid to executive directors and prescribed officers in February 2017 was as follows:

Name	Annual incentive as percentage of guaranteed pay
Executive directors	
Neal Froneman	42.7
Charl Keyter	38.9
Prescribed officers	
Hartley Dikgale	34.0
Dawie Mostert	34.5
Jean Nel ¹	41.6
Themba Nkosi ^{2,4}	69.8 ⁴
Wayne Robinson	31.8
Richard Stewart	35.9
Robert van Niekerk	40.0
John Wallington ³	34.5

¹ Appointed as a prescribed officer on 13 April 2016 and resigned as a prescribed officer on 1 November 2016

² Appointed as a prescribed officer on 4 July 2016

³ Appointed as a prescribed officer on 1 February 2016

⁴ As an attraction mechanism, it was agreed to award Themba an annual incentive for 2016 based on service for the full year

REMUNERATION REPORT CONTINUED

SCHEDULES OF FEES AND REMUNERATION

The tables below set out the various fees and remuneration of executive and non-executive directors, and prescribed officers.

DIRECTORS' FEES

In terms of Sibanye's Memorandum of Incorporation, the fees for services as non-executive directors are determined by the Company's shareholders at a general meeting. The current applicable schedule of fees, effective from 1 June 2016 is set out below.

	Per annum
Chairman of the Board	R1,653,750
Chairman of the Audit Committee	R316,418
Chairmen of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R195,143
Members of the Board (excluding the Chairman of the Board)	R874,283
Members of the Audit Committee (excluding the Chairman of the Board)	R164,273
Members of the Nominating and Governance Committee, Risk Committee, Remuneration Committee, Social and Ethics Committee and Safety, Health and Sustainable Development Committee (excluding the Chairman of the Board)	R123,480

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

Remuneration paid to Sibanye directors and prescribed officers during the year ended 31 December 2016 was as follows:

Figures in thousands – SA Rand	Directors' fees	Committee fees	Salary	Annual bonus accrued for 2016 (paid in 2017)	Share proceeds and dividends on bonus shares ⁴	Pension scheme total contributions	Expense allowance	2016	2015
Executive directors									
Neal Froneman	–	–	7,791	4,180	91,758	863	135	104,727	19,886
Charl Keyter	–	–	4,292	2,090	19,266	605	46	26,299	13,119
Prescribed officers									
Hartley Dikgale	–	–	2,840	1,245	6,577	187	–	10,849	5,368
Dawie Mostert	–	–	2,886	1,288	7,176	361	–	11,711	5,974
Jean Nel ¹	–	–	3,460	1,622	–	–	–	5,082	–
Themba Nkosi ²	–	–	1,549	1,227	–	175	–	2,951	–
Wayne Robinson	–	–	3,772	1,365	745	298	–	6,180	6,180
Richard Stewart	–	–	3,067	1,353	574	337	–	5,331	5,152
Robert van Niekerk	–	–	3,852	1,626	15,835	422	–	21,725	15,734
John Wallington ³	–	–	3,134	1,264	–	550	–	4,948	–
Non-executive directors									
Chris Chadwick	857	242	–	–	–	–	–	1,099	1,047
Robert Chan	857	242	–	–	–	–	270	1,369	1,047
Tim Cumming	857	433	–	–	–	–	47	1,337	1,278
Barry Davison	857	554	–	–	–	–	–	1,411	1,387
Rick Menell	857	715	–	–	–	–	30	1,602	1,535
Sello Moloko	1,621	–	–	–	–	–	–	1,621	1,544
Nkosemntu Nika	857	403	–	–	–	–	–	1,260	1,200
Keith Rayner	857	673	–	–	–	–	–	1,530	1,420
Sue van der Merwe	857	282	–	–	–	–	–	1,139	1,085
Jerry Vilakazi	857	312	–	–	–	–	–	1,169	1,113
Jiyu Yuan	857	121	–	–	–	–	–	978	604
	10,191	3,977	36,643	17,260	141,921	3,798	528	214,318	84,673

¹ Appointed as a prescribed officer on 13 April 2016 and resigned as a prescribed officer on 1 November 2016

² Appointed as a prescribed officer on 4 July 2016

³ Appointed as a prescribed officer on 1 February 2016

⁴ In certain instances, the increase in remuneration reported for 2016 as compared with that for 2015 is a consequence of the following:

– the value of the long-term incentives that vested in 2016 was substantially higher than the fair value at grant date due to the significant appreciation of more than 500% in Sibanye's share price since the grant date for the conditional shares (the long-term incentive) in May 2013 to vesting in 2016. This was magnified by Sibanye significantly outperforming the appointed peer group of companies, resulting in the performance condition applicable to conditional shares being evaluated at maximum

SIBANYE GOLD LIMITED 2013 SHARE PLAN

On 21 November 2012, the shareholders of Sibanye approved the adoption of the Sibanye Gold Limited 2013 Share Plan (SGL Share Plan) with effect from the date of listing. The SGL Share plan provides for two methods of participation, namely Performance Shares (PS) and Bonus Shares (BS). This plan seeks to attract, retain, motivate and reward participating employees on a basis which seeks to align the interest of such employees with those of the shareholders.

THE SCHEME RULES AND TARGETS

Sibanye has in place a share plan for certain of its employees, the Sibanye Gold Limited 2013 Share plan (SGL Share plan). The SGL share plan comprises two parts:

- annual offers of bonus matching forfeitable shares, serving as a form of bonus deferral (part of the short-term incentive awarded in addition to cash bonus); and
- annual conditional offers of performance vesting forfeitable shares, serving as a form of share-based long-term incentive.

The SGL Share plan is considered to provide a solid framework for short and long term (share based) incentivisation in a multi-commodity divisionalised resource company. However certain amendments to the implementation of the SGL Share Plan, prompted by shareholder feedback have been implemented.

BONUS SHARES

The Remuneration Committee makes an annual award of forfeitable shares to the executive directors, prescribed officers, Senior Vice Presidents (SVPs) and Vice Presidents (VPs). These are referred to as Bonus Shares. The size of this Bonus Share award depends on the individual's annual cash bonus, which is determined by actual performance against predetermined targets.

The face value of the Bonus Share award is equal to two-thirds of the actual annual cash bonus and is allocated in the form of restricted forfeitable shares. The Bonus Shares vest in two equal parts at nine months and eighteen months after the award date. Dividends are payable on the Bonus Shares during the holding period.

PERFORMANCE SHARES

The Remuneration Committee makes an annual award of conditional shares to the executive directors, prescribed officers, SVPs and VPs. These are referred to as Performance Shares. The number of Performance Shares awarded to an employee is based on the employee's annual guaranteed pay and their grade combined with a factor related to their assessed performance rating for the prior year and using the relevant share price calculation at the offer date.

Previously, the actual number of Performance Shares which could vest from previous awards was determined by Sibanye's share price performance measured against the performance of Harmony Gold Mining Company Limited and Pan African Resources plc over a performance period of three years. The number of Performance Shares which finally vested was based on the relative change in the Sibanye share price compared to the respective change in the share prices of the other two peer-group companies, with discretion allowed due to the small sample size. For any Performance Share award to be settled by executives, an internal company performance target was required to be met before the external relative measure was applied.

This threshold performance criterion for vesting of any Performance Shares was set at the achievement of at least 85% of Sibanye's expected gold production over the three-year measurement period as set out in the business plans of Sibanye as approved by the Board. Only once this internal measure had been achieved, would the external measure (Sibanye's share price performance measured against the abovementioned companies) be applied to determine the scale of the vesting of awards of Performance Shares.

Various concerns were expressed by representatives of the investor community relating to the performance conditions applicable to the vesting of Performance Shares. Specifically, concerns were expressed that:

- a peer group comprising only two other companies was not sufficiently robust for the evaluation of Sibanye's performance over the vesting period; and
- the condition of an 85% threshold as an internal target for gold produced over the three year period under which the Performance Shares would not vest was insufficiently stretching.

A review was conducted to identify appropriate adjustments to the implementation policy that would appropriately address these concerns and provide for enhanced alignment with shareholder interests. The decisions resulting from this review and the revised policy, inter alia, are disclosed below. These were applicable for all Performance Share awards from 1 March 2016 onwards.

Annual conditional awards of Performance Shares continue to be made to the executive directors, prescribed officers, SVPs and VPs, and this element will be the primary form of share-based long term incentivisation.

Performance Shares vest no earlier than the third anniversary of their award, to the extent that Sibanye has met specified performance criteria over the intervening period. Essentially the number of shares that vest will depend on the extent to which Sibanye's has performed over the intervening three year period relative to two particular performance criteria, Total Shareholder Return and Return on Capital Employed.

REMUNERATION REPORT CONTINUED

These are considered to be the most widely acceptable vesting performance measures suited to aligning the outcome of long term share incentive awards with shareholders' interests. This change will result in a possible vesting percentage ranging from 0% in the case of very poor performance to 100% vesting of the awarded Performance Shares in the event of having achieved stretched performance outcomes.

The performance criteria used to govern the vesting of performance shares are determined by the Remuneration Committee and communicated in award letters to participants. The following two performance conditions, applied with the indicated weightings, were implemented for determining the vesting of future awards effective from March 2016 onwards.

Total Shareholder Return – 70% weighting

Total shareholder return (TSR) will be measured against a benchmark of eight mining and resource companies, a few of which can be deemed direct competitors, but collectively they can be deemed to be an alternative investment portfolio for Sibanye's Shareholders. TSR is generally recognised as the most faithful indicator of shareholder value creation. It is used extensively internationally and increasingly in South Africa, sometimes as a single metric but most often as one of two or three weighted performance metrics. In a few cases an absolute target is set, but most often it is targeted in relation to a peer or comparator group of "like" companies.

Percentage vesting is determined based on a peer group curve that is constructed on a market capitalisation weighted basis. The annual TSR (TSRANN) is determined for each of the companies in the peer group. The peer group companies are sorted from lowest to highest TSRANN. The average market capitalisation based on daily closing price is determined for each company, and each peer company is assigned its proportion of the overall average market capitalisation of the peer group. The peer company TSR curve is plotted at the midpoint of each company's percentage of peer group market capitalisation on a cumulative basis above the worse performing companies in the peer group. In the event that one or more of the peer companies become ineligible for comparison, a peer company curve based on the companies remaining in the peer group will be utilised.

The cumulative position of Sibanye's TSRANN is then mapped onto the TSR curve for the peer group to determine the percentile at which Sibanye performed over the vesting period. The performance curve governing vesting is:

TSR element of performance conditions (70%)	
Percentile on peer group TSR curve	% vesting
0%	0
10%	0
20%	0
30%	5
40%	20
50%	35
60%	55
70%	75
80%	90
90%	100
100%	100

The eight peer group comparator companies for TSR comprises of similar market capitalisation companies reflective of the expected positioning of Sibanye over the short to medium term as a value driven multi-commodity resources company with a specific focus on gold and platinum and are set out in the table below:

Peer group companies for TSR comparison
African Rainbow Minerals Limited
Anglo American Platinum Limited
AngloGold Ashanti Limited
Exxaro Resources Limited
Gold Fields Limited
Harmony Gold Mining Company Limited
Impala Platinum Holdings Limited
Northam Platinum Limited

Return on capital employed – 30% weighting

Return on capital employed (ROCE) is a profitability ratio that measures how efficiently a company generates profits from its capital employed. This measure has been adopted as there has been a shift toward “excess returns” – “excess returns” provide a more central role in determining the current and potential value of a business. There is an increased focus on measuring and forecasting returns earned by businesses on both investments made in the past and expected future investments. For Sibanye, ROCE is to be evaluated against the company's cost of capital (Ke). A minimum threshold on the performance scale for ROCE is set as equalling the cost of capital, Ke, which would lead to the ROCE element contributing 0% towards the performance condition. Delivering a return that exceeds Ke by 6% or more would be regarded as a superior return representing the maximum 100% on the performance scale and full vesting in respect of the ROCE element. The performance curve governing vesting will be as follows:

ROCE element of performance condition (30%)	
Annual ROCE	% vesting
≤Ke	0
Ke + 1%	16.7
Ke + 2%	33.3
Ke + 3%	50.0
Ke + 4%	66.7
Ke + 5%	83.3
Ke + 6%	100

The overall performance condition will be determined by adding 70% of the Total Shareholder Return element to 30% of the Return on Capital Employed element. Furthermore, should the board, at its sole discretion, determine that there is evidence of extreme environmental, social and governance (ESG) malpractice, during the Vesting Period, up to 20% of the Performance Shares that would otherwise settle on vesting may be forfeited.

As indicated, the performance criteria described above govern vesting of all awards effective from 1 March 2016. Should any further adjustment be made they will govern future offers but will not be applied retrospectively.

DIRECTORS AND PRESCRIBED OFFICERS' EQUITY-SETTLED INSTRUMENTS

The directors and prescribed officers of Sibanye held the following equity-settled instruments in the above Sibanye Gold Limited 2013 Share Plan at 31 December 2016:

	2015	Instruments granted	Equity-settled instruments exercised during the year			2016
	Number of instruments	Number of instruments	Number of instruments	Average price	Share proceeds in rands	Number of instruments
Executive directors						
Neal Froneman	2,579,432	1,186,314	2,344,312	38.73	90,805,896	1,421,434
Charl Keyter	708,026	669,348	779,014	23.93	18,644,698	598,360
Prescribed officers						
Hartley Dikgale	294,164	265,242	271,171	23.42	6,351,537	288,235
Dawie Mostert	322,685	309,584	287,038	24.21	6,949,764	345,231
Jean Nel ¹	–	166,151	–	–	–	166,151
Themba Nkosi ²	–	67,666	–	–	–	67,666
Wayne Robinson	157,030	195,770	28,118	24.41	686,257	324,682
Richard Stewart	319,368	188,623	23,821	22.02	524,481	484,170
Robert van Niekerk	576,956	518,251	649,287	23.58	15,311,318	445,920
John Wallington ³	–	126,740	–	–	–	126,740

¹ Appointed 13 April 2016 and resigned as a prescribed officer on 1 November 2016

² Appointed 4 July 2016

³ Appointed 1 February 2016

REMUNERATION REPORT CONTINUED

EXECUTIVE DIRECTORS' CONTRACTS OF EMPLOYMENT

The employment of an executive director will continue until terminated upon (i) 24 or 12 months' notice by either party for the CEO and CFO, respectively, or (ii) retirement of the relevant executive director (currently provided for at age 65 in the contract). Sibanye can also terminate the executive director's employment summarily for any reason recognised by law as justifying summary termination.

Except for the two current executive directors, none of the prescribed officers have entered into employment contracts that provide for any compensation for severance because of change of control.

The service agreements of the two current executive directors contain 'change of control' conditions, which are set out for information below. These contracts and conditions will be honoured until they terminate. However, any future appointments of executive directors will be made without provision for any compensation for severance because of change of control.

The employment contracts for the two current executive directors provide that, in the event of the relevant executive director's employment being terminated solely as a result of a "change of control" as defined below, within 12 months of the change of control, the executive director is entitled to:

- payment of an amount equal to twice his gross remuneration package, or two and a half times in the case of the CEO;
- payment of an amount equal to the average of the incentive bonuses paid to the executive director during the previous two completed financial years;
- any other payments and/or benefits due under the contracts;
- payment of any annual incentive bonus he has earned during the financial year notwithstanding that the financial year is incomplete;
- an entitlement to awards, in terms of the Sibanye Gold Limited Incentive Scheme, shall accelerate on the date of termination of employment and settle with the full number of shares previously awarded. The employment contracts further provide that these payments cover any compensation or damages the executive director may have under any applicable employment legislation.

A "change of control" for the above is defined as the acquisition by a third party or concerned parties of 30% or more of Sibanye ordinary shares. In the event of the consummation of an acquisition, merger, consolidation, scheme of arrangement or other reorganisation, whether or not there is a change of control, if the executive director's services are terminated, the "change of control" provisions summarised above also apply.

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 (Sibanye) Integrated Annual Report for the year ended 31 December 2016 (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 *Key features – four-year review* on pages 10 to 13 of the Report, marked footnote 16.

Selected Sustainability Performance Indicators	Unit
(a) Prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines (GRI G4 Guidelines)	
Environment	
CO ₂ e emissions (Scope 1 and 2)	'000 tonnes
CO ₂ e emissions Scope 3	'000 tonnes
Electricity consumption	'000 MWh
Number of environmental incidents – Level 3 and above	Number
Water withdrawal	ML
Diesel	TJ
Health	
Number of cases of reported silicosis	Number of cases
Number of cases of reported noise-induced hearing loss (NIHL)	Number of cases
Number of cases of reported chronic obstructive airways diseases (COAD)	Number of cases
Number of cases of reported cardiorespiratory tuberculosis (TB) – new and retreatment cases	Number of cases
Number of cases of reported TB incidence – new and relapse cases	Number of cases
Number of patients in active employment and on highly-active antiretroviral treatment (HAART)	Number of patients
HIV prevalence among employees	Percentage
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	
Socio-economic development spend	R million
(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)	
Approved social and labour plan (SLP) projects spend	R million
(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)	Percentage
HDSA representation	
• Top Management (Board)	
• Senior management (executives)	
• Middle management (E Band)	
• Junior management (D Band)	
Procurement and enterprise development	
BEE procurement – Total spend	R million
BEE Procurement Spend: Capital goods	Percentage (%)
BEE Procurement Spend: Services	Percentage (%)
BEE Procurement Spend: Consumable	Percentage (%)

STATEMENT OF ASSURANCE CONTINUED

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 a 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 Sibanye'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 for the selected sustainability performance indicators;
- 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 selected sustainability performance indicators;
- Undertook site visits to Beatrix, Kloof, Driefontein, Cooke, Libanon Business Park and to Kroondal and the Rustenburg Operations;
- 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 Sibanye.

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 Sibanye's selected sustainability performance indicators as set out in (a), (b) and (c) have been prepared, in all material respects, in accordance with the relevant reporting criteria.

LIMITED ASSURANCE CONCLUSIONS

In relation to the Report for the year ended 31 December 2016, 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 Sibanye website is the responsibility of Sibanye's 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 Sibanye 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 Sibanye 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 Sibanye, for our work, for this report, or for the conclusion we have reached.

KPMG Services Proprietary Limited

PD Naidoo

Director

Johannesburg

30 March 2017

KPMG Crescent

85 Empire Road

Parktown

Johannesburg

J Erasmus

Director

Johannesburg

30 March 2017

KPMG Crescent

85 Empire Road

Parktown

Johannesburg

SHAREHOLDER INFORMATION

STOCK EXCHANGE INFORMATION

Sibanye's primary listing is on the Johannesburg Stock Exchange (ticker code: SGL). It is also quoted in the form of American depositary receipts on the New York Stock Exchange (ticker code: SBGL) and as international depositary receipts on the Berlin exchange.

Share information

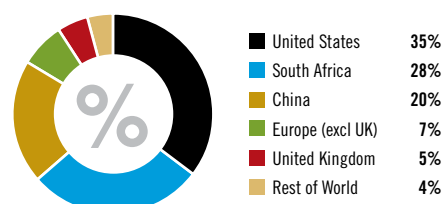
Sector	Resources		
Issued share capital	at 31 December 2016	929,004,342 shares in issue	
	at 31 December 2015	916,140,552 shares in issue	
Market capitalisation	at 31 December 2016	R23.6 billion or US\$1.7 billion	
	at 31 December 2015	R20.9 billion or US\$1.3 billion	
JSE			
12-month average daily share trading volumes	year ended 31 December 2016	6,165,133	
	year ended 31 December 2015	3,024,491	
Share price statistics	12-month low and high for 2016	Low: R21.98	High: R70.23
	12-month low and high for 2015	Low: R13.66	High: R32.26
	closing price as at 31 December 2016	R25.39	
NYSE			
12-month average daily share trading volumes on NYSE and other US platforms	year ended 31 December 2016	2,159,231	
	year ended 31 December 2015	1,400,343	
Share price statistics	12-month low and high for 2016	Low: US\$6.16	High: US\$20.78
	12-month low and high for 2015	Low: US\$4.21	High: US\$11.35
	closing price as at 31 December 2016	US\$7.06	
Free float	80%		
ADR ratio	1:4		

Note: JSE info sourced from the JSE, NYSE info sourced from Bloomberg

Ownership summary at 31 December 2016 – top 10 shareholders

Rank	Investor	Current combined holding of shares in issue	% of shares in issue
1	Gold One	185,386,079	19.96
2	Public Investment Corporation	76,941,387	8.28
3	Van Eck	53,555,603	5.76
4	Old Mutual	51,099,720	5.50
5	BlackRock Inc	34,764,380	3.74
6	Vanguard Group	24,609,470	2.65
7	Dimensional Fund Advisors	22,462,462	2.42
8	Sanlam Investment Management	15,038,634	1.62
9	Fairtree Capital Pty Ltd	14,580,344	1.57
10	Gold Fields Thusano Share Trust	13,525,394	1.46

Geographic distribution of shareholders as at 31 December 2016 (%)



Registered shareholder spread at 31 December 2016

	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1,000 shares	14,177	78.71	2,499,255	0.27
1,001 – 10,000 shares	2,773	15.40	8,983,613	0.97
10,001 – 100,000 shares	740	4.11	25,096,607	2.70
100,001 – 1,000,000 shares	228	1.27	70,989,811	7.64
1,000,001 shares and above	94	0.52	821,435,056	88.42
Total	18,012	100	929,004,342	100.00

Public and non-public shareholdings

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	12	0.07	21,034,437	2.26
Directors*	9	0.05	1,910,768	0.21
Share trust	1	0.01	13,525,394	1.45
Own holding	2	0.01	5,598,275	0.60
Public shareholders	18,000	99.93	907,969,905	97.74
Total	18,012	100.00	929,004,342	100.00

* The directors' shareholdings are reflected in the Remuneration Report on page 115

Foreign custodian holdings of more than 3% at 31 December 2016

	Number of shares	% of issued capital
Bank of New York Depositary Receipts	203,448,530	21.89
State Street Bank and Trust Company	75,193,879	8.09
J.P. Morgan Chase Bank NA	40,935,855	4.40

SHAREHOLDER INFORMATION CONTINUED

Investment management shareholdings of more than 3%

Beneficial shareholdings	2016		2015		2014	
	Number of shares	% of shares in issue	Number of shares	% of shares in issue	Number of shares	% of shares in issue
Public Investment Corporation (SOC) Limited	76,941,387	8.28	76,599,424	8.36	71,372,617	7.94
Van Eck Associates Corporation	53,555,603	5.76	65,030,159	7.10	45,569,180	5.07
Old Mutual Plc	51,099,720	5.50	34,870,880	3.81	47,870,156	5.33
BlackRock Inc	34,764,380	3.74	11,100,898	1.22	12,283,252	1.37
Dimensional Fund Advisors	22,462,462	2.42	46,107,899	4.71	37,800,158	4.21
Investec	9,026,558	0.97	29,818,210	3.25	29,171,028	3.25
Allan Gray Proprietary Limited	4,428,112	0.48	75,903,026	8.29	89,681,047	9.98

Shareholders' diary

2016 suite of reports, annual financial statements and 20F issued	30 March 2017
Special general meeting for approval of Stillwater transaction	25 April 2017
Annual general meeting	23 May 2017
2017 Operating and financial results	
Quarter 1 Operating update	4 May 2017
Results for six months ended 30 June 2017	24 August 2017
Quarter 3 Operating update	26 October 2017

INVESTOR RELATIONS CONTACTS

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Sibanye corporate website: www.sibanyegold.co.za

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “target”, “will”, “would”, “expect”, “anticipate”, “plans”, “potential”, “can”, “may” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

These forward-looking statements, including, among others, those relating to Sibanye’s future business prospects, revenues and income, expected timings of the Stillwater transaction (the Stillwater Transaction) (including completion), potential Transaction benefits (including statements regarding growth and cost savings) or information related to the Blitz Project, wherever they may occur in this document and the exhibits to this document, are necessarily estimates reflecting the best judgment 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; Sibanye’s or Stillwater’s ability to complete the proposed Transaction; the inability to complete the proposed Transaction due to failure to obtain approval of the shareholders of Sibanye or Stillwater or other conditions in the merger agreement; Sibanye’s ability to achieve anticipated efficiencies and other cost savings in connection with the Transaction; the success of Sibanye’s business strategy and changes thereto, 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. Further details of potential risks and uncertainties affecting Sibanye are described in Sibanye’s filings with the JSE and the SEC, including in Sibanye’s Annual Report on Form 20-F, for the year ended 31 December 2016, when filed with the SEC. 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.

ADDITIONAL INFORMATION ON THE STILLWATER TRANSACTION AND WHERE TO FIND IT

This document does not constitute the solicitation of any vote, proxy or approval. In connection with the proposed Transaction, Sibanye has posted to its shareholders a JSE Limited (JSE) Category 1 circular and Stillwater has filed with the Securities and Exchange Commission (the SEC) relevant materials, including a proxy statement. The JSE Category 1 circular and other relevant documents have been sent or otherwise disseminated to Sibanye’s shareholders and contain important information about the proposed Transaction and related matters. SHAREHOLDERS OF SIBANYE ARE ADVISED TO READ THE JSE CATEGORY 1 CIRCULAR AND OTHER RELEVANT DOCUMENTS, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The proxy statement and other relevant documents have been sent or otherwise disseminated to Stillwater’s shareholders and contain important information about the proposed Transaction and related matters. SHAREHOLDERS OF STILLWATER ARE ADVISED TO READ THE PROXY STATEMENT THAT HAS BEEN FILED AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Sibanye shareholders may obtain free copies of the JSE Category 1 circular by going to Sibanye’s website at www.sibanyegold.co.za. The proxy statement and other relevant documents may also be obtained, free of charge, on the SEC’s website (<http://www.sec.gov>). Stillwater shareholders may obtain free copies of the proxy statement from Stillwater by going to Stillwater’s website at www.stillwatermining.com.

PARTICIPANTS IN THE SOLICITATION

Sibanye, Stillwater and their respective directors and officers may be deemed participants in the solicitation of proxies of Sibanye’s and Stillwater’s respective shareholders in connection with the proposed Transaction. Sibanye’s shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Sibanye in Sibanye’s Annual Report on Form 20-F, for the year ended 31 December 2016, when filed with the SEC. Stillwater’s shareholders and other interested persons may obtain, without charge, more detailed information regarding the directors and officers of Stillwater in Stillwater’s Annual Report on Form 10-K for the fiscal year ended 31 December 2016, which was filed with the SEC on 16 February 2017. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed Transaction is included in the proxy statement that Stillwater has filed with the SEC.

NO OFFER OR SOLICITATION

This document is for informational purposes only and does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States or any other jurisdiction. Any securities referred to herein that are being offered outside of the United States have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered, exercised or sold in the United States absent registration or an applicable exemption from registration requirements. The public offering of securities currently intended by the issuer to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company, its management and financial statements.

ADMINISTRATIVE AND CORPORATE INFORMATION

SIBANYE GOLD LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2002/031431/06)
Share code: SGL
Issuer code: SGL
ISIN: ZAE E000173951

LISTINGS

JSE: SGL
NYSE: SBGL

WEBSITE

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